

Annual Report 2023  
(Abridged Version)



PAVING  
THE PATH  
TOWARDS  
DIGITAL  
EXCELLENCE

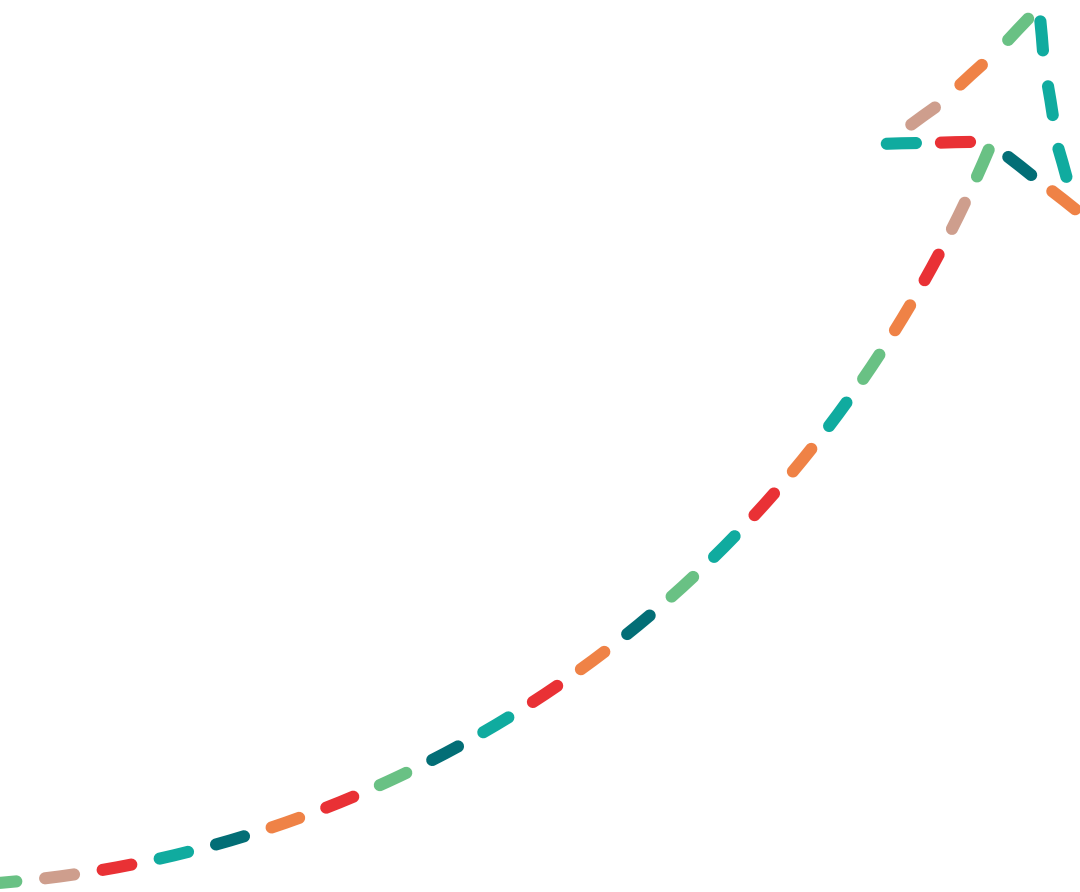
Growing Together...



LankaBangla<sup>TM</sup>  
FINANCE

# PAVING THE PATH TOWARDS DIGITAL EXCELLENCE

LankaBangla Finance as an organization follows a progression path to achieve excellence in effective, productive, and performance oriented digital financing with a significant increase in speed. LBF PLC has been building a culture of openness to empower teams by giving them proper resources, facilitating collaboration with communication tools and finally prepare leadership to take charge for improving effectiveness of customer satisfaction. Teams are organized around user journey with a feedback culture to improve customer centricity using digital platform and human interactivity that lead to consistent incremental performance. It is needless to mention that Generative AI is poised to unleash the next wave of productivity. As an organization LBF PLC takes a first look at where business value could accrue and the potential impacts on the workforce. This Year's Annual Report (Abridge Version) 2023 is a manifestation of this reengineered trajectory.





To be the most preferred financial service provider in creating, nurturing and maximizing value to the stakeholders, thereby, Growing Together...



- Be a growth partner for our customers, ensuring financing and superior experience
- Maintain a culture of meritocracy in the DNA of the company
- Be sustainable and ensure quality returns to our valued shareholders
- Uphold efforts to develop our community



We have strong values that are well embedded in our culture. Our values create the following goals to help us deliver our strategy:

- Cherish a sense of ownership
- Be customer centric
- Grow as a team
- Act with integrity and professionalism
- Deal with respect

Scan the QR Code by following these simple steps:



**Get it**

Download the "QR Code Reader" App from Google Play (Android Market), App Store (iOS/iPhone)



**Run it**

Run the QR Code Reader App and point your camera at the QR Code



**Access it**

Get access to Lanka Bangla's website



**Feedback**

We need your feedback to make sure we are covering the things that matter to you. For the feedback form, scan the QR Code with your smartphone. You can also email [info@lankabangla.com](mailto:info@lankabangla.com)

# Annual Report 2023

## TABLE OF CONTENTS

<b>01</b>	<b>About LankaBangla Finance PLC</b>	<b>04-54</b>
	Notice of Annual General Meeting	4
	Shareholding Structure	5
	List of Directors	6
	Message from the Chairman	7
	Directors' Report	10
	Statement on Corporate Governance	20
	Certification on Compliance of the Corporate Governance Code	28
	Responsibility Statement of MD and CFO	29
	Review from the Managing Director	30
	CFO's Statement on Performance	32
	Financial Highlights of Lankabangla Group	43
	Financial Highlights of LankaBangla Finance PLC	46
	Performance of Subsidiaries	49
	Economic Outlook	54
<b>02</b>	<b>Audited Financial Statements</b>	<b>61-79</b>
	Independent Auditor's Report	61
	Consolidated Balance Sheet	67
	Consolidated Profit and Loss Account	69
	Consolidated Statement of Cash Flows	70
	Consolidated Statement of Changes in Equity	71
	Balance Sheet	72
	Profit and Loss Account	74
	Statement of Cash Flows	75
	Statement of Changes in Equity	76
	Consolidated Statement of Liquidity	77
	Statement of Liquidity	78
	Notes to the Consolidated and Separate Financial Statements	79

# NOTICE OF ANNUAL GENERAL MEETING

## NOTICE OF 27TH ANNUAL GENERAL MEETING OF LANKABANGLA FINANCE PLC

Notice is hereby given that 27th Annual General Meeting (AGM) of LankaBangla Finance PLC will be held on 29 September 2024 (Sunday) at 11:00 a.m. The AGM will be held using digital platform (<https://lankabanglafinance.bdvirtualagm.com>) to transact the following businesses:

AGMA-01-27-24	To receive and adopt the Directors' Report, Auditors' Report and Audited Financial Statements for the year ended on December 31, 2023
AGMA-02-27-24	To approve dividend for the year 2023
AGMA-03-27-24	To elect directors in place of those who shall retire by rotation in accordance with the provision of Articles of Association of the Company and appointment of directors
AGMA-04-27-24	To appoint Statutory Auditors of the Company for the year 2024 until conclusion of 28th AGM and to fix their remuneration
AGMA-05-27-24	To appoint Compliance Auditor as per Corporate Governance Code for the year 2024 and to fix their remuneration
AGMA-06-27-24	To transact any other business with the permission of the Chair

Dated: 5 September 2024

By Order of the Board  
Sd/-  
**Mostafa Kamal FCA**  
Company Secretary

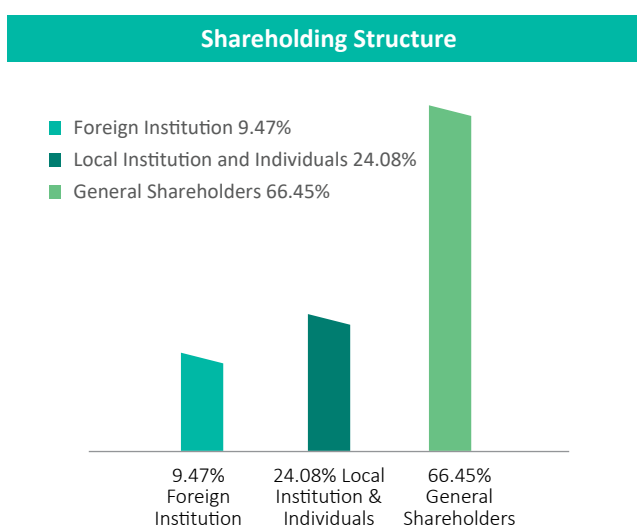
### Notes:

- The record date was fixed on 4 September 2024 (Wednesday). The Shareholders, whose names will appear in the Share Register of the Company at the close of business on the record date, will be eligible to attend the meeting and get dividend.
- The Board of Directors has recommended 10.00% Cash Dividend (i.e. BDT 1.00 per share of BDT 10.00 each).
- A shareholder entitled to attend and vote at the AGM may appoint a Proxy to attend and vote in his/her stead. The "Proxy Form", duly filled, signed and stamped with BDT 20.00 must be sent through email at [share.lbfl@lankabangla.com](mailto:share.lbfl@lankabangla.com) not later than 48:00 hours before commencement of the AGM
- Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/ Admin/81 dated 20 June 2018, the Company will send the Annual Report-2023 in soft format to the email of the share-holders available in their Beneficial Owner (BO) accounts maintained with the Depository. Soft copy of the Annual Report 2023 will also be available in the Company's website at [www.lankabangla.com](http://www.lankabangla.com)
- The shareholders will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and during the AGM. For logging into the system, the shareholders need to put their 16-digit Beneficial Owner (BO) ID number and other credential as proof of their identity by visiting the link <https://lankabanglafinance.bdvirtualagm.com>
- We encourage the shareholders to log in the system prior to the meeting on 29 September 2024. Please allow ample time to login and establish your connectivity. The webcast will start at 12:01 a.m. (Bangladesh Time) on 27 September 2024. Please contact +8801678006138 in case of any technical difficulties in accessing the virtual meeting.

# SHAREHOLDING STRUCTURE

AS on 31 December 2023

Authorised Capital:	No. of Share	BDT
(Ordinary Shares of TK. 10.00 each)	1,000,000,000	10,000,000,000
Issued, Subscribed and Paid up Capital:	No. of Share	BDT
(Ordinary Shares of TK. 10.00 each)	538,838,623	5,388,386,230
<b>Details of shareholding structure are as under:</b>		
Sponsor and/or Director	Total Holding (No. of Share)	% of Shareholding
<b>a) Foreign Institution:</b>		
Sampath Bank PLC (Sri Lanka)	51,036,605	9.47%
<b>Sub-Total</b>	<b>51,036,605</b>	<b>9.47%</b>
<b>b) Local Institution:</b>		
ONE Bank PLC	20,362,737	3.78%
<b>Sub-Total</b>	<b>20,362,737</b>	<b>3.78%</b>
<b>c) Individuals:</b>		
Mr. Mohammad Abdul Moyeen	22,842,546	4.24%
Mrs. Aneesha Mahial Kundanmal	41,503,844	7.70%
Mr. Mahbubul Anam	23,998,741	4.45%
Mr. Tahsinul Huque	20,973,565	3.89%
Mrs. Jasmine Sultana	77,883	0.01%
<b>Sub-Total</b>	<b>109,396,579</b>	<b>20.30%</b>
<b>Sponsor/Director Local</b>	<b>129,759,316</b>	<b>24.08%</b>
<b>Sponsor/Director Total</b>	<b>180,795,921</b>	<b>33.55%</b>
<b>General Shareholders</b>	<b>358,042,702</b>	<b>66.45%</b>
<b>Grand Total</b>	<b>538,838,623</b>	<b>100.00%</b>



# LIST OF DIRECTORS

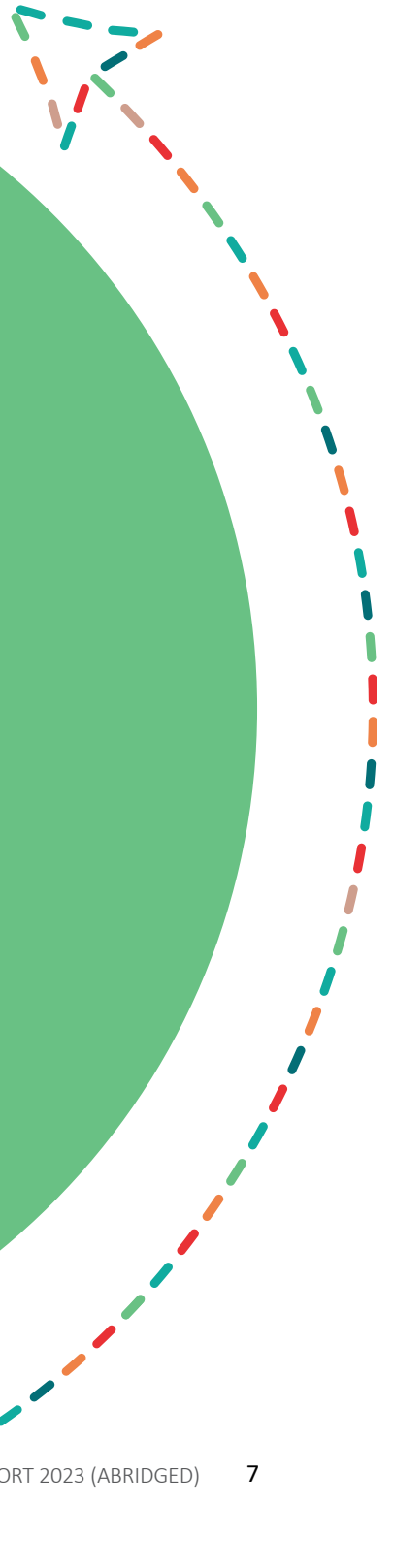
Sl. No.	Name	Position	Appointment Date
1	Mr. Mohammad Abdul Moyeen	Chairman	November 5, 1996
2	Mr. Nanda Fernando (Representing Sampath Bank PLC)	Director	February 13, 2018
3	Mrs. Aneesha Mahial Kundanmal	Director	November 5, 1996
4	Mr. Mahbulul Anam	Director	November 5, 1996
5	Mr. Tahsinul Huque	Director	November 5, 1996
6	Mr. Md. Monzur Mofiz (Representing ONE Bank PLC)	Director	February 12, 2024
7	Mr. Md. Fakhru Alam	Independent Director	April 11, 2022
8	Mr. Ahmad Ahsanul Munir	Independent Director	June 21, 2023

# MESSAGE FROM THE CHAIRMAN

GRI: 102-14

**MOHAMMAD ABDUL MOYEEN**  
CHAIRMAN

*“The path ahead is challenging, but with your continued support, we are confident in our ability to navigate these complexities and continue **GROWING TOGETHER.**”*





## Dear Esteemed Shareholders,

I am honored to present the Chairman's Statement for the fiscal year 2023, marking our 27th year of operation at LankaBangla Finance PLC. This year has been a testament to our resilience, adaptability, and commitment to strategic transformation. The global and national challenges we faced were considerable, but your unwavering trust and partnership have been the cornerstone of our continued progress.

### Navigating a Challenging Global Environment

The year 2023 unfolded against a backdrop of global uncertainty. The lingering effects of the COVID-19 pandemic, exacerbated by the ongoing Russia-Ukraine conflict, further strained economic slowdowns and heightened geopolitical tensions worldwide. While developed economies showed some recovery, developing nations like ours faced a complex web of challenges, including disrupted supply chains, inflationary pressures, and volatile currency markets. Bangladesh, too, was impacted by these global dynamics, with added pressures from environmental factors such as El Niño.

Despite these challenges, LankaBangla Finance remained steadfast in navigating these complexities with strategic foresight and resilience. We recognized our responsibility as a key player in the nation's financial landscape and responded proactively to the evolving environment.

### Bangladesh: A Year of Complexities and Opportunities

In Bangladesh, the economic landscape in 2023 was characterized by rising inflation, sluggish export growth, and significant pressures on liquidity within the financial sector. Yet, within these challenges lay opportunities for growth, innovation, and transformation.

Our strategic focus in 2023 was on building resilience and creating value for our stakeholders. Customer-centricity, digital transformation, and prudent financial management remained the cornerstones of our approach.

### Strengthening Customer Relationships

Customer satisfaction was, and continues to be, at the heart of our operations. In 2023, we achieved a customer satisfaction score of 91%, underscoring our unwavering commitment to enhancing customer experience through personalized service and innovative solutions.

Our Digital Transformation Department (DTD) has been instrumental in driving our innovation agenda, laying the groundwork for future growth. We are excited to announce the development of several new digital products that will soon hit the market, reflecting our commitment to customer-centric solutions and financial inclusion.

In our lending portfolio, we are launching "PRAPTI," a digital nano loan, and "OGREEM," a Buy Now Pay Later digital nano loan, aimed at providing convenient and accessible credit options for our customers. On the borrowing side, we are introducing "BINDU," a digital micro deposit product, and "SOMPOD," a digital Micro Term Deposit Receipt (TDR), designed to offer more flexible and attractive savings opportunities. These products will further broaden our reach and make financial services more accessible and tailored to our customers' needs.

With these new offerings, coupled with the ongoing integration of key payment systems, we aim to enhance operational efficiency and deliver a superior customer experience.

### Prudent Financial Management Amidst Economic Headwinds

The economic turbulence of 2023 highlighted the importance of financial prudence. Despite the challenging environment, LankaBangla Finance reported a Group Profit After Tax (PAT) of BDT 393 million. The standalone PAT was BDT 170 million, slightly down from BDT 178 million in the previous year. This modest decline, amid economic headwinds, is a testament to our ability to manage risks effectively and maintain stability.

Our asset portfolio grew to BDT 61,719 million, driven by our strategic focus on CMSME and retail segments. The total asset disbursement for the year was BDT 42,287 million, reflecting our commitment to prudent growth despite challenging market conditions. In terms of mobilization, we secured BDT 18,662 million, with CMSME contributing 18%, retail 62%, and corporate 20% of the total. Operating expenses increased by 17%, primarily due to inflationary pressures and strategic investments in technology and innovation.

Our strong Capital Adequacy Ratio (CAR) of 15.62% for the Group and 14.15% on a standalone basis reflects our commitment to maintaining a robust financial foundation.

### Celebrating Excellence and Innovation

2023 was a year of recognition for LankaBangla Finance. We were honored with several prestigious awards, including the Excellence in Mastercard Credit Business (Domestic) and Mastercard Contactless (Issuing) awards, as well as the 23rd ICAB National Award for Best Presented Annual Integrated Report 2022 in the Financial Services category. These accolades reflect our dedication to excellence and innovation across our operations.

### Strategic Priorities for 2024: A Vision for Sustainable Growth

As we look ahead to 2024, the global economic landscape remains uncertain. However, we remain committed to our long-term vision of sustainable growth and value creation. Our strategic priorities for the coming year include:

- **Portfolio Growth:** Expanding our asset base with a focus on maintaining asset quality through stringent risk management practices.
- **Economic Diversification:** Strengthening and diversifying our liability basket, emphasizing long-term funds alongside deposits.
- **Digitalization:** Continuing our digital transformation journey to enhance customer experience and operational efficiency.
- **Sustainability:** Pursuing green financing and sustainable business practices, aligning our operations with global sustainability goals.

### A Legacy of Trust and Collaboration

As we celebrate our 27th year of operations, we do so with immense gratitude for the trust and confidence you have placed in us. The path ahead may be challenging, but with your continued support, we are confident in our ability to navigate these complexities and continue **GROWING TOGETHER**.

Thank you for your unwavering trust and partnership.

**Warm regards,**



**Mohammad Abdul Moyeen**

Chairman

LankaBangla Finance PLC

# DIRECTORS' REPORT

## Dear Stakeholders,

On behalf of the Board of Directors of LankaBangla Finance PLC, I am pleased to welcome you to the 27th Annual General Meeting of the Company.

The Board of Directors of LankaBangla Finance PLC is pleased to present the Annual Report for the year ended 31st December 2023, which includes comprehensive reports on business strategy and review, risk management, corporate governance, investor relations, and a sustainability supplement. This report also contains the Audited Financial Statements of the Organization, Consolidated Financial Statements of the Group for the year, and the Auditors' Report on those Financial Statements. The Financial Statements were thoroughly reviewed and approved by the Board of Directors on 12 August 2024.

In the year 2023, LankaBangla Finance PLC faced a challenging economic environment, yet we demonstrated resilience in our core business operations. Despite headwinds, LankaBangla recorded a consolidated after-tax net profit of BDT 393 million, reflecting our commitment to prudent financial management and strategic focus. While the profit figures are lower than the previous year, our consistent performance across quarters underscores our ability to navigate uncertainties and sustain growth.

In each quarter of 2023, we have achieved consistent result and had good performance ensuring strong organic growth and increasing contributions. This has consistently proven to be very beneficial throughout the challenging global economic conditions. These results continue to demonstrate that we have the right strategy and we are executing it well.

These results validate that our strategic direction remains sound,

and we are well-positioned to continue executing our plans effectively, ensuring long-term value creation for our stakeholders.

## 1. General

LankaBangla Finance PLC (LBF PLC) started commercial operations since 1997 obtaining license from Bangladesh Bank under the Financial Institutions Act, 1993. LBF PLC also obtained license from Securities and Exchange Commission vide No. MB- 1.064/98-05 to transact public shares in the Capital Market as a Merchant Banker. The Company went for public issue in 2006 and its shares are listed in both Dhaka Stock Exchange and Chittagong Stock Exchange on 17 October 2006 and 31 October 2006 respectively.

The corporate office of LBF PLC is located at Safura Tower (Level 11), 20 Kemal Ataturk Avenue, Banani, Dhaka-1213, Bangladesh.

## 2. Vision, Mission, Core Values & Code of Conduct

LBF's vision, mission, core values and code of conduct are given in the page number 2 of the Annual Integrated Report. The business activities of the organization are conducted at a high level of ethical standard in achieving its Vision.

## 3. Principal Business Activities

### 3.1. LBF PLC

The activities of the company include services broadly classified as fee based and fund based services:

- Fees based services include Credit Card Membership Fees, Merchants Commission, Underwriting of Securities, IPOs, Portfolio Management, and Corporate Financial Services etc.
- Fund based services include Lease Finance, Term Finance, Real Estate Finance, Credit Card Operation, CMSME, Auto loan, Personal Loan, Factoring, Syndication Finance, Revolving Credit, Loan against Deposit, Term Deposit etc.

Organization	Principal Business Activities
LankaBangla Securities Limited	The principal activities of the company are to act as a member of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited to carry on the business of brokers or dealers in stocks, shares and securities, commercial papers, bonds, debentures, debentures stocks, treasury bills and/or any other financial instruments.
LankaBangla Investments Limited	The activities of the Company include services broadly classified as interest income and fee based services, such as underwriting of securities, issue management, register to issue, portfolio management, corporate advisory services etc.
LankaBangla Asset Management Company Limited	The principal activities of the company include: <ul style="list-style-type: none"> <li>• Manage the assets of any trusts or fund of any type and/or character and hold, acquire, sell or deal with such assets of any trust.</li> <li>• Float, administer and manage any mutual fund, growth fund or any other allotted scheme approved by the Government for the time being.</li> <li>• Manage and administer mutual fund, provident fund, pension fund for the purpose of investment and carry on the business or undertaking and execute trusts and also to act as executor, trustee, custodian and/ or otherwise as per relevant rules and regulations.</li> </ul>
LankaBangla Information System Limited	ERP, Consultancy & Training, Market Data Service to International Fund Manager and Exchanges, develop specialized simulation tools for trading, outsourcing, Private Cloud Computing, ITES, Project Management, Process Management, Cloud Services, Business Process Outsourcing (BPO), Registered Educational Provider (REP) affiliating with world recognized companies, System Integrator (SI), E-Commerce, M-Commerce, IT Audit, Trading of PC, Servers, Network, Security and Accessories and many more with changes of technology and business diversities.
BizBangla Media Limited	Printing and publishing of newspaper, Journals, magazines, periodicals, books any other literary and non-literary works.

## 4. Economic Review of 2023

### 4.1. World Economy

World economic outlook is provided on from pages 54 to 60

## 5. Industry Outlook

The economy of Bangladesh continues its journey toward becoming a developed nation, with Non-Bank Financial Institutions (NBFI) playing a pivotal role in this progress. Over the past four decades, NBFIs have been instrumental in driving economic development by providing essential alternatives for transforming savings into capital investments. As of December 2023, the country hosts 35 NBFIs, including 3 government-owned entities and 32 private ones, operating a total of 308 branches across Bangladesh. Despite this significant presence, the sector faces substantial challenges.

The NBFI sector has been grappling with an increasing non-performing loan (NPL) ratio, which averaged nearly 30% at the end of 2023. High-profile cases of non-compliance and embezzlement, particularly in entities like International Leasing and Financial Services, have exacerbated the sector's difficulties. The liquidity crisis, coupled with reduced public confidence, has further strained the industry's performance. Deposits in NBFIs, which previously saw gradual growth, have been declining due to these issues, with significant withdrawals by banks and other financial institutions.

The NBFI sector faced a particularly difficult time in the first half of 2023, with record-low interest rate spreads and declining net interest income. However, recent policy changes by Bangladesh Bank, including the introduction of a dynamic cap on lending rates, have provided some relief. These measures, combined with a renewed focus on governance and risk management, offer hope for a gradual recovery in the sector.

Looking ahead, the NBFI industry in Bangladesh must continue to adapt to changing economic conditions and regulatory frameworks. The focus must be on strengthening corporate governance, enhancing risk management, and leveraging technology to improve operational efficiency. The sector's ability to navigate these challenges will be crucial in ensuring its continued contribution to Bangladesh's economic growth and development.

## 6. Review of Operation of LankaBangla

A review of financial and operational performance of LBF PLC and the Group together with important events that took place during the year 2023 are contained in the Chairman's Message (page 7), the Managing Director's Review (page 30), and the CFO's Reviews (page 32). These reports form an integral part of the Annual Report of the Board of Directors.

## 7. Future Developments

Since the inception of LankaBangla Finance PLC, it has always prioritized the sectors that present a growth potential on a long-term basis. The digital transformation has enabled the financial service industry to thrive using a superior informational advantage. LBF PLC is now moving towards technology-driven business solutions powered by a cultural environment that prioritizes efficiency

and highest ethical standards. LBF PLC focuses on a business expansion drive through its existing and extended branch network, concentrating more on Retail and CMSME business to increase its market share and profitability. This will be further accompanied by a more vigorous drive on innovative product development, process improvements and staff development, aimed at fulfilling the rapidly changing customer needs in the challenging market conditions and maximizing the value that we create for all the stakeholders. Further an overview of the future development of LBF PLC and the Group is given in the Chairman's Message (page 7), the Managing Director's Review (page 30), and the CFO's Reviews (page 32). These reports form an integral part of the Annual Report of the Board of Directors.

## 8. Financial Statements

The Financial Statements of LBF PLC and the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) laid down by the Institute of Chartered Accountants of Bangladesh, and comply with the requirements of DFIM circular No # 11 dated 23 December 2009 issued by Department of Financial Institutions and Market of Bangladesh Bank and Bangladesh Bank's other circulars and guidelines or directives, the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing regulations of Dhaka and Chittagong Stock Exchanges. The aforementioned Financial Statements for the year ended 31st December 2023 duly signed by the Company secretary, Managing Director, the Chairman of the Audit Committee and the Chairman of the Board.

## 9. Directors' Responsibility for Financial Reporting

The Directors are responsible for the preparation of Financial Statements of LBF PLC and the Group to reflect a true and fair view of its state of affairs. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Bangladesh Financial Reporting Standards, Companies Act 1994, Financial Institutions Act 1993 and amendments thereto, the Listing Regulations of Dhaka Stock Exchange and Chittagong Stock Exchange, Bangladesh Bank's Guidelines and the Corporate Governance Code.

## 10. Auditors Report

The Auditors of LBF PLC, M.J. Abedin & Co., Chartered Accountants, carried out the audit on the Financial Statements of LBF PLC and the Group for the year ended 31st December 2023 and their report on those Financial Statements, as required by the Companies Act 1994 is given on page 61.

## 11. Significant Accounting Policies

Significant Accounting policies adopted in the preparation of the Financial Statements are given on pages from 80 which comply with provisions of IFRSs and the Companies Act 1994.

## 12. Financial Review

Following the initial recovery from the economic disruptions caused by the COVID-19 pandemic, LankaBangla Finance PLC made commendable progress across several business lines in 2023, particularly in Corporate, Retail, and CMSME segments. However, the ongoing global crisis, exacerbated by the Russia-Ukraine war, has intensified supply chain disruptions and inflationary pressures worldwide. These challenges have contributed to a significant rise in costs, impacting key financial indicators, including our deposit portfolio, which declined compared to the previous year.

Additionally, the persistent inflation has constrained our ability to optimize margins. The depreciation of the Bangladeshi Taka and resulting exchange rate losses further weighed on our financial performance. Moreover, the prolonged bearish trend in the capital markets has continued to affect our bottom line, reflecting the broader economic challenges faced by the financial sector in 2023. Despite these headwinds, LankaBangla remains focused on strategic initiatives aimed at long-term growth and sustainability, while navigating the challenging macroeconomic environment. Total assets of the group has increased by 4.51% from BDT 90,765 million in 2022 to BDT 94,855 million in 2023. The loans and advance portfolio of LankaBangla group for the year 2023 has increased by 0.41% compared to 2022 (BDT 65,353 million in 2023 compared to BDT 65,086 million in 2022). On the deposit side, our total term deposits decreased slightly by 1.58% from BDT 42,708 million in 2022 to BDT 42,034 million in 2023, mostly due to the global economic crisis and supply chain disruption. The percentage of classified loans (NPL) for the Company has increased to 7.00% in 2023 compared to 6.80% in 2022.

## 13. Core Business Review

### 13.1. Corporate Financial Services

LankaBangla has consistently prioritized the expansion of its Corporate Business portfolio throughout 2023. The corporate asset portfolio of the group has increased by BDT 799 million in 2023, from BDT 18,268 million in 2022 to BDT 19,067 million in 2023, showing a 4.38% growth compared to previous year. A total of BDT 15,535 million of corporate lending has been disbursed for the year 2023 compared to BDT 17,643 million of 2022, which illustrates an 11.9% de-growth compared to the previous year. Disbursement in 2023 was driven mostly by Term Loan and Factoring.

### 13.2. Retail Financial Services

Throughout the year 2023, the Company has continued to concentrate on retail financial activities. Total of BDT 16,238 million was disbursed during 2023 under retail financial services in the form of auto loan, home loan, personal loan, credit card and staff loan. The retail asset portfolio of the group stood at BDT 16,903 million at the end of 2023, exhibiting a de-growth of 11.7%. Although the asset portfolios of Auto, Home and Personal loans have decreased by 31%, 11% and 21% respectively, the credit card portfolio has increased by 5.19% in 2023 to BDT 5,035 million from BDT 4,786 million in 2022. During 2023, a total of 17,152 new credit cards were issued by LankaBangla, while the number of active credit card users has increased from 109,188 in 2022 to 109,353 in 2023. Average monthly credit card usage in 2023 has increased

to BDT 1,281 million from BDT 1,095 million in 2022 resulting in an increase of more than 16%.

### 13.3. CMSME Financial Services

Bangladesh is progressing toward CMSME-driven industrial development, leading to notable growth in CMSME Financial Services at LankaBangla Finance. The total CMSME disbursement in 2023 is BDT 10,514 million compared to BDT 9,835 million in 2022, thereby resulting in a 67% increase. At the end of 2022, CMSME portfolio stood at BDT 12,391 million compared to BDT 9,949 million in 2021 resulting in 7% increase in portfolio. Subsequently, the CMSME asset portfolio of the group has increased by BDT 1,897 million in 2023, from BDT 22,343 million in 2022 to BDT 24,240 million in 2023, showing a 8.5% growth compared to previous year. Management has implemented a range of strategies to drive increased disbursements in this sector and expand the portfolio to a substantial level, recognizing that it is less sensitive to interest rate fluctuations and offers higher profitability.

Given the rising market risks and the Company's ambitious growth objectives, treasury operations at LankaBangla have become increasingly critical. The treasury team effectively leverages its internal expertise to analyze market trends, strategically time market entry, and capitalize on arbitrage opportunities, thereby enhancing the Company's revenue. Additionally, the treasury is focused on diversifying funding sources, engaging in proprietary trading, and managing the maturity mismatches that result from short-term financing for long-term lending, all aimed at maintaining the Company's profit margins.

### 13.4. Liability Management

Total Term Deposit portfolio of LankaBangla Finance PLC in 2023 was BDT 42,254 million, which was BDT 43,457 million in 2022, resulting in 2.77% decrease compared to the portfolio of 2022. The Corporate liability played a major role for this de-growth.

#### 13.4.1. Retail Liability Management

Retail Liability's core focus on retail deposits has resulted in a portfolio of BDT 24,892 million at the end of 2023, which shows a growth of 1.5% from the portfolio of 2022. Retail liability mobilization for the year 2023 was BDT 9,674 million compared to figure of 2022's BDT 8,722 million.

#### 13.4.2. CMSME Liability Management

As a prime focus for the year with CMSME led deposit growth, its liability portfolio at the end of 2023 stood at BDT 5,140 million which shows a growth of 15% from 2022 portfolio. CMSME liability mobilization was BDT 2,784 million in 2023, a growth of 8.75% from previous year, which was BDT 2,560 million.

#### 13.4.3. Corporate Liability Management

Corporate Liability portfolio consists of a diverse deposit portfolio of corporate clients. The value of the portfolio stands at BDT 8,152 million at the end of 2023 decreasing by 24.5% from 2022. Corporate liability mobilization for the year was BDT 3,023 million compared to BDT 4,455 million of 2022.

### 13.5. Treasury Operations

The Treasury Division of LankaBangla Finance PLC is instrumental in managing funds, analyzing market trends, capitalizing on arbitrage opportunities, and making strategic investments in both equity and fixed income securities. Throughout the year, Treasury maintained an optimal liquidity buffer, ensuring sufficient coverage for future cash outflows. It was central to sustaining the company's resilience by accurately forecasting financial needs, keeping borrowing lines accessible, and effectively implementing the liquidity management plan.

Treasury also ensured efficient cash management by strategically channeling the company's cash flows, leading to the optimal utilization of funds. The division continued to play a key role in controlling the company's cost of funds by skillfully negotiating with counterparties, leveraging LankaBangla's strong financial foundation and excellent repayment history, and securing funds from more cost-effective sources. Additionally, Treasury strengthened relationships with existing counterparties and established new connections through effective relationship management practices, thereby enhancing the company's financial flexibility.

In 2023, the Treasury Division secured term loans totaling BDT 4,150 million from various commercial banks, with BDT 2,350 million drawn down in 2023 and the remainder set for 2024. The division actively engaged in the money market to earn sizable revenue and ensure liquidity from short-term placements of funds. Additionally, Treasury identified, assessed, and mitigated balance sheet risk areas to ensure long-term sustainability and growth as a part of asset-liability management.

The investment portfolio of the company stood at BDT 6,209 million at the end of 2023, with a year-on-year growth of 30.71%. In 2023, additional investment has been made in risk-free government securities, which acts as liquidity reservoir and at the same time, ensures earning of considerable interest income. Throughout the year, Bangladesh's stock market remained stagnant with limited activity, leading to a decline in dividend income for LankaBangla Finance and additional provisions for investment value diminution. However, the company achieved significant capital gains by divesting part of its subsidiary investments. The investment portfolio was better diversified by mixing equity and fixed income securities, ultimately ensuring a more stable income flow in the future.

### 14. Credit Rating

Credit Rating Agency of Bangladesh Limited (CRAB) has rated LankaBangla Finance PLC on June 14, 2023, with 'AA3' rating (very strong capacity and very high quality) in the long term and 'ST-2' rating (high grade) in the short term based on audited financial statements as of December 31, 2022, un-audited financial statements as of March 31, 2023 and other relevant quantitative as well as qualitative information up to the date of rating declaration. The outlook on the rating is 'Stable.'

The rating reflects the Company's strength in strong business links and considerable brand image in the FI sector, which has resulted

in substantial customer base. The rating emphasizes the on sound capital base with strong tier 1 capital, relatively low large loan concentration and earning generation capacity.

## 15. Financial Results and Appropriations

### 15.1. Revenue

Total Revenue of the Group for the year 2023 was BDT 9,813 million compared to BDT 9,324 in 2022. Total revenue of LBF PLC for the year 2023 was BDT 8,415 million compared to BDT 7,534 million in 2022, exhibiting a growth of 11.70%.

### 15.2. Profitability

Consolidated net profit after tax for the year 2023 was BDT 393 million that was BDT 661 million in previous year. Consolidated net interest income has decreased by 36% to BDT 1,397 million in 2023 compare to BDT 2,184 in 2022. LBF's net profit after tax for the year 2023 was BDT 170 million compared to BDT 178 million in 2022. LBF's net interest income has also decreased by 42% million compared to previous year.

Particulars	Consolidated		LBF	
	2023	2022	2023	2022
Total Revenue	9,813.16	9,324.44	8,415.24	7,534.08
Total Expenses	8,247.79	7,681.77	7,166.42	6,575.59
Operating Profit	1,565.38	1,642.67	1,248.83	958.48
Provisions	813.25	696.10	836.38	654.83
Profit before Tax	752.13	946.57	412.45	303.66
Tax	359.36	285.20	242.51	125.17
Profit after Tax	392.76	661.38	169.95	178.49

### 15.3. Appropriation

Particulars	in million BDT
Net Profit After Tax for the year 2023	169.95
Retained Earnings brought forward	1,019.18
Profit available for appropriation	1,189.12
Less: Statutory Reserve	33.99
Amount available for declaration of dividend	1,155.13
Less: Dividend (Proposed 10.00% Cash)	538.84
Retained Earnings carried forward	616.30

### 15.4. Dividend

Considering the overall environment of financial market, current financial strength of the Company, and future investment prospect, the Directors recommended 10.00% Cash Dividend i.e. BDT 1.00 per share BDT 10.00 each for the year 2023. The dividend is subject to approval of the shareholders at the Annual General Meeting.

The Board was satisfied that LBF PLC would meet the solvency test immediately after the proposed dividend, which will be paid in 2024. Further details on liquidity position is given in page number 77 of this report.

No bonus shares or stock dividend was declared during the period under review as interim dividend.

## 16. Reserves

A summary of the consolidated reserves along with the reserves of LBFL is as follow:

Particulars	Consolidated		LBF	
	2023	2022 (Restated)	2023	2022
Share premium	1,090.89	1,090.89	-	-
Statutory reserve	2,119.27	2,085.28	2,119.27	2,085.28
General reserve	-	-	-	-
Capital Reserve	106.01	86.09	-	-
Revaluation Reserve	-	-	837.05	2,136.85
Retained earnings	1,434.33	2,089.58	1,155.13	1,558.01
Total reserves	4,750.50	5,351.84	4,111.45	5,780.14

## 17. Key Operating and Financial Data

Key operating and financial data for last five years as per Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 is shown in pages 43 to 48.

## 18. Plan for Utilization of Undistributed Profits

The Company requires substantial funds every year to carry out its regular business operation. The undistributed profits will be utilized to disburse fund for its new investments and will be used to meet contingencies in future as authorized under Article 100 of Schedule I of the Companies Act 1994. Additionally, with this retention, a reasonable debt equity ratio would be maintained and the borrowing power of the Company would enhance.

## 19. Capital Expenditure

Total capital expenditure on acquisition of property, plant and equipment and intangible assets of Group and the LBFL for the year ended 31 December 2023 amounted to BDT 414.44 million and BDT 490.94 million respectively which were BDT 860.65 million and BDT 614.49 million respectively for the year 2022. Details are given in Annexure A & B of the Financial Statements.

## 20. Capital Commitments

Capital expenditures approved and contracted for, as at the reporting date is given in note number 42 (j) of the financial statements.

## 21. Property, Plant & Equipment (PPE)

Details of property, plant and equipment are given on note number 8 to the Financial Statements.

## 22. Financial results deteriorate after Public Issue

There was no such event happened during the reporting period.

## 23. Significant deviations from last year operating results

There was no significant deviation from last year's operating results.

## 24. Share Capital and Bonds

### 24.1. Equity Capital

Paid-up Capital of LankaBangla Finance Limited as at 31 December 2023 amounted to BDT 5,388.39 million consisting of 538,838,623 ordinary shares.

Details about share in issue are given in note number 13 of the financial statements.

### 24.2. Debt Capital

#### Term Loan

In 2023, LankaBangla Finance PLC secured term loans totaling BDT 4,150 million from various commercial banks, with BDT 2,350 million drawn down in 2023 and the remainder set for 2024. These long-term funds will help the company to better manage its balance sheet.

#### Zero Coupon Bond

In 2023, the Treasury Division successfully completed the full subscription of the 3rd Zero-Coupon Bond of BDT 3,000 million, securing an incremental subscription of BDT 1,548 million. They also obtained regulatory approvals from the Bangladesh Bank and the Bangladesh Securities & Exchange Commission for issuing the 4th Zero-Coupon Bond of BDT 2,000 million. Details about debit capital is given in note number 10.00 of the financial statements.

## 25. Share Information

Information relating to earnings, dividend, net assets and market value per share is given in the Financial Highlights on pages \_\_\_ to \_\_\_. Information on trading of the shares and movement in the number of shares of LankaBangla is given in note 13 of the Financial Statements.

## 26. Shareholding

There were 32,103 number of registered ordinary shareholders as at 31st December 2023 (2022: 32,022). Information on distribution of shareholding and the respective percentages are given in note 13 of the Financial Statements.

## 27. Equitable Treatments to Shareholders

LankaBangla has at all times ensured that all shareholders are treated equitably. Minority shareholders interest always looked after by the Board.

## 28. The Board of Directors

The Board of Directors of LBF PLC consists of eight Directors with wide knowledge and experience. The names of the Directors of LankaBangla during the period 1st January 2023 to 31st December 2023 are mentioned in Report on Corporate Governance (page 20).

## 29. Appointment of Independent Director

The Board in its 149th meeting dated 12 February 2024 has appointed Mr. Md. Monzur Mofiz, representing ONE Bank PLC in the Board of LankaBangla Finance PLC. Mr. Md. Monzur Mofiz, Managing Director of ONE Bank PLC since January 16, 2022. He Joined as AMD in the Bank on July 01, 2019. Mr. Mofiz, a

professional banker and a dynamic leader having 31 years of service experience. In 1993, he started his banking career with Sonali Bank PLC and subsequently, he served AB Bank PLC, The City Bank PLC and Dutch-Bangla Bank PLC. He entered job market in 1992 with Padma Architect and Engineers Limited as a Structural Engineer. His long career in bank is enriched with corporate banking, credit risk review, strategic planning, business development along with team building and leadership. Besides, he served in Ministry of Education, Govt. of Bangladesh. He attended many training courses, workshops and seminars at home and abroad. He was graduated from Bangladesh University of Engineering and Technology (BUET) in Civil Engineering and completed MBA with major in Finance from the Institute of Business Administration (IBA), University of Dhaka.

### 30. List of Directors of the Subsidiaries

Names of the Directors of Subsidiary companies are as follows:

Particulars	Name of Director	Position
LankaBangla Securities Limited	1) Mr. Mahbubul Anam	Chairman
	2) Mr. B. W. Kundanmal	Director
	3) Mr. Md. Fakhru Alam	Independent Director
	4) Mr. Mohammed Nasir Uddin Chowdhury (Nominated by LankaBangla Finance PLC)	Director
	5) Mr. S. A. R. Md. Muinul Islam (Nominated by LankaBangla Finance PLC)	Director
	6) Mr. Khandoker Saffat Reza (Nominated by LankaBangla Finance PLC)	Director
LankaBangla Investments Limited	1) Mr. Mahbubul Anam	Chairman
	2) Mr. B. W. Kundanmal (Nominated by LankaBangla Finance PLC)	Director
	3) Mr. Al-Mamoon Md. Sanaul Huq	Independent Director
	4) Mr. Md. Fakhru Alam	Independent Director
	5) Mr. Abdullah Al Karim	Director
	6) Mr. Mohammed Nasir Uddin Chowdhury (Nominated by LankaBangla Finance PLC)	Director
LankaBangla Asset Management Company Limited	Mr. Md. Fakhru Alam	Chairman
	2) Mr. Al-Mamoon Md. Sanaul Huq (Nominated by LankaBangla Finance PLC)	Independent Director
	3) Mr. Abul Kalam Mohammad Kamruzzaman (Nominated by LankaBangla Finance PLC)	Director
	4) Mr. Quamrul Islam (Nominated by LankaBangla Finance PLC)	Director
	5) Mr. Shamim Al Mamun (Nominated by LankaBangla Finance PLC)	Director
LankaBangla Information System Limited	1) Mr. Mohammad Abdul Moyeen	Chairman
	2) Mr. Mahbubul Anam	Director
	3) Mr. S. A. R. Md. Muinul Islam (Nominated by LankaBangla Securities Limited)	Director
BizBangla Media Limited	1) Mr. Mohammad Abdul Moyeen	Chairman
	2) Mr. Mahbubul Anam	Director
	3) Mr. Dewan Hanif Mahmud	Director



### 31. Board Sub Committees

The Board, while assuming the overall responsibility and accountability for the management oversight of the organization, has also appointed Board Sub Committees to ensure that the activities of LankaBangla at all times are conducted with the highest ethical standards and the best interests of all its stakeholders. The Board formed two Sub Committees named Executive Committee and Audit Committee. The compositions of these Sub Committees as at 31st December 2023 were as follows:

#### 31.1. Executive Committee

The Executive Committee of the Board of LankaBangla Finance PLC was re-constituted via Board Circular No. 04/2023 dated July 6, 2023.

#### 31.2. Audit Committee

In Compliance with the requirement of Bangladesh Bank Notification No. DFIM-13, dated 26 October 2011 and Bangladesh Securities & Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 the Audit Committee of LankaBangla Finance PLC was re-constituted via Board Circular No. 04/2023 dated July 6, 2023.

### 32. Directors' Meeting

The details of Directors meetings which comprise Board meetings and the Board Sub Committee meetings and the attendance of Directors at these meetings are given in the Corporate Governance.

### 33. Related Party Transactions

Directors have also disclosed transactions, that could be classified as Related Party Transactions in terms of Bangladesh Accounting Standard-BAS 24 (Related Party Disclosure) which is adopted in preparation of the Financial Statements. Those transactions disclosed by the Directors are given in note number 40 to the Financial Statements which form an integral part of the Annual Report of the Board of Directors.

### 34. Directors' Interest in Ordinary Shares

The shareholdings of Directors are as follows:

Sl.	Name of Director	Number of shares as on 31 December 2023	Number of shares as on 31 December 2022
1	Mr. Mohammad Abdul Moyeen	22,842,546	22,842,546
3	Mr. Nanda Fernando (Nominated by Sampath Bank PLC)	5,10,36,605	5,10,36,605
4	Mr. Md. Monzur Mofiz (Nominated by ONE Bank PLC)	20,362,737	20,362,737
5	Mrs. Aneesha Mahial Kundanmal	41,503,844	41,503,844
6	Mr. Mahbulul Anam	23,998,741	23,998,741
7	Mr. Tahsinul Huque	20,973,565	20,973,565
8	Mr. Md. Fakhru Alam	Nil	Nil
9	Mr. Ahmad Ahsanul Munir	Nil	Nil

### 35. Substantial Shareholdings

BSEC's Corporate Governance Notification dated June 3, 2018 requires a listed company to disclose in the Directors' Report, the list of shareholders holding ten percent or more voting interest in the Company. None of the shareholders hold ten percent or above shares in LankaBangla Finance PLC. The shareholding status of all sponsors shareholders as on December 31, 2023 is given in page 5 of this report.

### 36. Directors' Interest in Ordinary Shares of Subsidiaries as on December 31, 2023

LankaBangla Securities Limited				
Sl.	Name of Director	Position	Shares held on 31-Dec-2023	Shares held on 31-Dec-2022
1	Mr. Mahbulul Anam	Chairman	119,841	119,841
2	Mr. Mohammad Abdul Moyeen	Shareholder	122,290	122,290
LankaBangla Investments Limited				
Sl.	Name of Director	Position	Shares held on 31-Dec-2023	Shares held on 31-Dec-2022
1	Mr. Mahbulul Anam	Chairman	1	1
2	Mr. Mohammad Abdul Moyeen	Shareholder	1	1

LankaBangla Information System Limited				
Sl.	Name of Director	Position	Shares held on 31-Dec-2023	Shares held on 31-Dec-2022
1	Mr. Mohammad Abdul Moyeen	Chairman	100	100
2	Mr. Mahbulul Anam	Director	100	100

LankaBangla Asset Management Company Limited				
Sl.	Name of Director	Position	Shares held on 31-Dec-2023	Shares held on 31-Dec-2022
1	Mr. Mohammad Abdul Moyeen	Shareholder	1	1
2	Mr. Mahbulul Anam	Shareholder	90	90

BizBangla Media Limited				
Sl.	Name of Director	Position	Shares held on 31-Dec-2023	Shares held on 31-Dec-2022
1	Mr. Mohammad Abdul Moyeen	Chairman	749,950	749,950
2	Mr. Mahbulul Anam	Director	749,950	749,950

### 37. Directors' Remuneration

Details of directors' emoluments paid during the year are given in note number 29 to the financial statements.

### 38. Management discussion and analysis

Management discussion & analysis has been highlighted in the Managing Director's statement & in Directors' Report.

### 39. Responsibility Statement of the MD and the CFO

Responsibility of the Managing Director and Chief Financial Officer has been given on page 29.

## 40. Team Members (Employees)

LankaBangla believes that its real potential rests on the strength and capabilities of its team members in a rapidly changing environment. All efforts are directed at having a motivated and competent team in order to grow and achieve results as projected in the Strategic Plan and the Budget.

As at 31st December 2023, the number of employees on the payroll of LankaBangla was 1117 which was 1245 in previous year.

## 41. Environmental Protection

To the best knowledge of the Board, LankaBangla has not engaged in any activity that is harmful or hazardous to the environment. The Directors also confirms that to the best of their knowledge and belief LankaBangla has complied with the relevant environmental laws and regulations.

## 42. Statutory Payments

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments due to the Government, other regulatory bodies and related to the employees have been paid on a timely basis.

## 43. Outstanding Litigations

In the opinion of the Directors and in consultation with the LBF PLC's lawyers, litigation currently pending against LankaBangla will not have a material impact on the reported financial statements of future operations of LankaBangla. Details of litigation pending against LankaBangla are given in note number 2.40 to the Financial Statements.

## 44. Events after Reporting Period

No circumstances have arisen since the Statement of Financial Position date which would require adjustments to, or disclosure in, the accounts, except those disclosed in note number 43 (f) to the Financial Statements.

## 45. Going Concern

The Directors after making necessary inquiries and reviews including reviews of the budget for the ensuing year, capital expenditure requirements, future prospects and risks, cash flows and such other matters required to be addressed in the Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Bangladesh and the Bangladesh Securities and Exchange Commission LankaBangla has adequate resources to continue operations into the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements.

## 46. Risk Management and Internal Control

### 46.1 Material Foreseeable Risk Factors

LankaBangla has an ongoing process in place to identify, evaluate and manage the risks that are faced by it. This process is detailed in the Risk Management Report. The Directors, on a regular basis review the above mentioned process.

## 46.1. Internal Controls

The Directors of LankaBangla have taken reasonable steps open to them to safeguard the assets of the Group and to prevent and detect frauds and any other irregularities. For this purpose, the Directors have instituted effective and comprehensive systems of internal controls for identifying, recording, evaluating and managing the risks faced by LankaBangla throughout the year and it is being regularly reviewed by the Board of Directors. This comprises internal reviews, internal audit and the whole system of financial and other controls required to carry on the operations in an orderly manner, safeguard the assets, prevent and detect frauds and other irregularities and secure, as far as practicable, the accuracy and reliability of the records.

## 47. Financial Risk Management

LBF PLC's management has overall responsibility for establishment and oversight of its risk management framework. The Company's management policies are established to identify and analyse the risk faced by the Company to set appropriate risk limit and controls and to monitor risk.

Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company has provided in a separate note to the financial statements the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risks and management of its capital.

## 48. Corporate Governance

In the management of the Company, the Directors have placed emphasis on confirming to the best corporate governance practices and procedures. Accordingly, systems and structures have been introduced or improved from time to time to enhance risk management measures and to improve accountability and transparency. A separate report on Corporate Governance is given on pages 20 to 27.

## 49. Additional Disclosures

- The Directors, in accordance with BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 confirm compliance with the financial reporting framework for the following;
- The financial statements prepared by the management present fairly the Company's state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained. Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards and International Financial Reporting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements. The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There is no extraordinary gain or loss during the year.
- No significant difference occurs between quarterly financial performance and annual financial statements.
- There are no significant changes in the Company or its subsidiaries' fixed assets and the market value.
- The company had not enabled any of its directors to acquire benefits by means of acquisition of share or debentures of the company or anybody corporate.

## 50. Audit Information

The Directors who held office at the date of this Directors' Report confirm that:

- So far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- The Directors have taken all the steps that they themselves ought to have taken as Directors in order to make themselves aware of any relevant information and to establish that the company's Auditors are aware of that information.

## 51. Auditors

M/s. M.J. Abedin & Co., Chartered Accountant have completed the audit of Financial Statements of the Company for the year 2023. Being eligible M/s M. J. Abedin & Co. Chartered Accountants has expressed their interest to be re-appointed as the Auditor to the company for the year 2024. The Board in its 152nd meeting held on August 12, 2024 recommended the shareholders to appoint M. J. Abedin & Co. Chartered Accountants at a remuneration of BDT 600,000. LBF PLC has also taken prior approval from Bangladesh Bank to appoint M. J. Abedin & Co., Chartered Accountants, until completion of conclusion of the 28th AGM.

Based on the declaration provided by M/s. M. J. Abedin & Co., Chartered Accountants and as far as the Directors are aware, the Auditors do not have any relationship with or interest with LankaBangla that in their judgments, may reasonably be thought to have a bearing on their independence within the meaning of the Code of Professional Conduct and Ethics issued by the Institute of

Chartered Accountants of Bangladesh, applicable on the date of this report.

## 52. Recognition

As a reward of our relentless efforts to the best practices of corporate and financial reporting, LBF PLC is being recognized by South Asian Federation of Accountants (SAFA), Institute of Chartered Accountants of Bangladesh (ICAB) and Institute of Cost and Management Accountant of Bangladesh (ICMAB) on a continuous basis. Some of the awards we achieved are:

- SAFA Best Presented Annual Report 2014
- SAFA Best Presented Annual Report 2015
- SAFA Best Presented Annual Report 2016
- SAFA Best Presented Annual Report 2017
- SAFA Corporate Governance Award 2017
- ICAB Best Presented Annual Report 2016
- ICAB Best Presented Annual Report 2015
- ICAB Best Presented Annual Report 2014
- ICAB Best Presented Annual Report 2017
- ICAB Corporate Governance Award 2016
- ICAB Corporate Governance Award 2017
- ICMAB Best Corporate Award 2016
- ICMAB Best Corporate Award 2017
- SAFA Best Presented Annual Report 2018
- ICAB Integrated Report Award 2018
- ICAB Best Presented Annual Report 2018
- SAFA Best Presented Annual Report, Integrated Reporting Award and SAARC Anniversary Award 2019
- ICAB Integrated Reporting Award 2019
- ICAB Corporation Governance Disclosures Award 2019
- ICAB Best Presented Annual Report 2019
- SAFA Best Presented Annual Report, Corporate Governance Award 2020
- SAFA Best Presented Annual Report, Integrated Reporting Award 2020
- ICAB Integrated Reporting Award 2020
- ICAB Corporation Governance Disclosures Award 2020
- ICAB Best Presented Annual Report 2021
- ICAB Corporation Governance Disclosures Award 2021
- ICAB National Award for Best Presented Annual Report 2022

LankaBangla Securities Limited has achieved certificate for outstanding performance for being ranked 1st in terms of turnover for consecutive eighteen years from 2006 to 2023 at Dhaka Stock Exchange (DSE) and for nineteen years from 2005 to 2023 at the Chittagong Stock Exchange (CSE).

## 53. Notice of Meeting

The 27th Annual General Meeting of LankaBangla Finance PLC will be held on 29 September 2024.

The Notice of Meeting is given on page number 4 of the Annual Report.

As required by Section 168 (1) (k) of the Companies Act the Board of Directors hereby acknowledge the contents of this report.

## 54. Acknowledgement

The Board of Directors takes this opportunity of expressing its heart-felt appreciation and gratitude to the valued clients, depositors, lenders, bankers, patrons and business partners for their continued support and cooperation. The Board also expresses its deep gratitude to Bangladesh Bank, Bangladesh Securities & Exchange Commission (SEC), Dhaka Stock Exchange PLC (DSE), Chittagong Stock Exchange PLC (CSE), Registrar of Joint Stock Companies and Firms, National Board of Revenue (NBR) and other regulatory bodies for their help, assistance, valuable guidance and advice being extended to the Company from time to time. The Board also thanks M/s. M. J. Abedin & Co., Chartered Accountants, the Auditors of the Company, for their efforts for timely completion of audits.

Since 2006, LankaBangla Finance PLC has recorded rapid and consistent growth, outperforming its competitors. One of the major reasons for this success was possible with a strong work ethic which has improved productivity at all levels. My high and sincere appreciation, on behalf of the Board of Directors, is due to the management and all members of staff of the Company, for their outstanding efforts, loyalty, sincere services and dedication.

I would like to take this opportunity to thank my colleagues on Board, who have extended their all sorts of cooperation, in the face of adverse internal and external conditions, and made the year 2023 another year of success for the Company. Finally, the Board of Directors thank the respected shareholders and assure them that they will continue to add value to maximize the shareholders' wealth through further strengthening and development of the Company in which they have placed their trust and confidence. Let us work together in a spirit of open and honest partnership. The Board's pledge to you is that we will listen your criticisms carefully, will at all times take those very seriously and will make clear cut decisions for the greater interest of the Company.

For and on behalf of the Board of Directors



**Mohammad Abdul Moyeen**

Chairman

# STATEMENT ON CORPORATE GOVERNANCE

GRI: 102-18

## 1. Overview

Corporate Governance is the system by which a Company is directed, controlled and managed. In LankaBangla Finance Limited (LBF PLC), the Corporate Governance Framework guides our drives towards progress by way of developing and implementing appropriate corporate strategies. The approach to governance is predicated on the belief that there is a link between high-quality governance and the creation of long-term stakeholder value. In pursuing the Corporate Objectives, we have committed to the highest level of governance and strive to foster a culture that values and rewards exemplary ethical standards, personal and corporate integrity and mutual respect. The Board of Directors, led by the Chairman, is responsible for the governance of LBF PLC, and developing effective Governance Framework to meet challenges, both in the short and long term. The Board is committed to reviewing and improving our systems to provide transparency and accountability, and initiate transformational changes whenever necessary to ensure best practices are maintained and enhanced according to the principles of Corporate Governance.

We continually review our systems and procedures to provide transparency and accountability, and update our Corporate Governance policies to keep in line with the stipulated guidelines.

## 2. Framework and Regulations Applied

LankaBangla has incorporated in its Governance Framework the guidelines prescribed in the Code of Best Practice on Corporate Governance issued by the Bangladesh Securities and Exchange Commission (BSEC), Bangladesh and the Bangladesh Bank on Corporate Governance for Financial Institutions in Bangladesh.

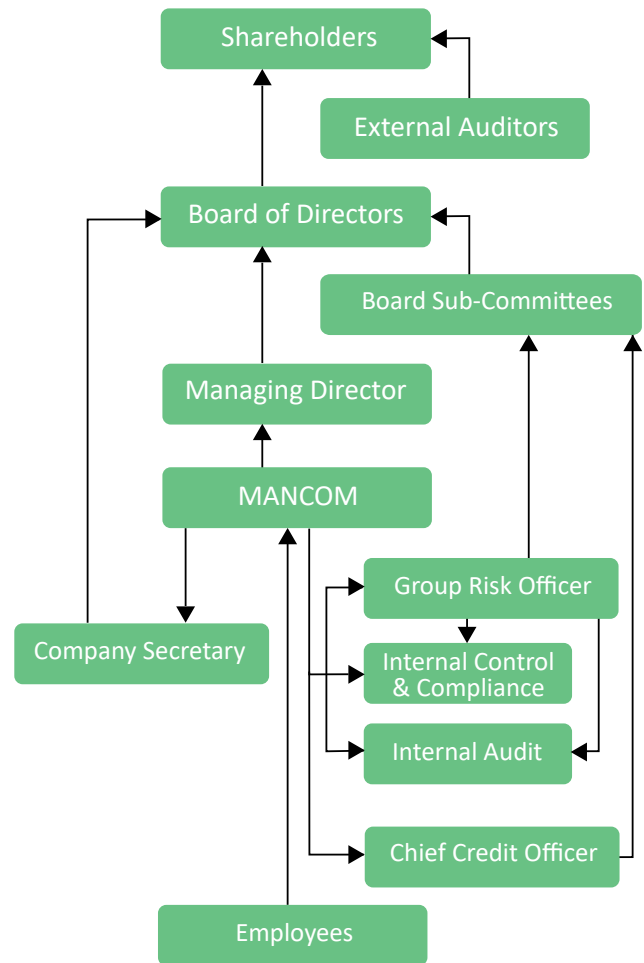
The following Acts, Regulations and Circulars have been used:

Sl. No.	Particulars
1	The Companies Act, 1994
2	The Finance Companies Act, 2023
3	The Code of the best Practice on Corporate Governance issued by the Bangladesh Securities and Exchange Commission (SEC) vide Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated June 3, 2018.
4	Listing Regulations of Dhaka Stock Exchange and Chittagong Stock Exchange

The following internal principles and guidelines have been followed:

Sl. No.	Particulars
1	Vision and Values
2	Articles of Association
3	Code of Conduct
4	Code of Ethics
5	Board and Board Sub Committee Charters
6	Policies, Procedures, Directives

## 3. Corporate Governance Structure



## 4. Governance Systems



## 5. Key Activities of the Board in 2023

### 5.1 Strategy

Having considered the outlook for global, Asian and Bangladesh economies, market perceptions and expectations, the board approved the Budget and Annual strategy for LankaBangla as a whole, together with the decisions required to implement the strategy.

### 5.2 Operational and Financial Performance

- Considered strategic and operational updates from the Managing Director, as well as matters highlighted for the board's attention at board meetings
- Reviewed quarterly financial Statements against the group's budget
- Approval of the group's annual report and financial results, and agreed dividend payments
- Appointment of Two Non-Executive Independent Director in compliance with the SEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated June 3, 2018
- Re-Constitutions of the Board Audit Committee and Board Executive Committee
- Strengthening the process of business operations through rearrangement of Corporate Organogram
- Revision of the Credit Policy and incorporation of Environment Risk Management Procedure (following guidelines of Bangladesh Bank) by the Board Audit Committee and Board of Directors
- Approval of ICT Policy of the Company by the Board of Directors
- Approval of Green Banking Policy
- Review of the Product Program Guidelines (PPG) on Home Loan, Auto Loan, Credit Cards, CMSME Loan, Personal Loan
- Strengthening the process of identification, recording and disclosure of Related Party Transactions
- Expansion of geographical presence to cover more customer base by opening new Branches countrywide

### 5.3 Governance and Risk

- Re-Constitutions of the Board Audit Committee and Board Executive Committee
- Reviewed Anti-Money Laundering Policy & Guidelines and Business Continuity Plan
- Reviewed risk reports and the preparation of the financial statements on a going concern basis
- Reviewed the Internal Audit Committee Report forwarded to the Board by Board Audit Committee

## 6. Functioning of the Board and its Governance Processes

### 6.1 Board Composition and Frequency

The present Board comprises of eight non-executive directors of whom three are nominee directors and one is independent directors. This number is appropriate for the current scope of the company's operations. The Board meets not less than four times in any given calendar year, with at least one meeting per quarter.

The Board sets its agenda for Board meetings well in advance with items proposed by the Managing Director and senior management, so that each member has time to be conversant with the issues by timely dissemination of meeting papers, presentations and reports. The Company Secretary and the Chief Financial Officer attend all Board meetings and ensure that all relevant regulations and established procedures regarding

the conduct of the Board are complied with.

The Board also delegates its authority and powers to specialized committees to undertake detailed monitoring, advisory and oversight of tasks, such as financial audit, risk management, Internal Controls, credit controls and approvals, compensation and management development for leadership. These committees confer greater quality on the stewardship and fiduciary responsibilities of the Board.

In addition, the Board constantly places emphasis that not only the Board, but the Company and its employees operate with professionalism, integrity and ethics.

### 6.2 Selection and Term of Appointment of New Director

The Board of Directors has the following duties and responsibilities in connection with the selection and appointment of new directors:

- Regularly review the size and composition of the Board and the mix of expertise, skills, experience and perspectives that may be desirable to permit the Board to execute its functions
- Identify any competencies not adequately represented and determine the process necessary to be assured that a candidate nominated by the shareholders with those competencies is selected
- The Directors are appointed by the shareholders in the Annual General Meeting (AGM). Casual vacancies, if any, are filled by board in accordance with the stipulation of the Companies Act 1994 and the Articles of Association of LankaBangla Finance PLC
- Any change in the members of the Board requires intimation to the Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC) and the stock exchanges

Directors usually serve three year terms, which the Board considers an appropriate length of time for directors to immerse themselves fully in the Company's affairs and gain sufficient understanding of the Company's operations so as to make an effective contribution as a director.

### 6.3 Independence of Directors

Pursuant to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated June 3, 2018, in LankaBangla, the Board comprises of eight non-executive members, of which two are totally independent, being 1/5th of total number of Director. The purpose of appointing non-executive and independent directors is first to provide the Board with knowledge, objectivity, and judgment and balance which may not be available if the Board consists only of full time executives; and secondly to ensure that the performance of the non-executive directors and the management of the Company are up to the standards required.

Independent directors of LankaBangla bring their special expertise and knowledge to bear on the strategy and enterprise of the company. They each bring an independent judgement on issues of conformance and performance.

### 6.4 Role and Responsibilities of the Board

Surrounded in the principles of corporate governance is that the Board has a fiduciary role responsible for setting the strategic direction and long-term goals of the company. As elected representatives of the shareholders, the Board is expected to use its integrity and capability to vet corporate

strategies, policies, plans and major decisions, and to oversee and monitor management in the interests of the shareholders of LankaBangla. Key to good governance in LankaBangla is an informed and well-functioning Board of Directors.

Broadly, the responsibilities of the Board includes the following:

- Reviewing and approving overall business strategy, as well as organization structure, developed and recommended by management
- Ensuring that decisions and investments are consistent with long-term strategic goals
- Ensuring that LankaBangla is operated to preserve its financial integrity and in accordance with policies approved by the Board
- Overseeing, through the Audit Committee, the quality and integrity of the accounting and financial reporting systems, disclosure controls and procedures and internal controls; and through the Risk Management Committee, the quality of the risk management processes and systems
- Providing oversight in ensuring that LankaBangla's risk appetite and activities are consistent with the strategic intent, operating environment, effective internal controls, capital sufficiency and regulatory standards
- Overseeing, through the Risk Management Committee, the establishment and operation of an independent risk management system for managing risks on an enterprise wide basis, the adequacy of the risk management function (including ensuring that it is sufficiently resourced to monitor risk by the various risk categories and that it has appropriate independent reporting lines), and the quality of the risk management processes and systems
- Reviewing any transaction for the acquisition or disposal of material assets
- Ensuring that the necessary human resources are in place to meet its objectives, as well as appointing and removing executive officers, as deemed necessary
- Reviewing management performance and ensuring that management formulates policies and processes to promote fair practices and high standards of business conduct by staff
- Establishing corporate values and standards, emphasizing integrity, honesty and proper conduct at all times with respect to internal dealings and external transactions, including situations where there are potential conflicts of interest
- Providing a balanced and understandable assessment of LBF PLC's performance, position and prospects, and this extends to interim and other price-sensitive public reports, and reports to regulators
- Ensuring that obligations to shareholders and others are understood and met
- Maintaining records of all meetings of the Board and Board Committees, in particular records of discussion on key deliberations and decisions taken

Statement on Directors' responsibilities is presented on page 93 of this Report.

## 6.5 Chairman of the Board of Directors

The Chairman of the Board is elected by the directors. The Board considers that the Chairman is independent.

### 6.6 Role of the Chairman

The Chairman leads the Board. The Chairman serves as the primary link between the Board and management, and works with the Managing Director and the Company Secretary to set the agenda for Board meetings. It is the Chairman's responsibility to provide leadership to the board and ensure that the Board works effectively and discharges its responsibility as directors of the Company.

### 6.7 Separation of the role of Chairman and the Managing Director

At LankaBangla, in accordance with the DFIM Circular No. 07, dated 25-09-2007, a clear division of responsibilities between The Chairman and The Managing Director, allows the Chairman to assume the formal role of an independent leader that chairs all Board meetings and lead the Board in its oversight of management. At annual general meetings and other shareholder meetings, the Chairman plays a pivotal role in fostering constructive dialogue between shareholders, the Board and management. Any questions from shareholders are attended to and addressed at such shareholder meetings.

#### 6.7.1 The Chairman's responsibilities include

- Leading the board and ensuring its effective functioning.
- Setting the ethical tone for the board and company
- Setting the board's the agenda, in consultation with the Managing Director and the Group Company Secretary
- Ensuring that the board observes the highest standard of integrity and good governance
- Conveying feedback in a balanced and accurate manner between the board and Managing Director

#### 6.7.2 The Managing Director's responsibilities include

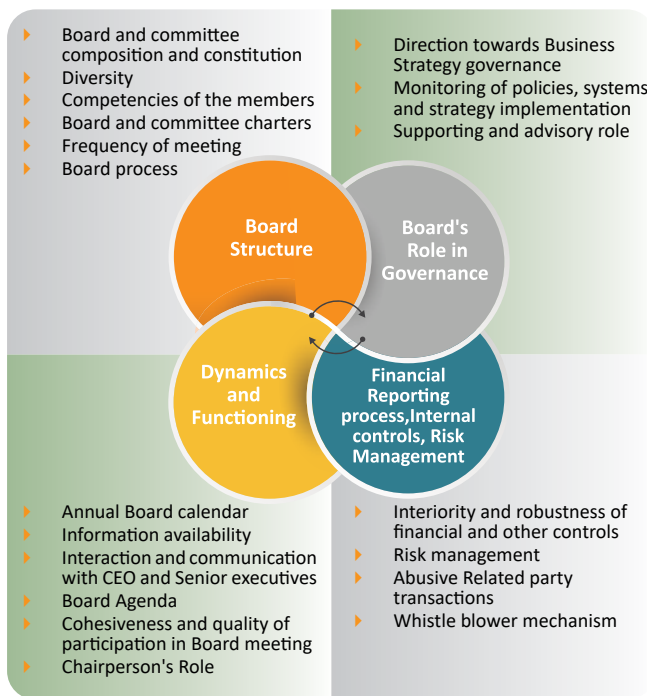
- Appointing the executive team and ensuring proper succession planning and performance appraisals
- Developing the company's strategy for consideration and approval by the board
- Developing and recommending budgets to the board that support the group's long-term strategy
- Monitoring and reporting to the board the performance of the group and its conformance with compliance laws
- Establishing an organisational structure for the group which is appropriate for the execution of its strategy
- Setting the tone for ethical leadership and creating an ethical environment
- Ensuring that the group complies with all relevant laws and corporate governance principles

## 6.8 Appraisal of Performance of the Board

The Board performs three major roles in LankaBangla- it provides direction (i.e. sets the strategic direction of the company), it controls (i.e. monitors the management), and provide support and advice. Board evaluation examines these roles of the Board and the entailing of responsibilities, and how effectively these are fulfilled by the Board. Appraisal of

the performance of the Board is conducted considering the following parameters:

### 6.9 Annual Evaluation of Managing Director by the Board



Assessing the performance of the Managing Director is the responsibility of the entire Board. At LankaBangla, Managing Director's performance is monitored and constructive feedback is given by the Chair (after consultation with the board) on an on-going basis rather than once or twice a year only. The Board believes that this alerts him to potential issues or problem arising and provides opportunities for the Board and the Managing director to overcome them before they escalate.

### 6.10 Learning and Development Program of Directors

Each and every Directors are expected to make important contributions based on industry knowledge, understanding of the Business model of the company and the key challenges faced by the Group as a whole.

The Chairman ensures that all Directors receive a complete formal induction on joining the Board, facilitated by the MANCOM members which includes:

- A detailed overview of LBF PLC and its subsidiaries, its strategies, operational structure and core business activities
- General and statutory duties and responsibilities of a Director
- Comprehensive discussion with senior executives and business heads of the company
- Detailed induction program on risk profile and risk appetite of the Company and the Group
- Directors are provided with the Code of Conduct for the Board members on general aspects of their Directorship and industry-specific matters
- In case of any new rules, regulations or changes in

existing regulations the Board is immediately informed of

- In order to assist them, the Board is always kept updated on any development and changes in the business environment, risk and industry outlook

### 6.11 Financial and Accounting Knowledge, Management Skills, Experience and Diversity of Directors

The board members' collective experience provides a balanced mix of attributes to fulfil its duties and responsibilities. The board's breadth of experience includes retail and investment banking, risk management, legal and regulatory, finance and accounting, marketing, public sector, remuneration and overall business. Four out of eight directors are current or former CEO or MD of different Banks and Financial Institutions at home and abroad.

One of the Board members is a Fellow Member of Chartered Institute of Management Accountant of United Kingdom. Among others, one of the Board Members worked as Controller General of Accounts, Ministry of Finance, Government of People's Republic of Bangladesh.

### 6.12 Retirement and Re-election of Directors

The Articles of Association requires one-third of the Board (being the longest in office) to retire from office every year at the annual general meeting. Therefore, by rotation, every director is required to submit themselves for re-nomination and re-election by shareholders at regular intervals of at least once every three years. A retiring Director shall be eligible for re-election.

### 6.13 Directors' Remuneration

Other than attending the meeting of the Board and its sub-committees Directors are not entitled to any remuneration to be paid by the company.

With reference to the Bangladesh Bank's DFIM Circular No. 13 dated November 30, 2015 each Director of LankaBangla Finance PLC is entitled to receive BDT 8,000 for attending each meeting of the Board and its Committees.

The details of the attendance along with the amount of the remuneration paid to the Directors for the meetings of the Board and its committees are given in the later segment of this report.

### 6.14 Directors' Report on Preparation and Presentation of Financial Statements and Corporate Governance

The Companies Act, 1994, requires the Directors to prepare financial statements for each accounting year. The Board of Directors accepts the responsibility for the preparation of the financial statements, maintaining adequate records for safeguarding the assets of the Company, preventing and detecting fraud and/ or other irregularities, selecting suitable accounting policies and applying those policies consistently and making reasonable and prudent judgments and estimates where necessary.

The Board of Directors are also responsible for the implementation of the best and the most suitable corporate governance practices. A separate statement of the Directors' responsibility for financial reporting and corporate governance is given on pages from 93 of this Annual



Integrated Report.

### 6.15 IT Governance

Information Technology Governance forms an integral part of the NBF's Corporate Governance. It deals primarily with optimizing the linkage between Strategic Direction and Information Systems Management of the Company. In this regard, implementation of the organizational structure with well-defined roles for the responsibility of information, business processes, applications, infrastructure, etc. generates value for our stakeholders while mitigating the risks associated with incorrect deployment and use of Information Technology.

### 6.16 Ethics and Compliance

LankaBangla has adopted more stringent policies than the prescribed guidelines issued by BSEC and has a policy against insider trading. LankaBangla employees are prohibited from dealing in securities of LankaBangla during the period commencing from two months before the announcement of the financial statements for the financial year, and ending on the date of the announcement of the relevant results. Employees with access to price-sensitive information in the course of their duties are instructed to conduct all their personal securities transactions through the LankaBangla's stock broking subsidiary.

The Board is committed to ensure highest level of Ethics and Compliance by itself and by the employees of LankaBangla.

### 6.17 Whistle Blowing Policy

LBF PLC has a Whistle Blowing Policy in place, which serves as a channel for early identification of corporate fraud or risk by ensuring that employees reporting legitimate concerns on potential wrongdoings occurring within the organization are guaranteed complete confidentiality. Such complaints are investigated and addressed through a formalised procedure and brought to the notice of the Chairman of the Board Audit Committee. The procedure is made available through the intranet to ensure awareness by all employees.

### 6.18 Communication and Relationship with Stakeholders

LankaBangla strongly believes that all stakeholders of the company should have reasonable access to complete information on its activities, performance and product initiatives.

LankaBangla maintains an active dialogue with shareholders. It holds in-person briefing sessions or telephone conference calls with the media and analysts when quarterly results are released. All press statements and quarterly financial statements are published on the national Daily Newspapers and DSE & CSE websites. A dedicated investor relations team supports the Company's CEO, Chief Financial Officer (CFO) and Company Secretary in maintaining a close dialogue with institutional investors.

The Company embraces and commits to fair, transparent and timely disclosure policy and practices. All price-sensitive

information or data are publicly released, prior to individual sessions held with investors or analysts.

#### 6.18.1 Communication through Quarterly Reports

LBF PLC reports to the shareholders four times a year through quarterly and half yearly report and a detailed Annual Report

#### 6.18.2 Communication through Annual General Meeting (AGM)

The shareholders are always encouraged to attend the AGM and in case of their inability to attend the meeting, to appoint proxies. LBF PLC believes that all shareholders have the right to attend the AGM where they can meet and communicate with the Directors and express their views regarding the Company's business, its future prospects and other matters of interest.

#### 6.18.3 Communication through Digital Media

The company's website [www.lankabangla.com](http://www.lankabangla.com) is a robust website which displays details information about its general business activities, Annual Reports, Half-yearly Reports, Quarterly Reports, product offerings, recent announcements and event updates.

Disclosures required by Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC) and listing regulations of Dhaka and Chittagong Stock Exchange are made promptly and adequately.

### 6.19 Environment and Social Obligation

At LankaBangla, we believe in concept of sustainable business, one that integrates good governance, environmental issues and social awareness with our business strategies to maximize value for stakeholders.

Accordingly, we has aligned our CSR initiatives to deliver on this commitment and aid community empowerment and sustainable environment management in a suitable manner.

## 7. LBF PLC's Vision, Mission and Strategies

### 7.1 Board approved Vision and Mission statements of the Company

The Board of Directors clearly sets the Vision, Mission and the Core Values of the Company, which is periodically reviewed by the Board.

LBF PLC's vision, mission and Core values are portrayed on page 2 of this Annual Integrated report.

### 7.2 Strategies to achieve Company's Business Objectives

Aligned with our vision of maximising stakeholders' value and thus Growing Together our Strategic Focus areas are described on pages from 189 of this Annual Integrated Report.

## 8. Board and Board Committees

### 8.1 Board

#### 8.1.1 Members and 2023 Meeting Attendances

##### Members and 2023 Meeting Attendances

Sl. No.	Name	Position	Appointment Date	No. of meeting held	Entitlement to attend	Attended
1	Mr. Mohammad Abdul Moyeen	Chairman	November 5, 1996	7	7	7
2	Mr. I. W. Senanayake (Representing Sampath Bank PLC)	Director	November 27, 2008	7	3	-
3	Mr. Nanda Fernando (Representing Sampath Bank PLC)	Director	February 13, 2018	7	7	6
4	Mrs. Aneesha Mahial Kundanmal	Director	November 5, 1996	7	7	6
5	Mr. Mahbulul Anam	Director	November 5, 1996	7	7	6
6	Mr. Tahsinul Huque	Director	November 5, 1996	7	7	4
7	Mrs. Zaitun Sayef	Independent Director	September 7, 2020	7	2	2
8	Mr. Md. Fakhru Alam	Independent Director	April 11, 2022	7	7	7
9	Mr. Ahmad Ahsanul Munir	Independent Director	June 21, 2023	7	5	5

##### Notes:

- Directors who could not attend meetings were granted leave of absence by the Board.
- Withdrawal of nomination given by Sampath Bank PLC in favor of Mr. I.W. Senanayake in the Board of LankaBangla Finance PLC in its 144th Board of Directors meeting held on 26 July 2023.
- The tenure of office of Independent Director Mrs. Zaitun Sayef has expired on June 21, 2023.
- Mr. Ahmad Ahsanul Munir has been appointed as an Independent Director of the Company on June 21, 2023.
- Approves significant acquisitions, mergers, takeovers, divestments of operating companies, equity investments and new strategic alliances
- Assumes ultimate responsibility for financial and IT governance, operational and internal systems of control, and ensures adequate reporting on these by the respective committees.

### 8.2 Audit Committee

#### 8.2.1 Appointment of members and composition of the Audit Committee

LBF PLC's Audit Committee is a sub-committee of the Board formed in compliance with the requirements of DFIM Circular No. 13, dated 26 October 2011 of the Bangladesh Bank and relevant BSEC notification(s) and international best practices on corporate governance.

Composition of the Audit Committee consisting of an Independent Director and Non-Executive Directors.

In compliance with the DFIM Circular No. 13, dated 26 October 2011 of the Bangladesh Bank and Corporate Governance guidelines of BSEC, the Committee consists of five (5) non-executive members of the Board including two Independent Directors, one of whom is the Chairman of the Committee. The quorum of the meeting shall not be filled until and unless the Independent Director attends the meeting. The Company Secretary acts as the secretary of the Audit Committee.

#### 8.1.2 Summary of Key Terms of Reference

- Provides effective leadership based on an ethical foundation
- Approves the strategy and ensures that the group's objectives take into account the need to align its strategy and risk profile, together with the performance levels and sustainability concerns of stakeholders
- Reviews the corporate governance and risk and capital management processes, and ensures that there is an effective risk management process throughout the group
- Delegate relevant authority to the Managing Director
- Determines the terms of reference and procedures of all board committees
- Reviews the board and committees' performance annually
- Reviews reports and minutes of board and committee meetings
- Ensures that the Group Audit Committee is effective and independent
- Considers and approves the audited annual financial statements and the annual integrated report, interim financial results, dividend announcements and notice to shareholders
- Monitors stakeholder relations

## 8.2.2 Members and 2023 Meeting Attendances

Sl. No.	Name	Position	No. of meeting held	Entitlement to attend	Attended
1	Mr. Ahmad Ahsanul Munir (Independent Director)	Chairman	5	3	3
2	Mr. Nanda Fernando (Representing Sampath Bank PLC)	Member	5	5	3
3	Mr. Mahbubul Anam	Member	5	5	5
4	Mr. M. Fakhru Alam (Independent Director)	Member	5	5	5
5	Mrs. Zaitun Sayef (Independent Director)	Ex-Chairperson	5	2	2

### Notes:

- Directors who could not attend meetings were granted leave of absence by the Board.
- The tenure of office of Independent Director Mrs. Zaitun Sayef has expired on June 21, 2023.
- Mr. Ahmad Ahsanul Munir has been appointed as an Independent Director of the Company on June 21, 2023 and nominated as a member of Board Audit Committee in place of Mrs. Zaitun Sayef.

### 8.2.3 Qualification of the members including the Chairman:

All the members of the Audit Committee including the Chairman vastly experienced with strong professional background.

### 8.2.4 Summary of key terms of reference:

#### 8.2.4.1 External audit

- Assesses the independence and effectiveness of the external auditors on an annual basis
- Oversees the appointment of external auditors, their terms of engagement and fees
- Reviews significant differences of opinion between external auditors and management
- Reviews the external auditors' management reports concerning deviations from and weaknesses in accounting and operational controls, and ensures that management takes appropriate action to satisfactorily resolve any issues
- Annually reviews and approves the policy setting out the nature and extent for using external auditors for non-audit work.

#### 8.2.4.2 Internal Audit and Financial Crime

- Reviews, approves and monitors the internal audit plan
- Reviews and approves the internal audit charter as per the board's delegated authority
- Considers and reviews the internal auditors' significant findings and management's response
- Annually re-evaluates the role, independence and effectiveness of the internal audit function in the overall context of the group's risk management system
- Reviews the reports and activities of the financial crime to ensure the mitigation and control of fraud and related risks.

#### 8.2.4.3 Compliance

- Reviews, approves and monitors the group's compliance plan

- Monitors compliance with the Companies Act, Financial Institutions Act, the BSEC Rules and Listings Requirements, and all other applicable legislation and governance codes.

#### 8.2.4.4 Financial Reporting and Financial Controls

- Reviews the group's audited annual financial statements, interim financial results, summarised financial information, dividend announcements and all financial information in the annual report and recommends them to the board for approval
- Evaluates the adequacy and effectiveness of the group's accounting policies and all proposed changes in accounting policies and practices
- Reviews the basis for determination as a going concern
- Reviews the effectiveness of financial management, including the management of financial risks, the quality of internal accounting control systems and reports produced including financial reporting risks and internal financial controls
- Reviews the impact of new financial systems, tax and litigation matters on financial reporting
- Monitors the maintenance of proper and adequate accounting records, and the overall financial and operational environment

#### 8.2.4.5 Risk Management

- Reviews the quarterly risk management report noting all significant financial and non-financial risks that may have an impact on the group.
- Considers any significant matters raised at RMC meetings.

#### 8.2.4.6 Information Technology

- Considers the auditors' use of relevant technology and techniques to improve audit coverage and audit efficiency
- Considers the impact of IT on financial controls.

### 8.2.5 Summary of Key Focus Areas in 2023

- Reviewed the financial information published by the group, including the content of the annual report and all other financial reports such as the annual financial statements and interim reports, and recommended them to the board for approval
- Evaluated financial accounting and reporting issues that affected the group
- Reviewed, approved and monitored the external audit, internal audit and compliance plans
- Considered tax matters, including current and upcoming tax legislation
- Considered reports from internal audit, compliance and financial crime control, and monitored responses from

- management where required
- Considered the group's external auditors' annual assessment of internal audit against the International Standards on Auditing, which confirmed that the external auditors could place reliance on internal audit's work for the purpose of the external audit
- Considered the routine independent quality assurance review of audit execution, the results of which confirmed that internal audit had generally conformed with the International Institute of Internal Auditors Standards for the Professional Practice of Internal Auditing
- Considered the requirements of the Companies Act in terms of assessing the independence of external auditors
- Approved the audit committee report for publication in the financial statements

### 8.3 Executive Committee

#### 8.3.1 Members and 2023 Meeting Attendances

Sl. No.	Name	Position	No. of meeting held	Entitlement to attend	Attended
1	Mr. Mohammad Abdul Moyeen	Chairman	9	9	9
2	Mr. Mahbubul Anam	Member	9	9	7
3	Mr. M. Fakhru Alam (Independent Director)	Member	9	9	9
4	Mrs. Zaitun Sayef (Independent Director)	Member	9	3	3
5	Mr. Ahmad Ahsanul Munir (Independent Director)	Member	9	5	4

#### Notes:

- Directors who could not attend meetings were granted leave of absence by the Board
- The Tenure of office of Mrs. Zaitun Sayef has expired on 21 June 2023.

#### 8.3.2 Summary of Key Terms of Reference

The primary responsibility of the Board Executive Committee is to provide advice and support the Chief Executive Officer and the Senior Management of the Company on strategic and business decision making within the guidelines of the Board and the regulatory authorities. Delegated authority to the Board Executive Committee (BEC) includes the followings:

- To review and give approval of lease/loan proposal of the management, if deemed appropriate
- To give approval on fixation of interest rate against the facilities
- To review and monitor the recovery process particularly classified loan/leases
- To address the issues that may be assigned by the Board

If in the Committee's opinion, any matter arises in the course of exercising the delegated authority that warrants the attention of the Board, the Committee will refer that to the Board for its direction or resolution.

The Company Secretary of LankaBangla Finance PLC shall act as Secretary to the Committee and ensure the followings:

- Maintenance of the records of the Committee including the Terms of Reference as approved by the Board of the Company together with any variation to those Terms of Reference from time to time
- Preparation of minutes of the meeting of the Committee and place the same to the following meeting of the Board on regular basis

#### 8.3.3 Summary of Key Focus Areas in 2023

Approval of Loans and advances amounted up to one hundred core.

### 9. Summary of unpaid/unclaimed dividend

In compliance with directive no. BSEC/CMRRCD/2021-386/03 dated 14 January 2021 of Bangladesh Securities & Exchange Commission (BSEC) clause no. 3(vii) summary of unpaid/unclaimed cash & stock dividend as on 31 December 2023 is given in the note 42(f) of the Financial Statements

# CERTIFICATION ON COMPLIANCE OF THE CORPORATE GOVERNANCE CODE

**Annexure-B**

**[Certificate as per condition No. 1(5)(xxvii)]**

**Report to the Shareholders of LankaBangla Finance PLC on compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by LankaBangla Finance PLC. for the year ended on December 31, 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006.-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

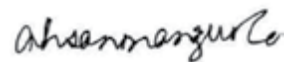
This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institution of Chartered Secretaries of Bangladesh (ICSB) as required by this code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The governance of the company is satisfactory.

**Place: Dhaka**

**Dated: 12 August 2024**



**Ahsan Manzur & Co.  
Chartered Accountants**

# RESPONSIBILITY STATEMENT OF MD AND CFO

The financial statements of Lankabangla Finance Limited (LBFL) and the consolidated financial statements of LBFL and its subsidiaries as at 31 December 2023 are prepared and presented in compliance with the requirements of the following:

- International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB)
- Companies Act 1994
- Income Tax Ordinance 1984
- Financial Institution Act 1993 (as amended)
- Bangladesh Securities and Exchange Rules 1987
- Listing Rules of the Dhaka Stock Exchange
- Bangladesh Bank guidelines

The formats used in the preparation of the financial statements and disclosures made comply with the formats prescribed by the Bangladesh Bank, the Central Bank of Bangladesh.

The Accounting Policies used in the preparation of the financial statements are appropriate and are consistently applied by the Group. There are no departures from the prescribed Accounting Standards in their adoption except for as mentioned in note number 2.5 of the Audited Financial Statements pages from 255 to 258. Comparative information has been reclassified wherever necessary to comply with the current presentation.

The significant accounting policies and estimates that involved a high degree of judgment and complexity were discussed with the Audit Committee and external auditors. The estimates and judgments relating to the financial statements were made on a prudent and reasonable basis; in order that the financial statements reflect in a true and fair manner, the form and substance of transactions and that LBFL's state of affairs is reasonably presented. To ensure this, LBFL has taken proper and sufficient care in installing a system of internal control and accounting records, for safeguarding assets and for preventing and detecting frauds as well as other irregularities, which is reviewed, evaluated and updated on an ongoing basis. It is confirmed that LBFL has adequate resources to continue its operations in the foreseeable future. Therefore, LBFL will continue to adopt the 'going concern' basis in preparing these financial statements.

Our internal auditor has conducted periodic audits to provide reasonable assurance that the established policies and procedures of LBFL were consistently followed. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls and accounting.

In addition, report on Directors' Responsibility on Financial Reporting and Internal Control is provided on pages 93 and 94. LBFL's External Auditors, Messrs M. J. Abedin & Co., Chartered Accountants have audited the effectiveness of the LBFL's Internal Controls over Financial Reporting. The Financial Statements of LBFL were audited by M. J. Abedin & Co. Chartered Accountants, the

independent External Auditors.

Their report is given on page 234 of this Annual Integrated Report. The Board Audit Committee of LBFL meets periodically with the Internal Auditors and the independent External Auditors to review the manner in which these auditors are performing their responsibilities and to discuss issues relating to auditing, internal to ensure complete independence, the External Auditors and the Internal Auditors have full and free access to the members of the Board Audit Committee to discuss any matter of substance. The Board Audit Committee report is given on page 95 The Board Audit Committee approves the audit and non-audit services provided by Messrs M. J. Abedin & Co., in order to ensure that the provision of such services does not impair Messrs M. J. Abedin & Co.'s independence.

We confirm that,

- LBFL and its subsidiaries have complied with all applicable laws, regulations and prudential requirements
- There are no material non compliances
- There are no material litigations that are pending against the Group
- Required and adequate provision has been made for the overdue loans and advances, marketable and non- marketable shares as per the Bangladesh Bank regulation and IFRS



**Humaira Azam**  
Managing Director

# REVIEW FROM THE MANAGING DIRECTOR

GRI: 102-14

**HUMAIRA AZAM**  
MANAGING DIRECTOR

*“In a year marked by unprecedented challenges, LankaBangla Finance PLC has demonstrated unwavering resilience, adapting with agility and purpose. Our strategic focus on financial stability, digital transformation, and customer-centricity has not only sustained our growth but has also strengthened our commitment to creating lasting value for all our stakeholders.”*



As we reflect on the year 2023, it is obvious that the whole industries were limping for the past 3/4 years due to Covid, subsequently wars in Ukraine, US, China, Middle east and trade was sufferings in the global markets. The huge corruption through over spending is larger infrastructure projects, syphoning of foreign currency through money laundering, making majority of the banks weak through non-returning of loans by influential political govt. supported quarters led to huge deficit in balance of payment basket. Also printing of unlimited currency and distorting totally deceptive reporting of the financial figures led to unusually high inflation which is still being researched to find out the real number. In this backdrop, it is clear that LankaBangla Finance PLC has shown resilience, adaptability, and strategic foresight in navigating in an increasingly complex and challenging economic environment. Despite facing significant macroeconomic headwinds, including elevated inflation, tightened monetary conditions, and global uncertainties, our commitment to sustainable growth and value creation remained unwavering. I am pleased to present a comprehensive review of our performance, the major financial highlights, our key strategic initiatives, and our corporate social responsibility (CSR) efforts that exemplify our dedication to making a positive impact on society.

### Major Financial Highlights

- **Profitability:** In 2023, our Group Profit After Tax (PAT) was recorded at BDT 393 million, reflecting a decline from BDT 661 million in 2022. The Standalone PAT stood at BDT 170 million, marginally down from BDT 178 million in the previous year. These figures underscore the challenges faced by the financial sector, but also highlight our ability to remain profitable despite adverse conditions.
- **Asset Portfolio:** Our Standalone Asset Portfolio expanded to BDT 61,719 million, representing a 3.4% increase from BDT 61,331 million in 2022. This growth demonstrates our prudent approach to portfolio management, ensuring that we continue to support our customers while maintaining a healthy balance sheet.
- **Disbursement and Mobilization:** We disbursed BDT 42,287 million in assets during the year, a decrease from BDT 63,770 million in 2022, reflecting a cautious approach in response to market conditions. Total mobilization for the year amounted to BDT 18,662 million, with significant contributions from CMSME, Retail, and Corporate segments.
- **Capital Adequacy:** Our Capital Adequacy Ratio (CAR) remains robust, with the Group CAR at 15.62% and Standalone CAR at 14.15%, well above the regulatory requirements. This strong capital base positions us well to navigate future uncertainties.
- **Operational Efficiency:** While our operating expenses increased by 17% due to inflationary pressures and investments in technology, we remain focused on optimizing our cost structure to improve operational efficiency in the long run.

It needs to be highlighted that like the whole industry suffered from high NPL. As there were policies coming out from the political govt. which was made to support certain quarters also affected the general portfolio as even the regular clients were encouraged by the larger intentional defaulters to not pay subsequently.

### Performance Overview

Our performance in 2023 was shaped by a strategic focus on maintaining financial stability, driving digital transformation, and enhancing customer experiences. We prioritized portfolio quality over aggressive growth, ensuring that our asset base remains resilient. Our Retail, CMSME, and Corporate segments played a pivotal role in sustaining our business momentum, even as we adopted a cautious stance in disbursements.

The digital transformation journey continued to be a cornerstone of our strategic agenda. We made significant strides in fintech partnerships, enhancing customer-centric payment systems, and launching innovative digital banking solutions. These initiatives have positioned us at the forefront of the digital finance landscape, allowing us to meet the evolving needs of our customers more effectively.

Customer satisfaction remains at the heart of our operations, and I am pleased to report a final satisfaction score of 92% for the year. This achievement is a testament to our commitment to delivering

value and fostering long-term relationships with our customers.

### Strategic Focus Areas

As we look ahead, our strategic priorities for 2024 are clear. We will continue to drive portfolio growth through a balanced approach that emphasizes quality over quantity. Our ongoing investments in digitalization will further enhance our operational capabilities, enabling us to offer more personalized and efficient services. Sustainability will also be a key focus, as we strive to integrate environmental, social, and governance (ESG) considerations into our business model.

### Corporate Social Responsibility (CSR) Activities

In 2023, our CSR initiatives reflected our deep-rooted commitment to making a positive difference in the communities we serve. Key activities included:

- **Winter Clothes Distribution:** We provided essential winter clothing to underprivileged communities, ensuring that those in need were better equipped to face the harsh weather conditions.
- **Dialysis Center at Ahsania Mission Cancer & General Hospital:** We set up a dialysis center at the Ahsania Mission Cancer & General Hospital, providing critical healthcare services to patients suffering from kidney-related ailments.
- **MoU with DNCC for Tree Plantation:** We signed a Memorandum of Understanding (MoU) with the Dhaka North City Corporation (DNCC) to undertake a large-scale tree plantation initiative. This initiative is part of our broader commitment to environmental sustainability and reducing our carbon footprint.

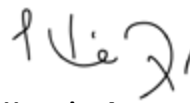
These CSR activities are not just a reflection of our social responsibility but are integral to our mission of building a more sustainable and inclusive future.

### Looking Forward

In conclusion, 2023 was a year of strategic resilience for LankaBangla Finance PLC. While we faced significant challenges, our focus on financial stability, digital transformation, and customer satisfaction ensured that we remained on a steady growth path. As we move forward, I am confident that our strategic priorities and unwavering commitment to excellence will drive our continued success in 2024 and beyond. We remain dedicated to creating long-term value for our shareholders, customers, and the communities we serve.

### Appreciation and Gratitude

I would like to express my deepest appreciation to our shareholders, customers, and employees for their continued trust and support. Together, we will navigate the challenges ahead and build on our successes to create a brighter future for LankaBangla Finance PLC. Thank you for your continued trust and support.



**Humaira Azam**

Managing Director  
LankaBangla Finance PLC



# CFO'S STATEMENT ON PERFORMANCE

**SHAMIM AL MAMUN, FCA**  
CHIEF FINANCIAL OFFICER

*"In 2023, LankaBangla faced a complex economic landscape marked by elevated interest rates, liquidity constraints, and the effects of currency devaluation, which posed challenges to our financial performance. Despite these pressures, our strategic focus on prudent balance sheet management and cost controls helped us maintain a Group Profit of 393 million BDT and a Capital Adequacy Ratio of 15.62%. By optimizing liquidity and carefully navigating market conditions, we continued to drive value for our stakeholders while positioning ourselves for sustainable growth."*



## Operational Performance



**Operating Profit**  
**BDT 1249 mn**



**Net Profit After Tax**  
**BDT 170 mn**



**OPEX**  
**BDT 1,729 mn**



**Market Capitalization**  
**BDT 26 bn**



**Cost-to-Income Ratio**  
**58.06%**



**Asset Base**  
**BDT 87,476 mn**



**Loan Portfolio Size**  
**BDT 61,719 mn**



**Shareholder's Equity**  
**BDT 9500 mn**



**NPL**  
**7.41%**



**CAR**  
**14.15%**



**Profit Margin**  
**1.98%**



**ROA**  
**0.20%**



**ROE**  
**1.64%**



**NAV**  
**17.63**



**EPS**  
**0.32**



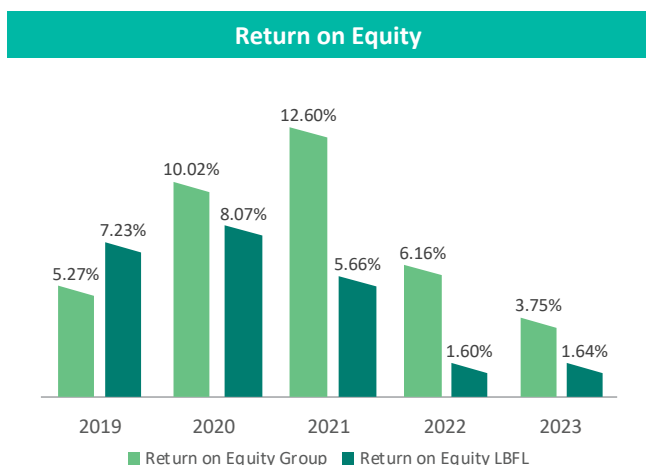
## Financial Position

To provide a comprehensive analysis of our financial performance, we present the DuPont analysis of our results for the current year.

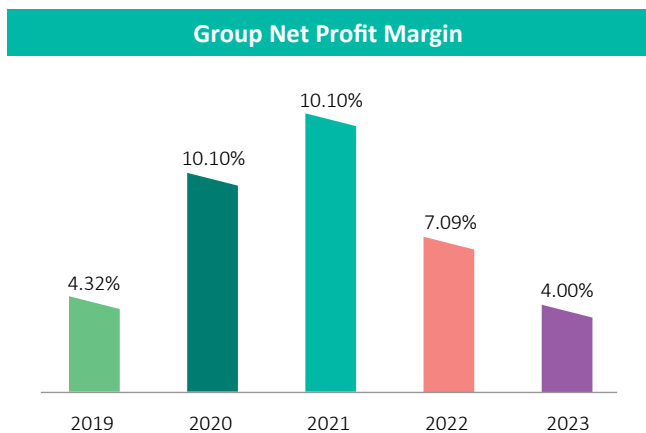
### DuPont Analysis

	Consolidated DuPont Analysis					Standalone DuPont Analysis				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Net Profit Margin	4%	10%	13%	7%	4%	7%	10%	8%	2%	2%
Asset turnover	14%	12%	12%	10%	10%	13%	11%	9%	9%	10%
Equity Multiplier	8.90	8.15	8.33	8.41	9.36	7.90	7.35	7.45	7.69	9.21

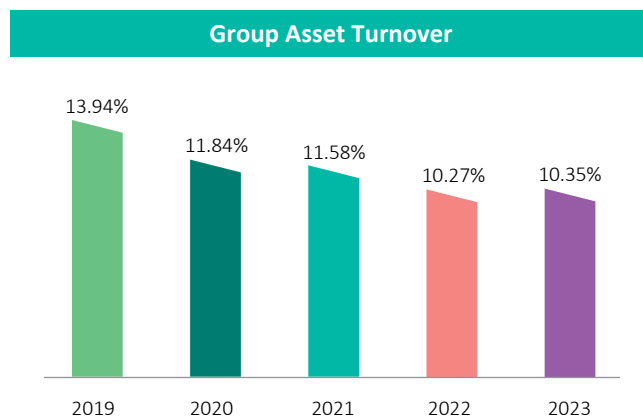
LankaBangla Finance PLC (LBF PLC) has maintained a relatively stable Return on Equity (ROE) over time, reflecting its prudent financial management and risk diversification strategy. The Group's ROE of 3.75% in 2023, although lower than the previous year, highlights its resilience amid challenging market conditions, including elevated inflation, currency depreciation, and industry-specific pressures. On a standalone basis, the ROE saw a slight improvement from 1.60% in 2022 to 1.64% in 2023, underscoring focused efforts to optimize profitability within core operations.



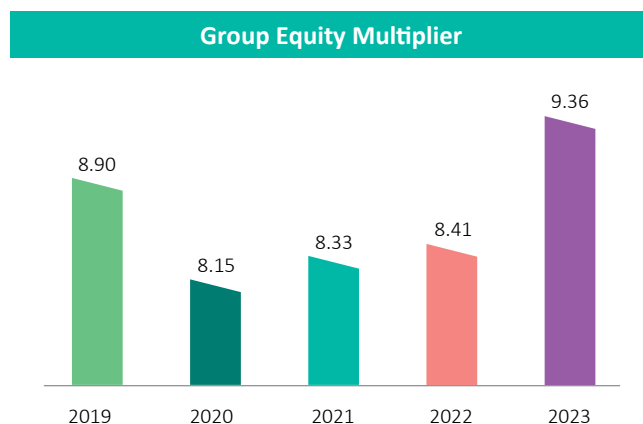
Over the five-year period, the Group's Net Profit Margin (NPM) has experienced fluctuations, shaped significantly by macroeconomic shocks. The NPM decreased from 7.09% in 2022 to 4.00% in 2023, primarily driven by declining profitability in a high-cost environment. This reflects the impact of currency devaluation and increased interest rates on operating costs, which pressured margins despite ongoing efforts to manage expenses.



The Group's Asset Turnover remained stable at over 10% in 2023, reflecting effective utilization of assets in generating revenue, despite broader economic headwinds. This consistency demonstrates the Group's ongoing efficiency in its operations and its strategic focus on maintaining operational stability.



The Equity Multiplier increased to 9.36 in 2023 from 8.41 in 2022, indicating a shift towards higher financial leverage. This increase aligns with the Group's strategic adjustments in capital structure, leveraging debt financing to support growth initiatives amid constrained market liquidity. While this reflects an adaptive approach to balance sheet management, it underscores the need for cautious oversight of leverage levels in the evolving economic landscape.



Despite the pressures of a challenging operating environment, LankaBangla's strategic balance sheet management, focus on maintaining liquidity, and measured response to market fluctuations have allowed the Group to continue creating value for stakeholders.

Going forward, our commitment to prudent financial management will remain central to navigating economic uncertainties and achieving sustainable growth.

## Capital

With an already strained economic backdrop due to the lingering effects of the pandemic, the global landscape faced further turmoil in 2023. The ongoing Russia-Ukraine conflict, persisting since early 2022, continued to exacerbate supply chain disruptions, financial sanctions, and global market volatility, pushing major economies into high inflationary cycles and fears of a potential recession. Inflation surged to record levels, impacting consumer purchasing power and putting additional pressure on the financial sector.

The economic instability driven by the conflict also led to significant energy shortages, constraining industrial profitability and access to financing. This environment contributed to rising non-performing loans (NPL) as companies and individuals struggled with debt repayment, further challenging the financial institutions. Despite these adversities, LBF PLC maintained a strong focus on asset quality and strategic loan provisioning, positioning itself to manage the heightened credit risks effectively.

In the capital market, investor sentiment remained cautious throughout 2023 due to ongoing global uncertainties. Despite the downturn and bearish trends, our prudent financial management and robust capital adequacy provided stability. The supplementary capital, consisting of general provisions for leases and loans, remained effectively managed, ensuring that asset quality was maintained despite regulatory caps on asset classification. We proactively bolstered our balance sheet by maintaining additional loan provisioning against specific classification statuses, safeguarding the company's financial position amidst a volatile market environment.

The supplementary capital comprises of General Provision for leases and loans, which was in control as we maintained our asset quality despite any cap on asset classification by the regulator and keeping additional loan provisioning against certain classification statuses. Further as per IFRS-9 and IAS 27 we have stated investments in subsidiaries in the Company's statement of financial position at fair value and any changes therein are recorded in revaluation reserve under equity. The total supplementary capital of LankaBangla now stands at BDT 1,785 million on a Group basis and BDT 2,020 million on a Standalone basis.

The Group's Capital Adequacy Ratio (CAR) currently stands at 15.62%, while LBF PLC has achieved a CAR of 14.15%, which are well above the base requirements set by the regulatory body for

the banking sector. The robust capital base serves as a testament of the protective measures we have taken to navigate through a challenging economic environment.

As of 2023, the Tier I Core Capital of LBF Group and LBF PLC itself amounted to BDT 10,952 million and BDT 8,663 million respectively. The total eligible capital for the Group is BDT 10,615 million, and for LBF PLC, it is BDT 8,663 million. Group risk weighted asset for the year stood at BDT 72,718 million in 2023, a marginal decline of 1.42% from that of the previous year, while standalone risk weighted asset stayed the same as last year at 70,879 million. Consequently, the Company was able to ensure a healthy surplus capital for both the Group and LBF PLC, which stood at BDT 4,792 million and BDT 3,595 million respectively in 2023.

## Loans and Advances

Following a private sector investment slowdown in 2020 and subsequent recovery in 2021, our organization continued to navigate economic challenges in 2023, maintaining resilience with a stable asset portfolio. Despite market uncertainties, the Group's asset portfolio reached BDT 65,353 million in 2023, up slightly from BDT 65,086 million in 2022, reflecting our commitment to strategic growth and portfolio diversification. Following a private sector investment slowdown in 2020, our organization experienced growth in 2021, and in 2022, we continued this upward trajectory with an increase in our group's asset portfolio.

The Group's asset portfolio mix in 2023 comprised 29% corporate portfolio, 26% retail portfolio, and CMSME contributing 37% to the outstanding portfolio. As a part of one of the core strategies of CMSME led growth, the segment demonstrated remarkable growth in its CMSME Group portfolio, with an 8.5% increase (BDT 1,897 million) from BDT 22,343 million in 2022 to BDT 24,240 million at the end of 2023.

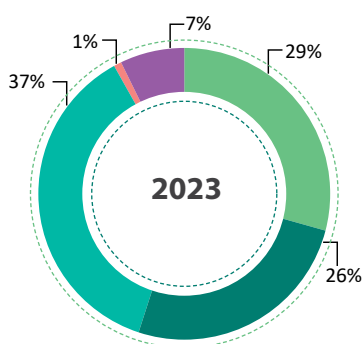
However, the Group's retail asset portfolio experienced a decline of BDT 2,212 million, decreasing from BDT 19,148 million in 2022 to BDT 16,903 million in 2023. Home loans constituted a significant portion of the retail asset portfolio. Notably, LBF remains the sole non-banking financial institution (NBFI) providing credit card services in the industry, with the credit card portfolio reaching BDT 5,035 million in 2023, reflecting a 5.2% increase compared to BDT 4,786 million in 2022, as the Company saw heightened credit card usage throughout the year.

The Group also exhibited a growth in its corporate asset portfolio, expanding by 4.4% to BDT 19,067 million in 2023, compared to BDT 18,268 million in 2022.

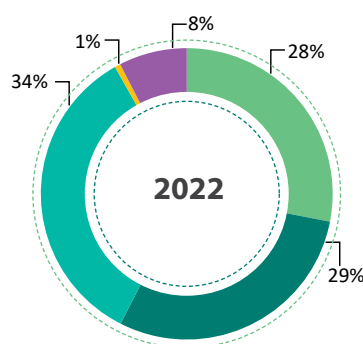
## Consolidated Loans and Advances

(amount in BDT mn)

Particulars	Actual		Growth in 2023		Contribution %	
	2023	2022	Amount	%	2023	2022
Corporate Division	19,067	18,268	799	4%	29%	28%
Retail Division	16,903	19,148	-2,245	-12%	26%	29%
CMSME Division	24,240	22,343	1,897	8%	37%	34%
LBIL- Margin loan to share trading clients	420	415	5	1%	1%	1%
LBSL- Debit balance of share trading clients	4,724	4,912	-189	-4%	7%	8%
<b>Total Business Divisions</b>	<b>65,353</b>	<b>65,086</b>	<b>268</b>	<b>0.4%</b>	<b>100%</b>	<b>100%</b>



■ Corporate Division  
 ■ Retail Division  
 ■ CMSME Division  
 ■ LBIL  
 ■ LBSL



■ Corporate Division  
 ■ Retail Division  
 ■ CMSME Division  
 ■ LBIL  
 ■ LBSL

## Funding and Liquidity

In 2023, the economic environment remained challenging, compounded by the lingering effects of inflation, geopolitical tensions, and a forex crisis that intensified the liquidity crunch within the economy. The continued cost-push inflationary pressures further squeezed disposable incomes, limiting public spending and leading to a decrease in savings. As a result, the public deposit base of the company has contracted by 3%, dropping from BDT 43,457 million in 2022 to BDT 42,254 million in 2023. Amidst these conditions, the liquidity strain not only pressured individuals to hold onto cash and assets but also led to an increase in loan defaults, impacting the company's financial stability.

As a response to the ongoing liquidity crisis, borrowings were secured to ensure the smooth functioning of lending operations. The total bank borrowings increased by 10% from BDT 23,543 million in 2022 to BDT 25,834 million in 2023. While there was an overall increase in borrowings, certain types of borrowings, such as foreign loans, decreased by 22% or BDT 558 million due to the regular installment payments throughout the year. The Company had to realize a foreign exchange loss of BDT 215 million, which significantly affected the revenue generation of the Company.

## LBF Deposit & Borrowings

(amount in BDT mn)

Particulars	Actual		Growth in 2023		Contribution %	
	2023	2022	Amount	%	2023	2022
Corporate TDR	8,152	10,793	-2,641	-24%	12%	16%
Retail TDR	24,892	24,512	380	2%	37%	37%
SME TDR	5,140	4,471	669	15%	8%	7%
Bank & FI TDR	4,070	3,682	389	11%	6%	5%
<b>Total Deposit</b>	<b>42,254</b>	<b>43,457</b>	<b>-1,203</b>	<b>-3%</b>	<b>62%</b>	<b>65%</b>
Long Term Loan- Bank & FI	5,807	6,439	-632	-10%	9%	10%
Long Term Loan- BB Refinance	8,269	4,497	3,772	84%	12%	7%
Short term borrowing	2,820	2,740	80	3%	4%	4%
Call Loan	250	0	250	-	0%	0%
Bank Overdraft	385	721	-335	-47%	1%	1%
Foreign Fund	1,996	2,554	-558	-22%	3%	4%
Commercial Paper	0	0	0	-	0%	0%
Syndicated Term Loan	625	2,984	-2,560	-80%	1%	5%
Money Market Placement	500	380	120	32%	1%	1%
Subordinate Bond	893	1,391	-498	-36%	1%	2%
Inter Bank REPO against Govt. Treasury Bills	1,594	0	1,594	-	2%	0%

Particulars	Actual		Growth in 2023		Contribution %	
	2023	2022	Amount	%	2023	2022
Bangladesh Bank REPO against Govt. Treasury Bonds	656	153	503	329%	1%	0%
Zero Coupon Bond	1,729	997	731	73%	3%	1%
Long Term Loan- SME Foundation	210	331	-121	-36%	0%	0%
Lease Liability- Vehicles	2	3	-1	-29%	0%	0%
Lease Liability- Office Premises	97	152	-55	-36%	0%	0%
<b>Bank Borrowings</b>	<b>25,834</b>	<b>23,342</b>	<b>2,291</b>	<b>10%</b>	<b>38%</b>	<b>35%</b>
<b>Total Deposit &amp; Borrowings</b>	<b>68,088</b>	<b>66,799</b>	<b>1,088</b>	<b>2%</b>	<b>100%</b>	<b>100%</b>

The categories that experienced significant increases in borrowing include long-term loans from Bangladesh Bank refinance schemes and inter-bank REPO against Government Treasury bills, which rose by BDT 3,772 million and BDT 1,594 million respectively. Additionally, REPO against Government Treasury Bonds, Zero Coupon Bonds, and long-term loans from CMSME Foundation saw increases of more than BDT 100 million each. These adjustments in borrowing strategies were made to address the liquidity crisis effectively and enable uninterrupted lending operations.

## Financial Performance

### Profitability Position:

In 2023, LankaBangla Group continued to navigate a complex economic landscape marked by inflation, heightened competition, and an ongoing liquidity crisis. Despite these hurdles, the group successfully expanded its asset portfolio and made strides in optimizing operating expenses. However, the challenging environment contributed to a 5% decline in standalone net profit after tax, amounting to BDT 170 million. On a consolidated basis, the group's profit after tax fell by 41% to BDT 393 million, reflecting the broader economic pressures and market dynamics that affected profitability across the sector.

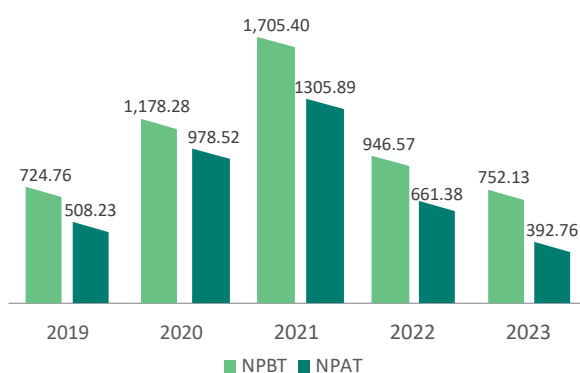
### Net Profit/NIM Comparisons

(amount in BDT mn)

LB Group				
Year	BDT Million		YOY Growth	
	2023	2022	Amount	%
NPBT	752.13	946.57	-194.45	-21%
NPAT	392.76	661.38	-268.61	-41%
Net interest Margin	1,396.52	2,183.73	-787.20	-36%
LBF PLC				
Year	2023	2022	Amount	%
NPBT	412.45	303.66	108.80	36%
NPAT	169.95	178.49	-8.54	-5%
Net interest Margin	1,047.52	1,819.99	-772.47	-42%

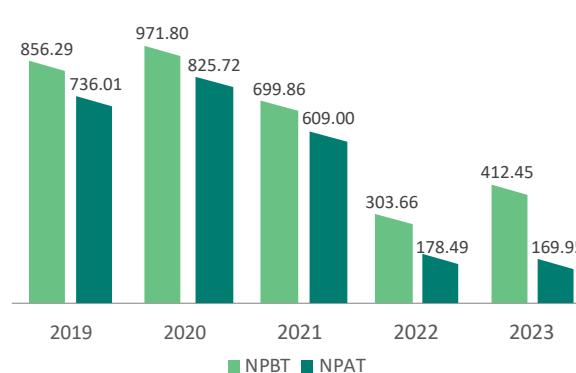
### Group Profitability (BDT mn)

Net Profit Group

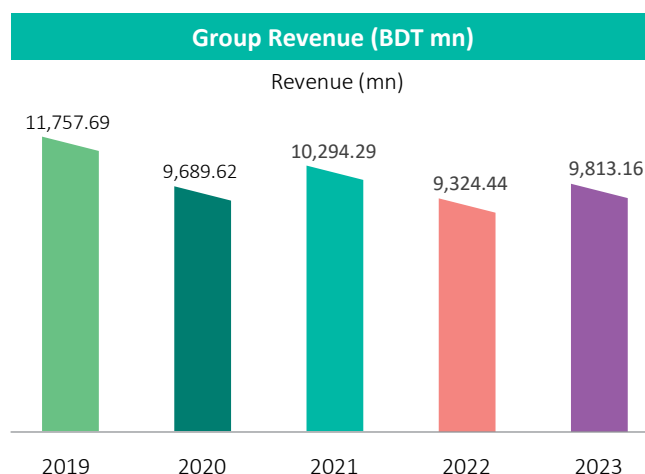


### LBFL Profitability (BDT mn)

Net Profit LBFL



## Gross Revenue



### Consolidated Gross Revenue Breakdown

(amount in BDT mn)

Particulars	Actual		Growth in 2023		Contribution %	
	2023	2022	Amount	%	2023	2022
Interest income	6,971.8	7,197.5	-225.65	-3%	71%	77%
Income from investment	914.7	550.9	363.77	66%	9%	6%
Commission, exchange and brokerage income	484.8	777.4	-292.57	-38%	5%	8%
Other operational income	1,441.9	798.7	643.17	81%	15%	9%
Gross Revenue	9,813.2	9,324.4	488.73	5%	100%	100%

In 2023, LankaBangla Group experienced a 5% increase in revenue, from BDT 9,324 million in 2022 to BDT 9,813 million. This increase is mainly triggered by the profit from fixed asset sale and capital gain by 644 million and 263 million respectively. There was a decrease in interest income by BDT 226 million, reaching BDT 6,972 million in 2023.

### Interest Income

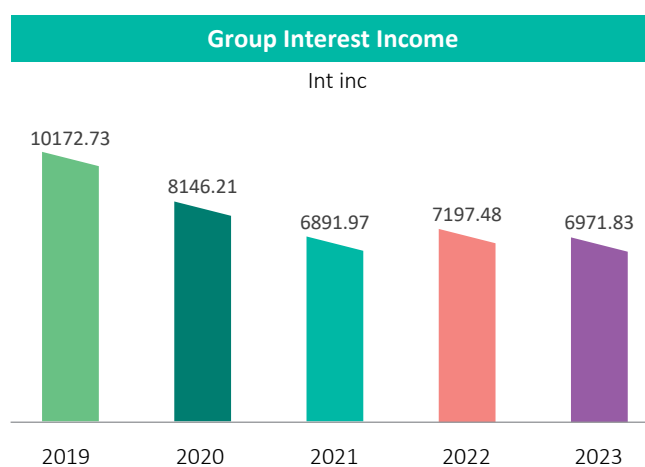
Interest income serves as the most crucial component of revenue generation for the company, which even though increased marginally, had to post a sluggish growth owing to the regulatory policies and exchange rate losses. Total interest income faced de-growth mainly because of 17% drop in Retail business. Treasury interest increased by 18% from 2022.

### Consolidated Interest Income

(amount in BDT mn)

Particulars	Actual		Growth in 2023		Contribution %	
	2023	2022	Amount	%	2023	2022
Corporate	2,157.86	2,193.45	-35.59	-2%	31%	30%
Retail	2,144.07	2,586.19	-442.13	-17%	31%	36%
CMSME	1,541.81	1,391.08	150.73	11%	22%	19%
Core Lending Business Segments	5,843.74	6,170.72	-326.99	-5%	84%	86%
Treasury	653.50	552.62	100.88	18%	9%	8%
Margin loan	32.71	46.06	-13.36	-29%	0.5%	1%
Debit balance of share clients	441.88	428.07	13.81	3%	6%	6%
Total Interest Income	6,971.83	7,197.48	-225.65	-3%	100%	100%

In 2023, interest income from the CMSME segment witnessed an 11% increase. However, interest income from the corporate and retail segments experienced a 2% and 17% decrease respectively. Consequently, the interest income from core lending saw a marginal fall of BDT 327 million, representing a 5% decrease compared to the previous year.



## Interest Expenses

Amidst the inflationary pressures in the economy, the overall cost of funds has increased, leading to a 3% rise in consolidated interest expenses. In 2023, interest expenses amounted to BDT 5,575 million, compared to BDT 5,014 million in 2022. Notably, interest expenses on term deposits increased by BDT 354 million. However, interest expenses on syndicated loans witnessed a significant decrease of 76%, while interest expenses on term loan-Bangladesh Bank rose by BDT 102 million in 2023.

### Consolidated Interest Expense

(amount in BDT mn)

Particulars	Actual		Growth in 2023		Contribution %	
	2023	2022	Amount	%	2023	2022
Term deposits	3,572.14	3,218.41	353.73	11%	64%	64%
Term loan- commercial bank	708.54	501.21	207.33	41%	13%	10%
Zero Coupon Bond	129.79	93.57	36.22	39%	2%	2%
Short term loan	248.75	170.62	78.13	46%	4%	3%
Bank overdraft	30.48	29.49	1.00	3%	1%	1%
Call loan	41.17	32.64	8.53	26%	1%	1%
Term loan- Bangladesh Bank	198.29	96.58	101.71	105%	4%	2%
BB REPO against Govt. T-Bonds	22.18	1.63	20.55	1263%	0%	0%
REPO with BB against Govt. T-bills	56.40	0.00	56.40	-	1%	0%
Subordinate bond	95.42	135.24	-39.82	-29%	2%	3%
Lease liability	26.27	30.65	-4.38	-14%	0%	1%
Syndicated term loan	96.74	400.54	-303.80	-76%	2%	8%
Foreign term loan-ICD	349.14	303.20	45.95	15%	6%	6%
Total Interest Expense	5,575.31	5,013.75	561.55	11%	100%	100%

## Investment Income

Contrary to the subdued recovery witnessed in 2022, the capital market in 2023 showed signs of gradual stabilization, although still grappling with the lingering effects of global economic pressures. The market's bearish trend, which persisted from 2022, continued to influence investor sentiment, contributing to volatility. Despite these challenges, consolidated investment income for 2023 increased significantly to BDT 915 million from BDT 551 million in the previous year, marking a notable recovery. However, the ongoing liquidity crisis led many individuals to withdraw their investments from capital market, further straining market conditions and highlighting the cautious approach of investors during this period.

### Consolidated Investment Income

(amount in BDT mn)

Particulars	Actual		Growth in 2023		Contribution %	
	2023	2022	Amount	%	2023	2022
Income from investment in share (Capital gain)	444.87	181.96	262.91	144%	49%	33%
Dividend income	233.58	236.85	-3.27	-1%	26%	43%
Commercial paper	0.00	0.00	0.00	-	0%	0%
Treasury Bills	82.85	0.13	82.72	65,056%	9%	0%
Treasury Bonds	37.08	19.19	17.89	93%	4%	3%
Subordinated bond	60.23	56.04	4.19	7%	7%	10%
Perpetual Bond	49.86	49.98	-0.11	-0.2%	5%	9%



Particulars	Actual		Growth in 2023		Contribution %	
	2023	2022	Amount	%	2023	2022
Discretionary corporate fund-LBAMCOL maximizer	6.20	6.76	-0.56	-8%	1%	1%
Total Investment Income	914.68	550.90	363.77	66%	100%	100%

## Non-Interest Revenue

In 2023, the total Non-Interest Revenue (NIR) experienced an increase of 22%, amounting to BDT 1,927 million, compared to BDT 1,576 million in 2022. Issue management fees slightly decreased by BDT 4 million compared to the previous year. As the disbursement of lease, loans and advances decreased slightly during the reporting year due to the reserved loan appetite of people and somewhat of a stretched market condition, fees and documentation income decreased by a margin of 11% in 2023 to BDT 327 million from BDT 370 million in 2022. Membership fees and other income from credit cards increased by 13% to BDT 150 million in 2023 from BDT 132 million in 2022. However, other income have increased significantly by 234% during the same period, mostly because of profit on sale of fixed asset (BDT 650 million in 2023 against BDT 6 million in 2022).

## Consolidated Non Interest Revenue

(amount in BDT mn)

Particulars	Actual		Growth in 2023		Contribution %	
	2023	2022	Amount	%	2023	2022
Commission, exchange and brokerage income	484.80	777.37	-292.57	-38%	25%	49%
Portfolio and issue management fees	5.76	9.92	-4.16	-42%	0%	1%
Fees and documentations income	327.23	369.62	-42.39	-11%	17%	23%
Membership and other Credit Card income	149.66	132.11	17.55	13%	8%	8%
Other income	959.21	287.03	672.18	234%	50%	18%
Total Non-Interest Revenue	1,926.66	1,576.06	350.60	22%	100%	100%

## Operating Expenses

The operating expenses for the group increased by only 0.2% to BDT 2,672 million, compared to BDT 2,668 million in the previous year. The company optimized its operating expenses by resizing and relocating office spaces and restructuring and re-strengthening human capital along with other one-off initiatives. The Group's salary and allowances decreased by 7%, while rent, taxes, insurance, electricity and legal, professional fees increased by 31% and 26% respectively.

## Consolidated Operating Expense

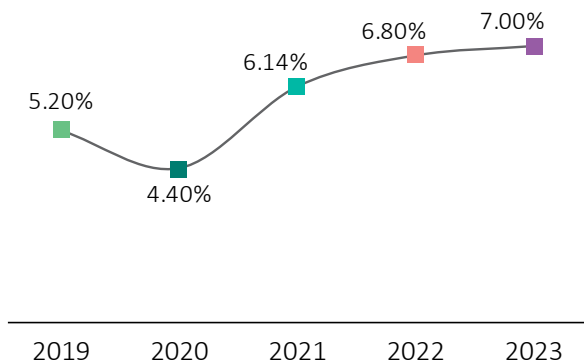
(amount in BDT mn)

Particulars	Actual		Growth in 2023		Contribution %	
	2023	2022	Amount	%	2023	2022
Salary and allowances	1,273.92	1,376.35	-102.42	-7%	48%	52%
Rent, taxes, insurance, electricity etc.	71.30	54.45	16.86	31%	3%	2%
Legal and professional fees	61.14	48.60	12.54	26%	2%	2%
Postage, stamp, telecommunication etc.	24.23	26.14	-1.92	-7%	1%	1%
Stationery, printing, advertisement	62.33	56.47	5.86	10%	2%	2%
Repairs, maintenance and depreciation	397.64	358.01	39.64	11%	15%	13%
Other expenses	781.91	748.01	33.90	5%	29%	28%
Total Operating Expense	2,672.48	2,668.02	4.46	0.2%	100%	100%

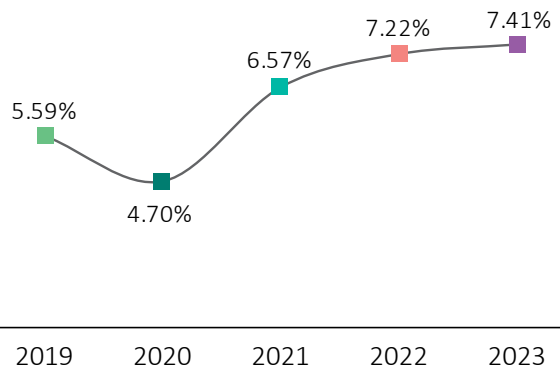
## NPL and Provision Charges on Loans and Investments

The LankaBangla Group experienced an increase in Non-Performing Loans (NPL) from 6.80% in 2022 to 7.00% at the end of 2023. This rise in NPL indicates a higher proportion of loans that are not being repaid on time or in full. To address this situation, the Group allocated provision charges of BDT 763 million for leases, loans, and advances in 2023, higher than the previous year's provision of BDT 541 million. Additionally, provision charges of BDT 50 million were made for investments in the same period. Despite these efforts, the total provision charged in 2023 amounted to BDT 813 million, reflecting the Group's commitment to managing and mitigating credit risks.

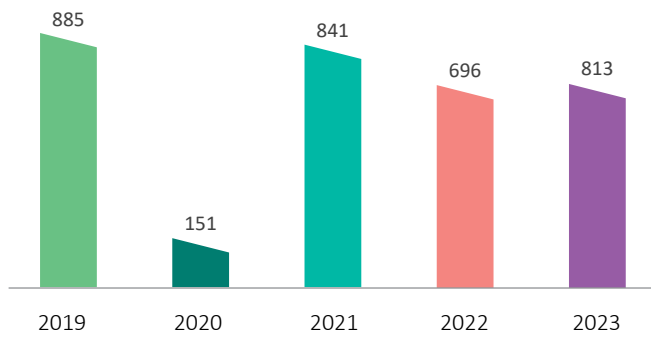
**Group NPL Ratio**



**Standalone NPL Ratio**



**Consolidated Provision Charges on Loans, Investments and other assets (in BDT mn)**



**LBF PLC's Performance Summary**

**Total Assets and Liability**

LBF PLC has shown resilience and adaptability within the financial sector despite ongoing economic uncertainties, inflationary pressures, and the prolonged impact of global disruptions. With a total asset base of BDT 87.48 billion, LBF has achieved a growth rate of 1.79% compared to the previous year's figure of BDT 85.93 billion. Despite the decrease in deposits from BDT 43.66 billion in 2022 to BDT 42.44 billion in 2023 LBF maintained a diversified term deposit portfolio. LBF's focus on offering well-diversified and tailored loan products has contributed to the growth of its Leases, Loans, and Advances portfolio. With a 0.63% increase, the portfolio reached BDT 61.72 billion in 2023 from BDT 61.33 billion in 2022.

**Asset Quality**

Despite the trying times, upholding asset quality remains a top priority for LBF PLC, evidenced by an NPL ratio of 7.41% at the end of December 2023, significantly outperforming the industry average of 27.65% for Non-Bank Financial Institutions (NBFIs) as of June 2023. This achievement is particularly noteworthy considering the regulatory guidelines on loan provisioning in 2021.

**Return On Asset**

LBF's Return on Asset (ROA) stands at 0.20%, with the consolidated ROA at 0.42%. Although influenced by macroeconomic slowdowns, LBF's performance in comparison to the industry displays reasonable outcomes amid significant losses experienced by others.

**Return On Equity**

The ROE for LBF reached 1.64%, while the consolidated ROE stands at 3.75%. These subdued ROE figures reflect the challenging economic conditions of 2023, heavily influenced by a bearish capital market that dampened investment returns and increased pressures on asset quality, impacting NPL ratios. Despite these hurdles, LankaBangla Group continued to show resilience in its core financing business, navigating a complex liquidity environment.

In 2023, the Group's Consolidated Net Interest Income and standalone Net Interest Income (NII) declined by 36% and 42%, respectively, largely due to the elevated cost of funds, reduced lending activity, and increased competition within the local market. As a result, Group profitability fell by 41%, while LBF's net profit saw a reduction of 4.79% compared to the previous year. These declines underline the impact of heightened funding costs and reduced margins in a year marked by a liquidity squeeze and lower disposable income among borrowers.

Consolidated Earnings per Share (EPS) decreased from BDT 1.21 in 2022 to BDT 0.70 in 2023, while LBF's EPS slightly declined from BDT 0.33 per share to BDT 0.32. This downward shift reflects not only the impact of external market conditions but also the adjustments in portfolio strategies aimed at risk mitigation. The Net Asset Value (NAV) per share of the Group saw a minor decrease from BDT 20.02 in 2022 to BDT 18.82 in 2023, driven by pressure on asset quality and provisioning needs amidst the economic downturn.

The year 2023 posed several challenges for the LankaBangla Group, particularly due to the persistent bearish trend in the capital market, which reduced investment income and compressed margins. The retail segment experienced a dip in revenue as consumers tightened spending amidst inflationary pressures, while the CMSME segment demonstrated commendable growth, aligning with the company's strategic focus on bolstering CMSME financing to drive inclusive economic development. Operating expenses were effectively managed, although legal fees surged as part of heightened recovery efforts in response to rising NPLs.

While the NPL ratio increased due to the economic stress, reflecting strained repayment capacity among borrowers, provisions for leases, loans, and advances were slightly adjusted to align with regulatory requirements and risk management strategies. The Group maintained a stable asset base and demonstrated efficient asset utilization, highlighting its strategic agility in adapting to a rapidly changing financial landscape. Despite the global economic challenges, including the war-induced disruptions and cost pressures, LankaBangla's commitment to maintaining sound financial health and prudent capital management allowed the company to sustain reasonable profitability in a difficult year for the sector.

**Going Forward:**

As we move into 2024, we remain committed to the principles that have built our strong foundation over the past 26 years. Our focus will be on maintaining stringent asset quality controls, particularly in light of the increased NPL ratio, through proactive monitoring and enhanced collection strategies. We will also prioritize cost efficiency by optimizing operational expenses, including strategic relocations and resource management in response to ongoing economic challenges.

Our portfolio growth strategy will continue, but we are determined to do so without compromising asset quality or financial discipline. We aim to diversify our liability portfolio further, focusing on securing long-term funds alongside our traditional short-term deposits. Maintaining a strong liquidity position will be key, and we will ensure an optimal spread between lending rates and the cost of funds.

In the face of a volatile market, we will continue to adapt our strategies to the evolving landscape while prioritizing profitability and sustainable growth. By leveraging our robust capital base, we are confident in our ability to navigate the challenges ahead and deliver consistent value to our stakeholders.

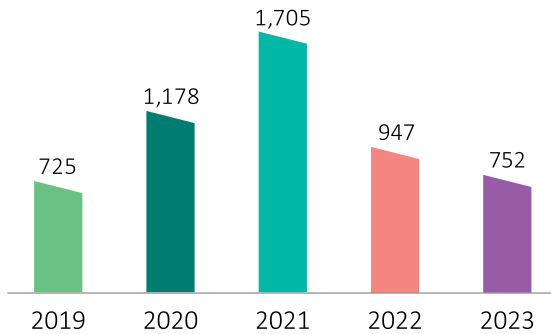
# FINANCIAL HIGHLIGHTS OF LANKABANGLA GROUP

GRI: 102-7

All figures in BDT million except (%)

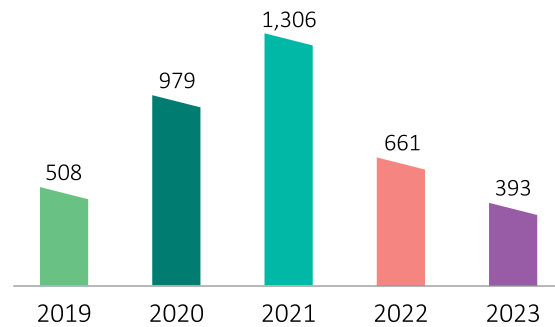
Financial Position	2019	2020	2021	2022	2023	Growth of 2023 over 2022	5 Year CAGR (%) / Average* 2023
Total Assets	84,363	81,835	88,927	90,765	94,855	4.51%	2.97%
Total Liabilities	74,708	71,612	78,053	79,769	83,904	5.18%	2.94%
Business Disbursement	33,666	22,007	34,269	43,770	42,287	-3.39%	5.87%
Property Plant and Equipment	2,861	2,777	2,595	2,860	1,496	-47.69%	-14.97%
Current Assets	58,403	61,658	63,451	63,451	69,386	9.35%	4.40%
Current Liabilities	56,368	54,511	52,734	52,734	59,092	12.06%	1.19%
Net current assets	2,035	7,147	10,717	10,717	10,293	-3.95%	49.96%
Non Current Assets	25,960	20,178	25,476	27,314	25,470	-6.75%	-0.48%
Long Term Liabilities	18,340	17,101	25,318	27,035	24,811	-8.22%	7.85%
Loans and Advances	65,117	58,472	62,888	65,086	65,353	0.41%	0.09%
Term Deposits	46,751	46,947	47,501	42,708	42,034	-1.58%	-2.62%
Total Investment Portfolio	78,642	76,249	82,982	84,343	87,208	3.40%	2.62%
<b>Operational Performance</b>							
Operating Revenue	11,758	9,690	10,294	9,324	9,813	5.24%	-4.42%
Operating Expenses	2,873	2,388	2,874	2,668	2,672	0.17%	-1.79%
Financial Expenses	7,275	5,972	4,873	5,014	5,575	11.20%	-6.44%
Non Interest Revenue	1,585	1,543	3,402	2,127	2,841	33.59%	15.71%
Net Profit Before Tax	725	1,178	1,705	947	752	-20.54%	0.93%
Net Profit After Tax	508	979	1,306	661	393	-40.61%	-6.24%
EBITDA	8,363	7,484	6,861	7,484	6,632	-11.39%	-5.63%
<b>Financial Ratios</b>							
Gross Profit Ratio	61.88%	61.63%	47.34%	53.77%	56.81%	5.66%	56.29%
Operating Profit Ratio	13.69%	13.72%	24.74%	17.62%	15.95%	-9.45%	17.14%
Return on Capital Employed	0.66%	1.33%	1.76%	0.85%	0.49%	-41.86%	1.02%
Cash reserve ratio/ liquidity asset ratio (Required 2.5%)	2.57%	1.59%	1.58%	1.70%	1.97%	16.23%	1.88%
Statutory Liquidity Reserve (Required 5%)	5.04%	5.05%	5.07%	5.07%	5.07%	0.00%	5.06%
Capital Adequacy Ratio	16.75%	18.31%	17.80%	17.33%	15.62%	-0.36%	17.49%
Gross Non performing assets to gross advances/Non performing loans (assets) to total loans (assets)	5.20%	4.40%	6.14%	6.80%	7.00%	2.97%	5.91%
Cost to Income Ratio	64.09%	64.24%	53.01%	61.89%	63.06%	1.89%	61.26%
Current Ratio	1.04	1.13	1.20	1.20	1.17	-2.41%	1.15
Debt Equity Ratio	6.90	6.15	6.18	6.33	6.89	8.86%	6.49
Financial Expense Coverage Ratio	1.22	1.22	1.52	1.33	1.28	-3.53%	1.31
Return on Equity (%)	5.27%	10.02%	12.60%	6.16%	3.75%	-39.08%	7.56%
Return on Assets (%)	0.59%	1.18%	1.53%	0.74%	0.42%	-42.51%	0.89%
<b>Equity Parameters</b>							
Authorized Capital	10,000	10,000	10,000	10,000	10,000	0.00%	0.00%
Paid-up Capital	5,132	5,388	5,388	5,388	5,388	0.00%	1.23%
Shareholders' Equity	9,482	10,046	10,679	10,788	10,139	-6.01%	1.69%
No. of Share Outstanding	513	539	539	539	539	0.00%	1.23%
Net Asset Value (NAV) Per Share	17.60	18.64	19.82	20.02	18.82	-6.01%	1.69%
Earnings Per Share (EPS)	0.94	1.81	2.38	1.21	0.70	-41.90%	-6.96%
Market Price Per Share (Closing)	18.00	31.40	37.30	26.00	26.00	0.00%	9.63%
Price Earnings Ratio (Times)	19.25	17.37	15.70	21.56	37.11	72.13%	17.84%
Dividend Payment (C- cash & B- bonus)	5% B	-					
	7% C	12% C	10% C	10% C	10% C		
Profit Per Employee (mn)	0.48	0.92	1.68	0.53	0.37	-30.51%	-6.24%
Credit Ratings							
Long Term	AA3	AA3	AA3	AA3	AA3	AA3	
Short Term	ST-2	ST-2	ST-2	ST-2	ST-2	ST-2	

**Net Profit Before Tax (Amount in BDT mn)**



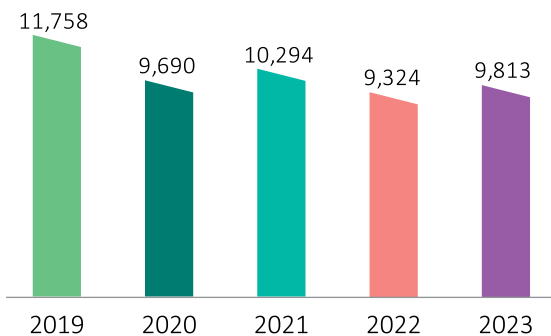
Net Profit before Tax (NPBT) decreased by 20.54% in 2023 compared to 2022. This is because excessive operating costs & inadequate revenue.

**Net Profit After Tax (Amount in BDT mn)**



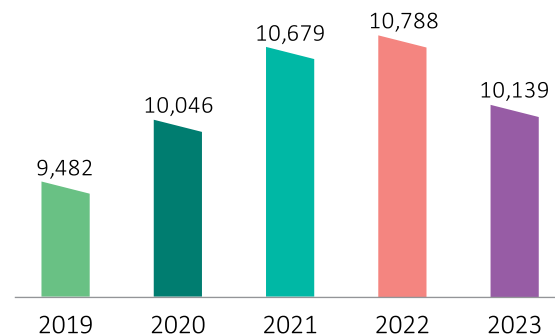
Net Profit after Tax (NPAT) decreased by 40.61% in 2023 compared to 2022. This is because the growth of net income disproportionate to sales growth.

**Operating Revenue (Amount in BDT mn)**



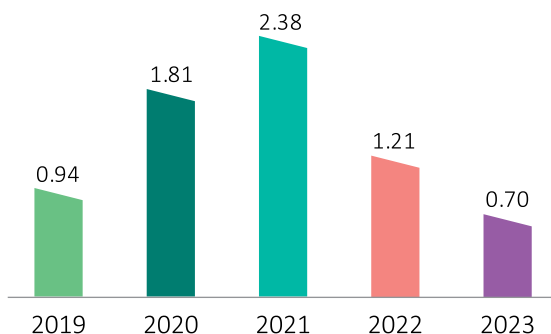
Operating Revenue has been increased in 2023. Operating revenue increased by 5.24% in 2023 compared to 2022 maintaining an average 4.42% over the five-year period. Operating revenue has increased because of increase of investment portfolio.

**Shareholders' Equity (Amount in BDT mn)**



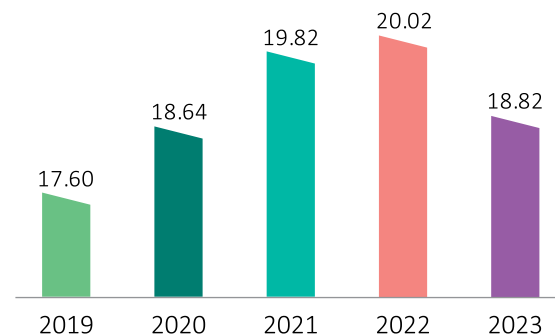
Shareholders' Equity slightly decreased by 6.01% in 2023. Current year's decreased profit contributes to decreased shareholders' equity.

**Earnings Per Share (EPS) (Amount in BDT)**



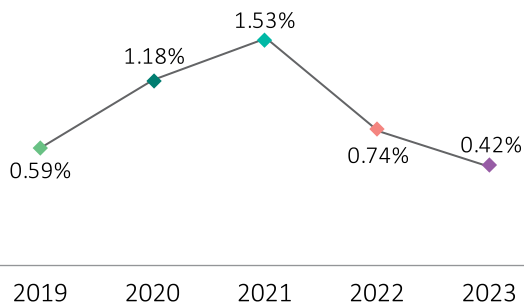
EPS decreased by 41.90% in 2023. because of decrease in net income and increase of expenses over the income.

**Net Asset Value (NAV) Per Share (Amount in BDT)**

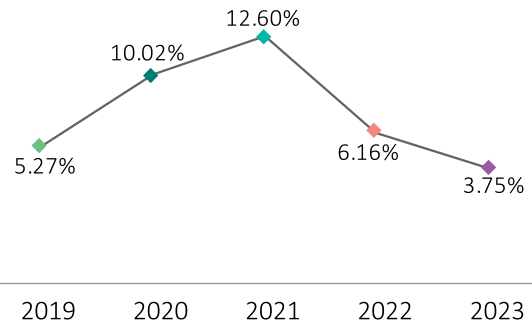


NAV decreased to 18.82 in 2023 from 20.02 in 2022. decrease of the value of the securities decreased.

Return on Assets (%)



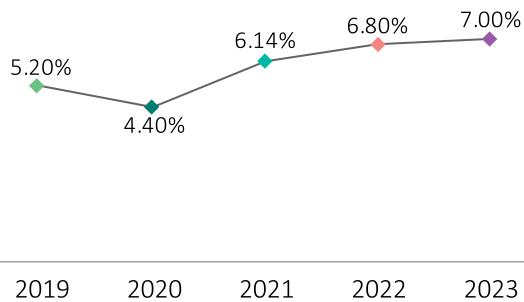
Return on Equity (%)



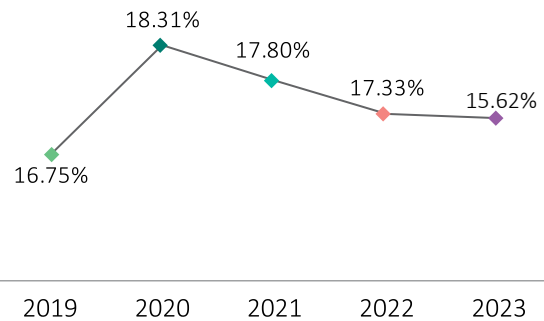
Return on Assets (ROA) also registered a decrease in 2023 by 0.42 percentage points due to decrease in net profit after tax (NPAT) during the year.

Return on Equity (ROE) decreased in 2023 due to decrease in Net Profit after Tax during the year compared to ROE 39.08% in 2022.

NPL Ratio (%)



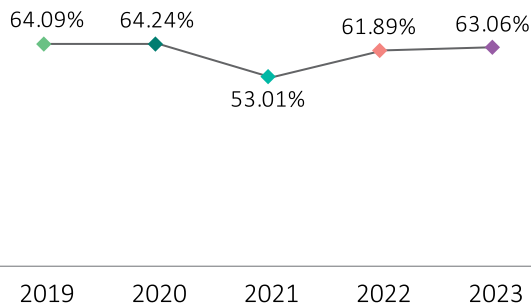
Capital Adequacy Ratio (%)



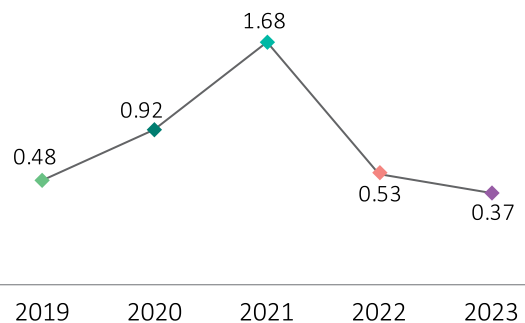
Though NPL increased by 16.23 percentage points compared to 2022, effective and continuous effort has been deployed to manage the credit risks exposed by the Company for a resultant risk management in the future.

The CAR has decline in 15.62% in 2023 compared to 17.33% in 2022. The Company always endeavors to keep more than adequate capital in order to be compliant and risk free. Continuous monitoring of capital adequacy is undertaken.

Cost/Income Ratio (%)



Profit Per Employee (mn)



Costs to income ratio Increased in 2023 by 1.89 percentage points due to increase in operating expenses during the year while the operating income decrease in 2023.

Profit per employee decreased in 2023 from 2022 due to decrease in net profit after tax (NAPT) compared to 2023.

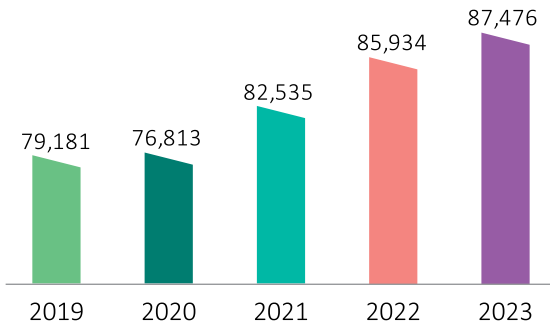
# FINANCIAL HIGHLIGHTS OF LANKABANGLA FINANCE PLC

GRI: 102-7

All figures in BDT million except (%)

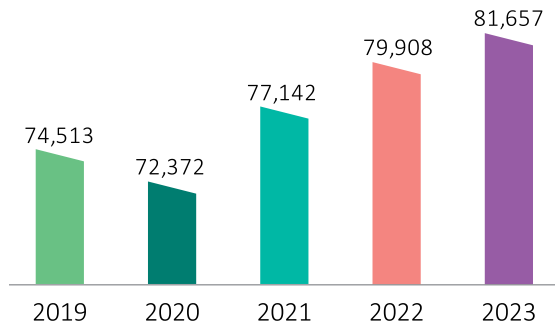
Financial Position	2019	2020	2021	2022	2023	Growth of 2023 over 2022	5 Year CAGR (%) / Average 2023
Total Assets	79,181	76,813	82,535	85,934	87,476	1.79%	2.52%
Total Liabilities	69,163	66,317	71,461	74,766	77,976	4.29%	3.04%
Business Disbursement	33,666	22,007	34,269	43,770	42,287	-3.39%	5.87%
Property Plant and Equipment	1,762	1,718	1,669	1,891	543	-71.27%	-25.49%
Deposits	46,751	47,428	48,006	43,457	42,254	-2.77%	-2.50%
Total Investment Portfolio	74,513	72,372	77,142	79,908	81,657	2.19%	2.32%
<b>Operational Performance</b>							
Operating Revenue	10,334	8,277	7,579	7,534	8,415	11.70%	-5.00%
Operating Expenses	1,897	1,646	1,629	1,684	1,729	2.64%	-2.30%
Financial Expenses	6,841	5,714	4,703	4,892	5,438	11.17%	-5.58%
Net Profit Before Tax	856	918	700	304	412	35.83%	-16.69%
Net Profit After Tax	736	826	609	178	170	-4.79%	-30.68%
EBITDA	7,971	7,957	5,599	5,368	6,043	12.57%	-6.69%
<b>Financial Ratios</b>							
Gross Profit Ratio	33.80%	30.96%	37.95%	35.07%	35.38%	0.87%	1.15%
Operating Profit Ratio	15.44%	11.07%	16.46%	12.72%	14.84%	16.65%	-0.98%
Return on Capital Employed	0.99%	1.16%	0.84%	0.23%	0.22%	-6.20%	-31.49%
Capital Adequacy Ratio	16.40%	18.76%	16.89%	15.78%	14.15%	-10.33%	-3.63%
Gross Non performing assets to gross advances/Non performing loans (assets) to total loans (assets)	5.59%	4.70%	6.57%	7.22%	7.41%	2.69%	7.34%
Cost to Income Ratio	54.33%	64.24%	56.63%	63.73%	58.06%	-8.90%	1.67%
Debt Equity Ratio	6.23	5.73	5.80	6.00	7.17	19.47%	3.59%
Financial Expense Coverage Ratio	1.23	1.16	1.27	1.20	1.23	2.82%	-0.07%
Return on Equity (%)	7.23%	8.07%	5.66%	1.60%	1.64%	2.47%	-30.94%
Return on Assets (%)	0.91%	1.06%	0.76%	0.21%	0.20%	-7.50%	-31.94%
<b>Equity Parameters</b>							
Authorized Capital	10,000	10,000	10,000	10,000	10,000	0.00%	0.00%
Paid-up Capital	5,132	5,388	5,388	5,388	5,388	0.00%	1.23%
Shareholders' Equity	10,018	10,448	11,074	11,169	9,500	-14.94%	-1.32%
No. of Share Outstanding	513.18	538.84	538.84	538.84	538.84	0.00%	1.23%
Net Asset Value (NAV) Per Share	19.52	19.39	20.55	20.73	17.63	-14.94%	-2.52%
Earnings Per Share (EPS)	1.37	1.53	1.13	0.33	0.32	-4.79%	-30.68%
Market Price Per Share (Closing)	18.00	31.40	37.30	26.00	26.00	0.00%	9.63%
Price Earnings Ratio (Times)	13.18	20.49	33.00	78.49	82.44	5.03%	58.15%
Dividend Payment (C-cash & B- bonus)	5% B	-					
	7% C	12% C	10% C	10% C	10% C		
Dividend Payout Ratio (%)	83.67%	78.31%	88.48%	301.89%	317.06%	5.03%	39.52%
Dividend Coverage (Times)	1.95	1.28	1.13	0.33	0.32	-4.79%	-36.59%
Dividend Yield (%)	3.89%	3.82%	2.68%	3.85%	3.85%	0.00%	-0.28%
Profit Per Employee (mn)	0.80	1.08	0.78	0.14	0.21	46.35%	-28.38%
<b>"Credit Ratings"</b>							
Long Term	AA3	AA3				AA3	
Short Term	ST-2	ST-2				ST-2	

**Total Assets (Amount in BDT mn)**



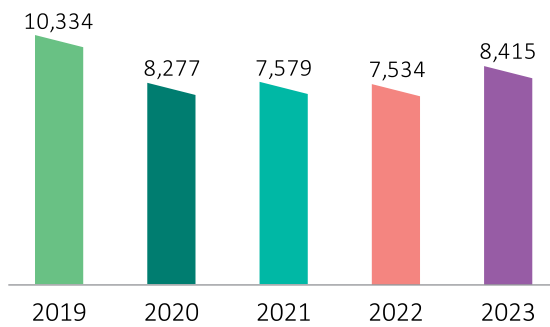
In 2023 Total Assets Increased by 1.79% compared to 2022 maintaining an average growth of 2.52% over the last 5 years.

**Total Investment Portfolio (Amount in BDT mn)**



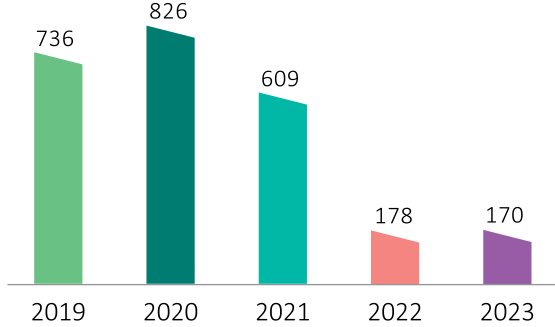
Total Investment portfolio increased by 2.19% in 2023 from that of 2022 registering an average growth of 2.32% in last 5 years. Effective Investment policy contribute in this increased amount.

**Operating Revenue (Amount in BDT mn)**



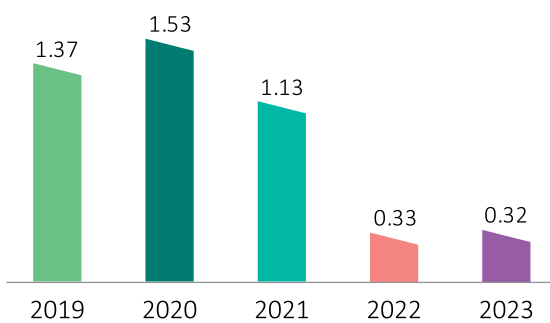
Operating revenue increased 11.70% in 2023 over 2022 . Operating revenue has increased the investment which higher interest income.

**Net Profit After Tax (Amount in BDT mn)**



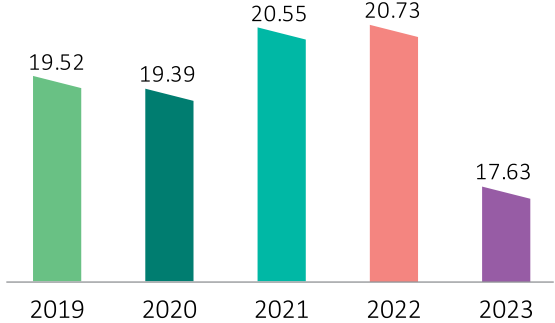
Net Profit after Tax (NPAT) registered a negative growth of 30.68% in 2023.

**Earnings Per Share (EPS) (Amount in BDT)**



EPS decreased to BDT .32 in 2023 compared to BDT .33 in 2022. Decrease in net profit after tax (NPAT) during 2023 triggered EPS during 2023.

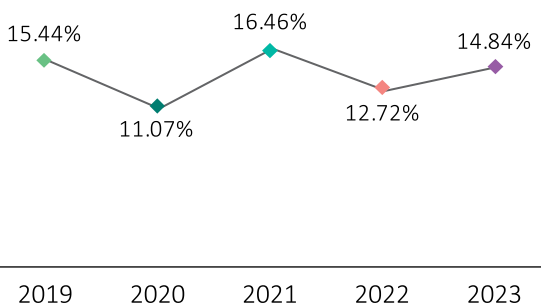
**Net Asset Value (NAV) Per Share (Amount in BDT)**



NAV slightly decreased to 17.73 in 2023 compared to 20.73 in 2022 maintaining an average growth of -2.52% over the 5-year period.

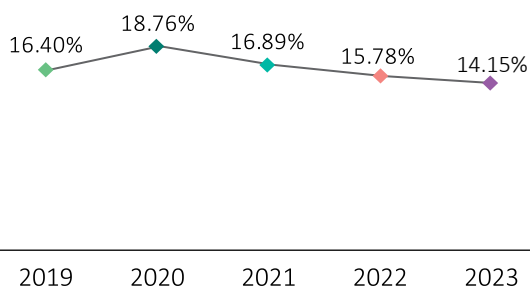


**Operating Profit Ratio (%)**



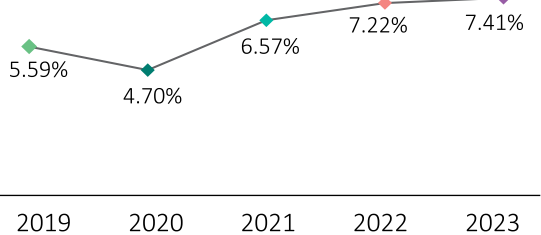
Operating margin increased by 16.67 percentage in compared with 2022. This is because of increased in other operational income during 2023

**Capital Adequacy Ratio (%)**



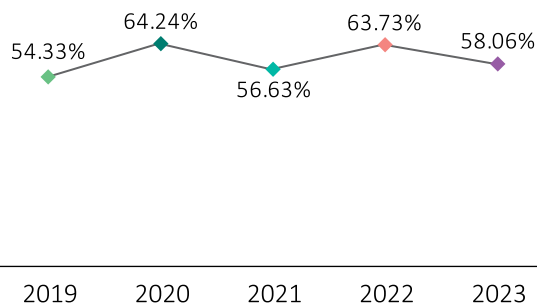
The CAR has decreased by 10.33% in 2023 compared to 2022. Continuous monitoring of capital adequacy is undertaken.

**NPL Ratio (%)**



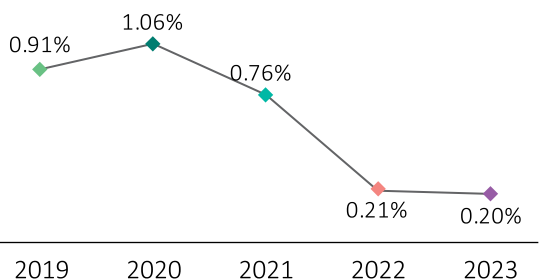
Though NPL Increased by 2.69% percentage points compared to 2023, effective and continuous effort has been deployed to manage the credit risks exposed by the Company for a resultant risk management in the future.

**Cost to Income Ratio (%)**



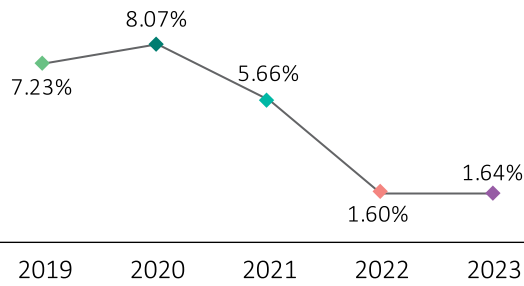
Costs to income ratio decreased to 63.73% in 2022 from 58.06% in 2023.

**Return on Assets (%)**



Return on Average Assets decreased to .20% at the end of 2023 which was .21% in 2022. Decrease in ROA is triggered by the decrease in net profit after tax (NPAT) during 2023.

**Return on Equity (%)**



In 2023 ROE experienced a negative growth in a figure of 1.64% compared to 1.60% in 2022. Decrease in net profit after tax (NPAT) has contributed for decreased in ROE.

## PERFORMANCE OF SUBSIDIARIES

### LankaBangla Securities Limited (LBSL)

Year 2023 was very challenging for the country's capital market and LBSL as well. Daily average turnover of LBSL decreased significantly in line with the market turnover because of the floor price issue. Despite such stalemate, LBSL was able to and register 5.49% market share DSE and 5.15% market share in CSE.

	2019	2020	2021	2022	2023
LBSL's Turnover in DSE	136,479.99	148,131.88	383,224.48	234,512.78	155,022.27
LBSL's Turnover in CSE	11,046.18	10,750.48	23,995.62	9,951.91	6,045.25
Total Turnover of LBSL	147,526.17	158,882.35	407,220.10	244,464.69	161,067.53
Market Share in DSE	5.99%	5.50%	5.41%	5.00%	5.49%
Market Share in CSE	8.50%	8.73%	7.56%	6.56%	5.15%

*Turnover figures in million*

At the end of the year 2023, LBSL's net profit after tax stood BDT 104.98 million. ROA and ROE for the year ended on 2023 of the company stood 0.89% and 1.83%. Shareholders' equity stood Tk. 5,738.40 million at end of 2023.

	2019	2020	2021	2022	2023
<b>Shareholders' Equity</b>	4,817.51	4,678.58	5,382.05	5,719.28	5,738.40
<b>Total Assets</b>	10,007.71	10,401.62	12,258.79	11,203.86	11,742.01
<b>Total Liabilities</b>	5,329.13	5,584.12	6,876.74	5,484.57	6,003.61
<b>Revenue from Brokerage</b>	452.66	490.35	1,264.78	785.44	495.98
<b>Net Profit After Tax</b>	124.64	144.42	746.12	329.53	104.98
<b>Return on Assets</b>	1.25%	1.39%	6.09%	2.94%	0.89%
<b>Return on Equity</b>	2.59%	3.09%	13.86%	5.76%	1.83%
<b>Earnings per Share</b>	0.46	0.54	2.77	1.22	0.39

*Figures in million except EPS, ROA, ROE*

Particulars	31-12-2023	31-12-2022	Change in %
Brokerage income	495.98	785.44	-36.85%
Interest income	447.09	431.82	3.54%
Income from investment	84.86	126.16	-32.74%
Other operational income	22.26	13.79	61.45%
Interest expenses	176.51	165.15	6.88%
Operating expenses	607.98	627.36	-3.09%
Direct Charges	61.46	94.07	-34.66%
Profit after Tax	104.98	329.53	-68.14%
Earnings per share	0.39	1.22	-68.03%

*figures are BDT million except eps*

During the year 2023, LBSL's brokerage income shredded to 36.85% compared to the year 2022 because of the drastic fall of trade volume in the bourses driven by the floor price issue. However, interest income increased slightly to 3.54%. Income from investment also fallen to 32.74% due to the same reason of the decrease of brokerage income. Interest expense increases to 6.88% because of the interest rate hike by the Banks from the middle of the year 2023.

On the other hand, LBSL was more focused to reduce its operating cost and managed to reduce it 3.09% compare to the last year of 2022. Direct charges expense reduced significantly up to 34.66% because of the decrease of daily trade volume. Overall profitability of the company reduced to 68.14% but the positive side was that the company able to finish the year with a positive bottom line amounting Tk. 104.98 million.

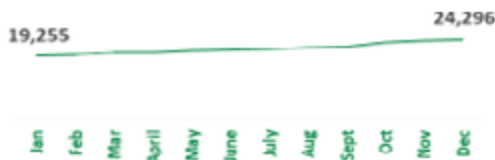
**New BO Account Opened**

Region	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Chittagong	283	145	143	176	230	183	471	321	173	201	305	461	3,092
Dhaka South	220	177	131	123	283	151	278	304	257	273	325	410	2,932
Dhaka North	148	97	185	98	204	48	136	105	91	221	123	119	1,575
Dhaka Main	83	70	53	48	56	265	244	163	130	68	87	85	1,352
<b>Total</b>	<b>734</b>	<b>489</b>	<b>512</b>	<b>445</b>	<b>773</b>	<b>647</b>	<b>1129</b>	<b>893</b>	<b>651</b>	<b>763</b>	<b>840</b>	<b>1,075</b>	<b>8,951</b>

Even though the market was very negative throughout the year 2023, LBSL successfully brought 8951 new investors in the country’s capital market which was around 15% growth of the company’s total client base.

**Digital Trade Platform User**

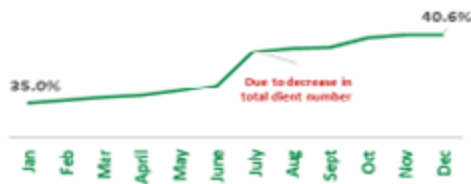
Registered Trade Express User



Digital Trade Execution in Total no. of Trade



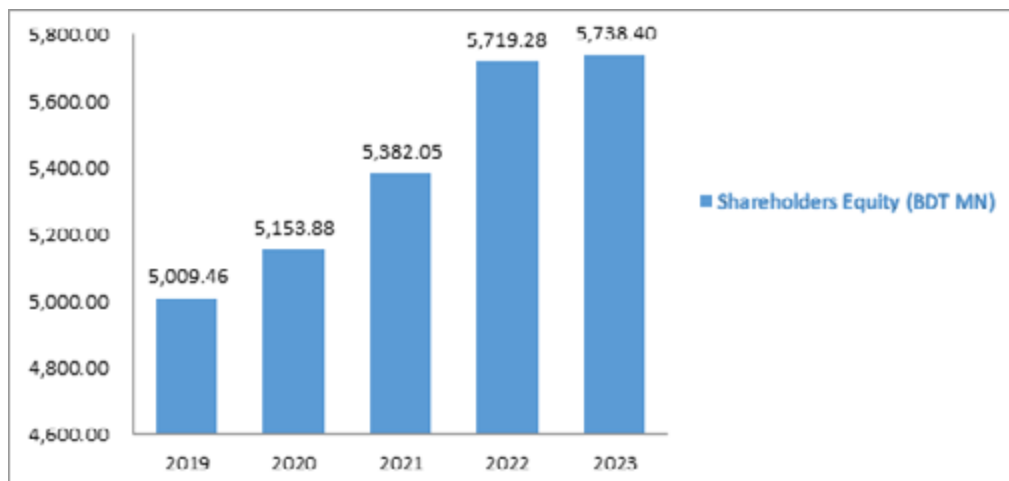
Registered Trade Express User % of Total Client



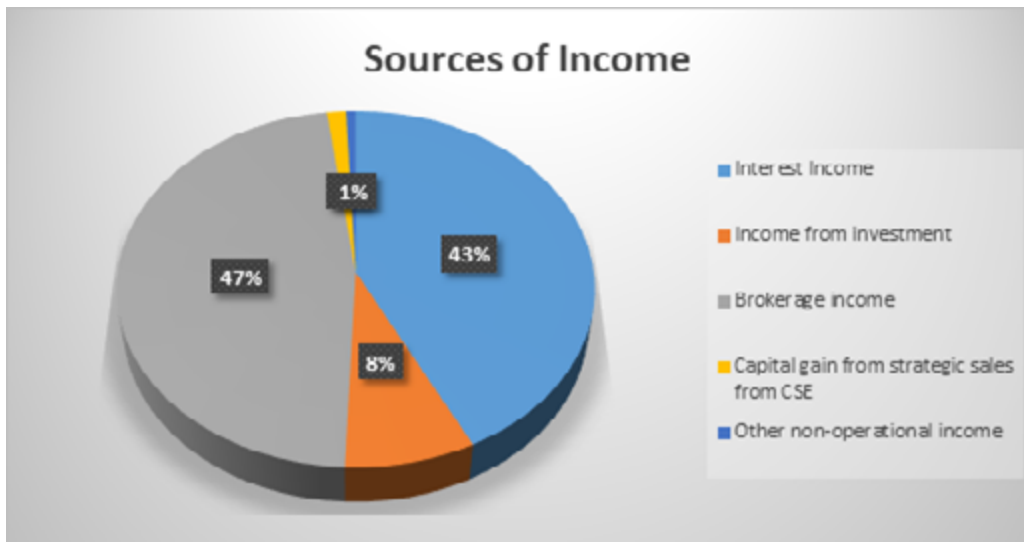
Turnover Participation of Trade Express User



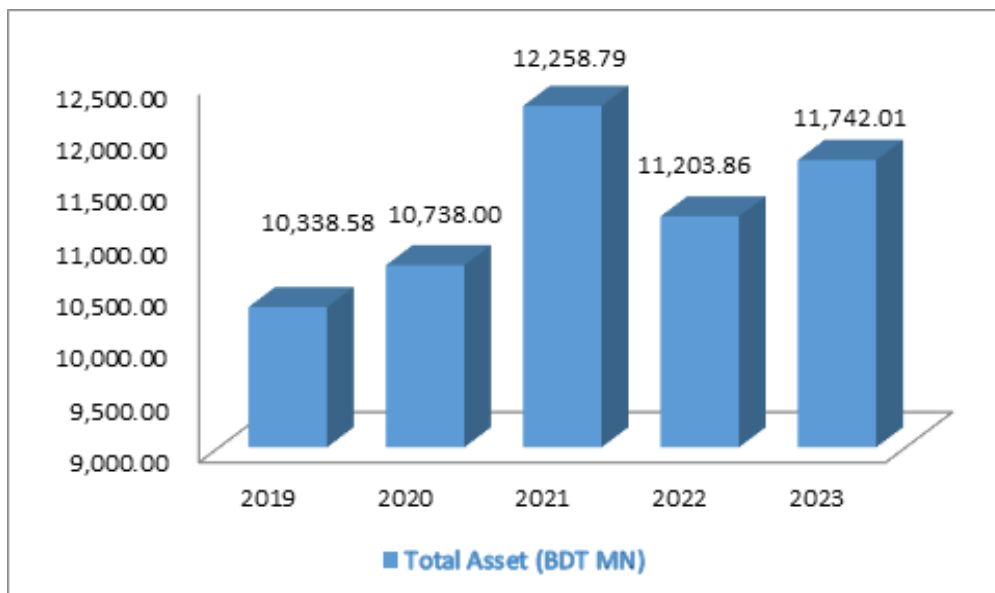
During the year 2023, LBSL was very active to increase its registered TradeExpress users and currently almost 40% of LBSL’s existing clients are using TradeExpress. Currently, 55% of LBSL’s daily trade volume have been generated through Digital platform and 38% of TradeExpress users actively contribute to generate LBSL’s daily turnover.



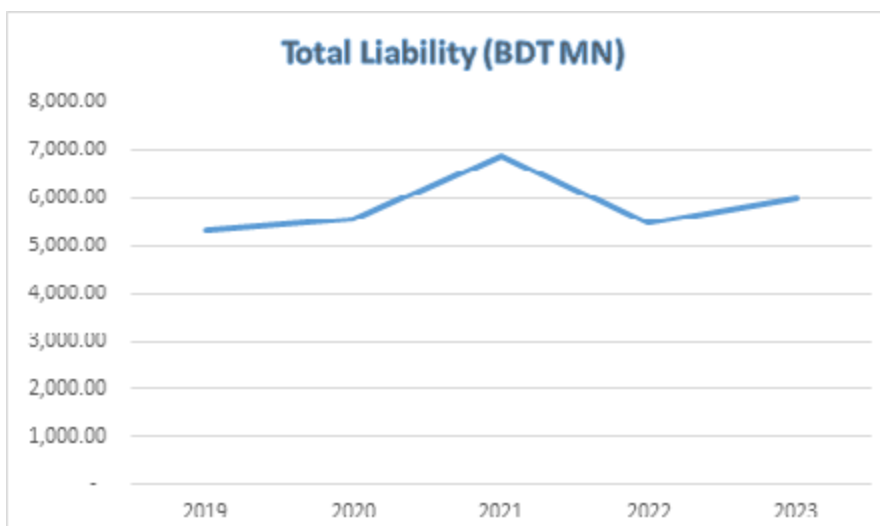
Shareholders’ equity of LBSL has been increased to Tk. 5,738.40 million in 2023 from Tk. 5,719.28 million in 2022.



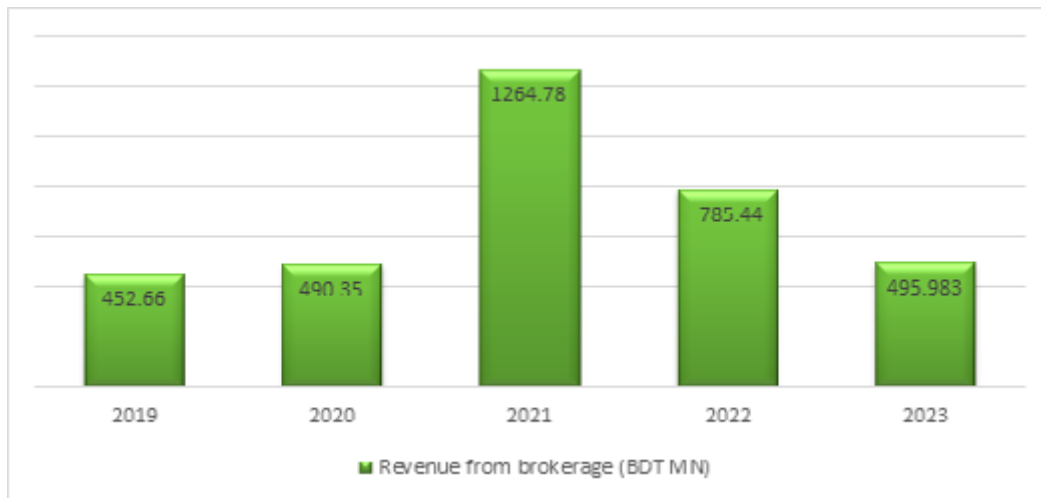
In the year 2023, the main source of income of the company was brokerage income and interest income which occupied 47% and 43% of the total income of the company respectively. Following that, investment income contributed 8% of the total income of the company. In 2023, Earnings per Share (EPS) was Tk. 0.39 which was 1.22 in the same period of the year 2022.



Total asset of the company increased to Tk. 11742.01 million in the year 2023 which was Tk. 11,203.86 million in 2022.

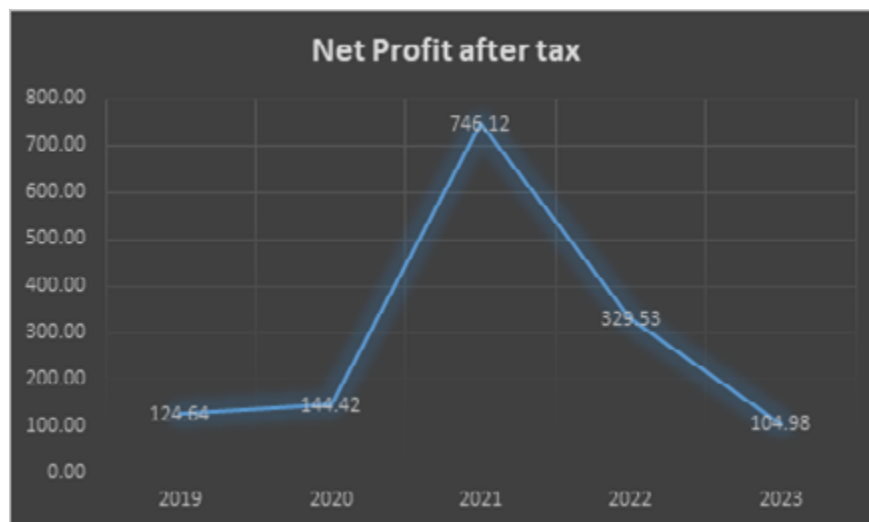


Total liability of the company was BDT 6,003.61 million at the end of the year 2023 which was BDT 5484.57 million at the end of the year 2022.

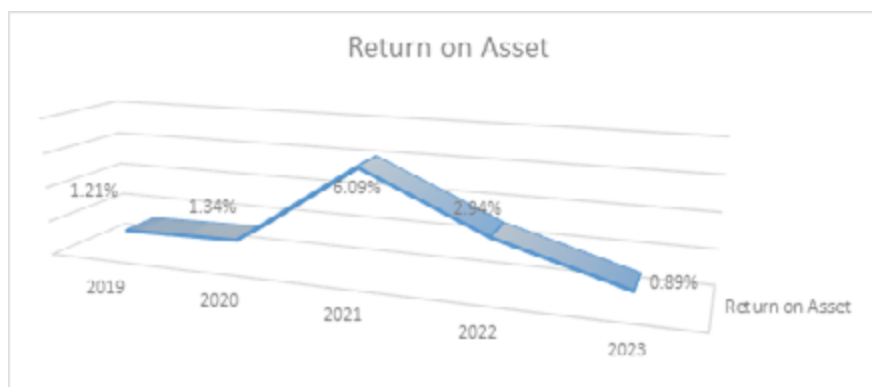


LBSL earned Tk. 495.98 million as Revenue from brokerage during the year 2023. It was Tk. 785.44 million in the year 2022.

LBSL's Net profit after tax (NPAT) stood Tk. 104.98 million at the end of 2023.



At the end of the year 2023, Return on Asset (ROA) was 0.89% which was 2.94% in 2022.



Return on equity (ROE) of LBSL was 1.83% in 2023 which was 5.76% in 2022.

### LankaBangla Investment Limited (LBIL)

LankaBangla Investments Limited (LBIL) is engaged in providing investment banking services and has positioned itself prominently through its wide range of products and services. With substantial expertise and a long track record of operational experience in the capital market, LBIL has made itself a significant force in the investment banking arena of Bangladesh.

LBIL posted BDT 70 million Profit after tax in 2023 which is 393 million of LBFL group's profit.

**Notable achievements for the period ended December 31, 2023, are as follows:**

- Completion of Listing process of Midland Bank Limited for an issue size of BDT 700.00 million under the Fixed Price method
- Received mandate to act as Corporate Advisor and Issue Manager for the prospective IQIO of a Company engaged in Effluent Water Treatment (ETP) in EPZ
- Received mandate from a real estate company for issuing Secured Zero-Coupon Bond worth of BDT 1,000 million
- Received mandate from a company for the evaluation of merger prospect with two of its associated companies
- Successfully advised a reputed real estate company in their fund-raising initiative for their real estate business.
- Received mandate as "Financial Advisor" for a prospective investment from USA to Bangladesh for establishment of a highly specialized manufacturing facility in economic zone.

### LankaBangla Asset Management Company Limited (LBAMCL)

LBAMCL aims to be a premier asset management company in Bangladesh, renowned for its ethical excellence, professional integrity, and unwavering dedication to advancing investors' interests. The company provides a wide range of wealth management solutions, including Corporate Fund Management, Mutual Fund Management, Alternative Fund Management, and Corporate Advisory services.

The capital market had a disappointing year in 2023, with the broad market index (DSEX) showing a marginal growth of only 0.6% in FY 2023. In FY 2022, the local currency, the Taka, devalued significantly by 22.2% against the US Dollar. This trend continued into FY 2023, with the Taka devaluing an additional 4.9% against the US Dollar. The economy faced increasing pressure as export growth slowed down, driven by reduced demand in key markets. Economic slowdowns and high inflation rates in the US and Europe negatively impacted export volumes. Bangladesh faced increased external debt servicing requirements in 2023. Additionally, there was a sluggish inflow of remittances, leading to an imbalance in the current account and a decrease in foreign exchange reserves.

LBAMCL managed to outperform the broad index DSEX in its managed funds and also made moderate progress in 2023, as highlighted below:

- Generated 2.8%, 2.2%, 1.7%, and 6.5% return in LankaBangla 1st Balanced Unit Fund, LankaBangla Al- Arafah Shariah Unit Fund, LB Gratuity Opportunities Fund, and LB Gratuity Wealth Builder Fund respectively in 2023.
- Declared cash dividend of 3.0% in LankaBangla 1st Balanced Unit Fund, 3.0% for LankaBangla Al-Arafah Shariah Unit Fund, 6.0% for LB Gratuity Opportunities Fund and 6.0% for LB Gratuity Wealth Builder Fund for the year ended 2023.
- LBAMCL unleashed new possibilities for the investors by introducing innovative capital market product namely Exchange Traded Fund (ETF). LB Multi Asset Income ETF will be an actively managed exchanged traded fund sponsored by LankaBangla Investments Limited. Initial fund size is BDT 1,000mn with sponsor contribution of BDT 100mn & asset manager contribution of BDT 20mn. The Bangladesh Securities and Exchange Commission (BSEC) issued the registration certificate for the fund on October 3, 2023. The first ever ETF in the capital market of Bangladesh is expected to be launched by 2024.

Looking forward, 2024 is expected to be another challenging year for the Bangladesh capital market as the nation works to enhance its overall macroeconomic conditions and alleviate heightened inflationary pressures through prudent monetary and fiscal policies. LBAMCL will endeavor to navigate these challenges and uncertainties to create sustainable value for its esteemed clients. Additionally, the company aims to play an active role by introducing new products in the Bangladesh capital market.

# ECONOMIC OUTLOOK

## Bangladesh Economy

Bangladesh, once celebrated for its robust economic growth and poverty reduction, confronts a host of new challenges in FY 2024. The COVID-19 pandemic has significantly disrupted key sectors, particularly textiles and apparel, disrupting global supply chains and demand dynamics, but in the previous year the situation improved a bit. Despite the government’s focus on infrastructure, foreign investment, and private sector development, the nation grapples with multifaceted threats. Climate change vulnerabilities, regulatory obstacles, corruption, and the unexpected geopolitical events, such as the Yemeni Houthi rebels causing a bottleneck in the Red Sea poses a huge risk for the RMG sector in the western markets and the Israel-Gaza conflict, further heighten the risks. The recent Russian invasion of Ukraine and the resulting surge in global commodity prices contribute to the prevailing uncertainty, impacting inflation and creating liquidity stress in Bangladesh’s banking sector.

Macroeconomic Indicators	Projection		
	FY2023-24	FY2024-25	FY2025-26
Real GDP growth (%)	7.5	7.8	8
CPI Inflation (%)	6	5.5	5.4
Investment (%GDP)	33.8	35.1	36
Total Revenue	10	10.4	11.2
Current Account Balance (%GDP)	-0.93	-0.62	0.06

Source- Bangladesh Economic Review, Ministry of Finance.

In FY 2023, Bangladesh experienced rapid economic growth, but FY 2024 started with challenges. Inflation hovered near double digits, remittances stagnated, and goods exports grew modestly. The garment sector, a vital export contributor, faced strikes and external shocks. The political landscape remained stable after the January 2024 elections, but concerns emerged about opposition boycotts. The ruling party’s return promises stability, yet monetary tightening and slowing export growth contribute to a projected GDP growth of 6.2%.

Facing a balance of payments deficit, rising inflation, and a budget deficit, Bangladesh seeks IMF support. The country’s reliance on a narrow export base and remittances, coupled with an overvalued currency, amplifies economic vulnerabilities. A budget deficit contributes to income inequality, requiring fiscal reforms for direct taxation. The banking sector instability, demonstrated by a surge in defaulted loans, demands attention. Additionally, Bangladesh grapples with an energy crisis, relying heavily on imported fuels.

Global financial markets indicate Bangladesh lags behind frontier market peers in 2023, with a negative stock market return. Despite challenges, the Asian Frontier Capital predicts a bullish outlook for Bangladesh’s stock market in 2024, fueled by strong earnings recovery. However, concerns arise due to the ongoing Red Sea crisis, impacting the apparel sector’s export orders and production costs.

The crisis disrupts global shipping routes, causing delays, container shortages, and increased operation costs.

To address these economic challenges, Bangladesh must enhance state capacity, reorient economic policies, and prioritize innovation over cheap labor. The government should focus on climate change adaptation, disaster risk reduction, and green growth. Reforms in taxation policies, fiscal discipline, and measures to address income inequality are crucial. The country needs to navigate the ongoing global crises by promoting economic stability, attracting investment, and ensuring a competitive business environment.

## Global Economy

The global economic landscape in 2024 reflects a nuanced scenario marked by challenges and opportunities. As the world navigates the aftermath of the COVID-19 pandemic, the projections and trends present a comprehensive picture that will undoubtedly impact the operations and strategies of financial institutions.

Real GDP (Percent change from previous year)	Actual		Forecast		
	2021	2022	2023e	2024f	2025f
<b>World</b>	<b>6.2</b>	<b>3.0</b>	<b>2.6</b>	<b>2.4</b>	<b>2.7</b>
<b>Advanced Economies</b>	<b>5.5</b>	<b>2.5</b>	<b>1.5</b>	<b>1.2</b>	<b>1.6</b>
United States	5.8	1.9	2.5	1.6	1.7
Euro Area	5.9	3.4	0.4	0.7	1.6
Japan	2.6	1.0	1.8	0.9	0.8
<b>Emerging market and developing economies</b>	<b>7.0</b>	<b>3.7</b>	<b>4.0</b>	<b>3.9</b>	<b>4.0</b>

Source- Global Economic Prospects, World Bank

The World Bank’s latest Global Economic Prospects report foresees a slowdown in global GDP growth, making 2024 the slowest half-decade of growth in 30 years. Developing economies face headwinds, including slowing growth, sluggish global trade, and heightened borrowing costs. Despite the decreased risk of a global recession, geopolitical tensions pose immediate threats.

Developed economies, notably the United States, exhibit resilience, but concerns linger regarding a potential growth slowdown. Meanwhile, developing countries show diverse growth prospects, with regions such as China, Africa, East Asia, South Asia, and Latin America displaying varying economic performances. This regional diversity underscores the need for adaptability in the global financial landscape.

Inflation, a key concern for global economic stability, has seen fluctuations. While the IMF’s base case assumes inflation anchored to 2% and 4% for advanced and emerging economies by end-2022, the World Economic Situation and Prospects Executive Summary for 2024 points to persistent worries. Inflation has eased globally, but food prices remain a concern, impacting food security and poverty. The global response to these challenges will be critical for economic equilibrium.

The effects of monetary policy tightening since early 2022 are becoming increasingly visible. With policy interest rates nearing their peaks in most economies, there is a need for a restrictive monetary policy until clear signs of reduced inflationary pressures emerge. Fiscal challenges, exacerbated by factors like ageing populations and climate change, necessitate smarter spending and the preservation of investments.

International trade growth has significantly slowed, and global investment trends remain weak. The World Bank emphasizes the need for reforms to boost investment and strengthen fiscal policies. The global labor market has rebounded, but challenges persist, including informal employment and gender disparities. Comprehensive policy packages are urged to enhance fiscal and monetary frameworks, improve the investment climate, and strengthen institutions.

Geopolitical tensions, highlighted by conflicts such as the evolving situation following terrorist attacks, and advancements in generative AI present additional layers of uncertainty. The Economist's outlook indicates protracted weakness in global economic conditions with widening regional divergence. The impact of AI on global economic activity, with tools like generative AI considered potentially disruptive, requires proactive decision-making to shape trajectories and mitigate risks associated with adoption.

In navigating these global challenges and opportunities, LankaBangla Finance PLC is poised to adapt and thrive. The financial landscape calls for prudent risk management, strategic investment, and a keen focus on innovations that can enhance operational efficiency. Strengthening global cooperation, adherence to sustainable development goals, and continuous adaptation to evolving economic dynamics will be essential in steering through the intricacies of the global economic landscape in 2024.

## Regional Outlook

### Northern America

In Northern America, the USA demonstrated impressive economic resilience in 2023 despite aggressive interest rate hikes by the Federal Reserve. The U.S. GDP grew by 2.5%, PCE inflation reduced to 3.3%, and the labor market remained strong. Higher interest rates did not uniformly impact investments, and although the housing market faced challenges, sustained high prices contributed to a 40% increase in household net worth. Looking ahead, there are risks if inflation persists and the Federal Reserve continues rate hikes. In contrast, Canada expects a 0.6% economic growth in 2024, attributed to weak residential investment and a slowing labor market. Aggressive interest rate hikes tempered the housing market, with inflation exceeding the 2% target. Challenges from an unprecedented wildfire season further impacted sectors. Both nations face complex economic landscapes, requiring careful policy considerations.

### EU and other neighboring economies

Europe and neighboring economies grapple with economic challenges like high interest rates, persistent inflation, and

geopolitical tensions. The region faced a sharp economic slowdown in 2023 due to the energy crisis and tighter monetary policies. While short-term growth remains subdued, a gradual recovery is expected, driven by easing price pressures, real wage gains, and resilient labor markets. Challenges persist with tight financial conditions and the withdrawal of fiscal support. In the EU, GDP is projected to grow by 1.2% in 2024, following an estimated 0.5% growth in 2023. Geopolitical tensions pose risks, and renewed spikes in energy and food prices could impact inflation. The industrial sector faces challenges, and though export performance is expected to improve, tight financial conditions may affect investment. Major central banks face the delicate task of maintaining a restrictive monetary policy. Labor markets, showing signs of cooling, are expected to remain tight. Fiscal challenges, varying across countries, complicate the economic landscape. The pace of fiscal adjustment varies, with Germany planning significant spending cuts, while France and Italy opt for a slower fiscal consolidation. The absence of a new fiscal framework adds uncertainty. Europe navigates this complex economic environment, requiring careful policy considerations amid geopolitical uncertainties and the need to balance inflation control with economic growth.

### South Eastern Europe

In 2023, South-Eastern Europe faced an economic slowdown, mirroring the European Union's deceleration, particularly in Germany. Manufacturing bore the brunt, but services remained resilient. Remittances, FDI, and tourism supported domestic demand. Despite inflation challenges, public spending and higher minimum wages buffered consumption, and infrastructure investment increased. The region's GDP grew by 2.2%, down from 3.2% in 2022, with a modest acceleration to 2.9% expected in 2024. Inflation is gradually easing, except in Serbia. Unemployment, though high, is expected to decline. Skill shortages persist, impacting the labor market and growth potential. The outlook depends on EU economic conditions, inflation moderation, and the challenge of a higher interest rate environment. Structural reforms are crucial for medium-term growth, aligning with the EU's envisioned €6 billion growth plan to double the region's economy in the next decade through enhanced market access and regional integration.

### Africa

Africa encountered a notable economic slowdown, with overall growth dropping from 3.5% in 2022 to 3.3% in 2023. Major economies like Egypt, Nigeria, Kenya, Ghana, and South Africa experienced significant deceleration, influencing sub-regions such as North, West, East, and Southern Africa. The positive impact of post-pandemic international tourism waned, and commodity-exporting nations faced stabilization in prices. Tight financing conditions from global monetary policies limited external financing for African economies, leading to currency depreciation and heightened inflation. Despite these challenges, a moderate GDP growth improvement to 3.5% is forecast for 2024, contingent on a global economic upturn and recovery in domestic demand. Challenges persist, including climate-related risks, high inflation, debt sustainability issues, and fiscal constraints. Geopolitical tensions and political transitions add further uncertainties to the



economic outlook. The continent grapples with the imperative need for climate financing and faces hurdles in achieving food security, making strategic fiscal reforms and debt restructuring critical for sustained growth. The forthcoming elections in several African countries, including Senegal, Ghana, and South Africa, introduce additional variables that could impact the region's near-term growth and development prospects.

### East Asia

In 2023, East Asia displayed robust economic growth, contributing over 40% to global GDP expansion. Despite this, the region's economic momentum is slowing, with a projected growth moderation to 4.6% in 2024. Factors such as weak external demand, uncertainties in China, and tightened global financial conditions pose short-term challenges. Ongoing geopolitical risks, climate change, and slowing productivity growth present medium-term concerns. Private consumption played a vital role in headline growth, driven by pent-up demand and labor market recovery. However, export declines, particularly in manufacturing, impacted economies like Malaysia, the Philippines, Singapore, Taiwan, and Vietnam. China, the largest economy, rebounded to 5.3% growth in 2023 but faces challenges from a property sector correction, weaker external demand, and geopolitical tensions, leading to a forecasted moderation to 4.7% in 2024. Other East Asian economies experienced varied trends, with tourism-dependent nations benefiting from reopening. Inflation trended down in 2023 but may rise moderately in 2024 due to factors like oil price increases and climate-related disruptions. Labor markets improved, but a full recovery from COVID-19 impacts is elusive. Central banks, with room for policy rate adjustments, may face challenges due to uncertainties in inflation and external financial conditions. Fiscal deficits persist, requiring revenue-enhancing reforms and strategic spending realignment. Downside risks include a deeper property sector correction in China, persistent global inflation, and slowing productivity growth, potentially impacting the region's growth outlook. Ongoing trade tensions and geopolitical fragmentation may further affect growth, while climate-change-induced events pose increasing economic risks, particularly for vulnerable countries in the region.

### South Asia

In South Asia, the 2024 economic outlook remains strong with a projected growth of 5.2%, slightly lower than the estimated 5.3% in 2023. India is expected to maintain robust growth at 6.2%, driven by resilient private consumption and strong public investment, despite potential challenges in the agricultural sector. Other South Asian countries exhibit mixed growth projections, with Bangladesh's growth slowing and Nepal's improving. Sri Lanka and Pakistan anticipate modest economic growth at 1.5% and 2.0%, respectively, in 2024, influenced by tight financial conditions and fiscal imbalances. Geopolitical tensions and the El Niño climate phenomenon pose risks, while easing inflation is projected for 2024. Currency depreciation pressures were observed, leading to policy adjustments in various South Asian countries. Labor market situations vary, with India showing improvements, and fiscal and external vulnerabilities persist, prompting some countries to seek multilateral financial support. Achieving fiscal consolidation

will require enhanced revenue mobilization, increased spending efficiency, and continued structural reforms.

### Western Asia

In Western Asia, economic challenges persisted in 2023, marked by a decline in overall activity with a GDP growth estimate of 1.7%, significantly lower than the previous year's 6.5%. The region faced political instability and conflicts, impacting major oil producers. Despite voluntary oil production cuts by OPEC+ countries, average oil prices remained below 2022 levels, affecting oil revenues. Saudi Arabia's economy contracted due to lower oil production, while non-oil sectors in GCC countries exhibited resilience. Lebanon and Jordan experienced economic contractions, and the Israel-Palestine conflict significantly impacted the State of Palestine. Türkiye faced challenges, including earthquakes and inflation. The fiscal situation in the region is challenging, with energy-producing countries facing deficits. Unemployment rates varied, with Saudi Arabia seeing improvement and Jordan facing challenges. The conflict in Gaza had severe humanitarian consequences, causing widespread displacement, hunger, destruction of infrastructure, and job losses, with long-term implications for development. International aid is crucial for recovery and preventing further economic collapse in the affected areas.

### Latin America and the Caribbean

Latin America and the Caribbean are facing economic challenges marked by slowing growth, elevated inflation, and limited policy flexibility. While 2023 saw a better-than-expected performance with a 2.2% GDP expansion, the outlook for 2024 predicts a slowdown to 1.6%. Factors include tightened monetary conditions, weak external demand, and domestic uncertainties. Risks stem from U.S. and China economic slowdowns, potential financial market volatility, and climate-related shocks. Brazil's 3.1% growth in 2023 is set to slow to 1.6%, and Argentina remains in recession. Panama, Paraguay, the Dominican Republic, and Guyana show brighter growth prospects. Inflation, though receding, is a concern in certain countries. Labor markets, initially resilient, now face challenges, with rising unemployment and falling real wages. Persistent poverty rates underscore the need for sustained growth. Fiscal constraints, high public debt, and rising debt servicing costs require strategic fiscal policies. The region stands at a pivotal development juncture, necessitating countercyclical macroeconomic policies and commitment to green transition opportunities, exemplified by initiatives in Chile and Brazil.

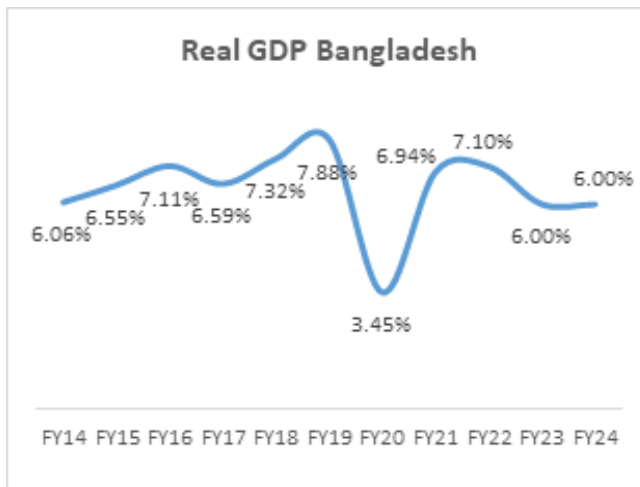
*Source- Global Economic Prospects (Jan'23), World Bank*

## GDP Growth Projection for the fiscal year 2022-23

The global economic landscape, as projected by prominent institutions, suggests a cautious optimism tempered by challenges. The Organisation for Economic Co-operation and Development (OECD) anticipates a modest recovery, with global GDP expected to grow by 2.7% in 2023, slightly improving to 2.9% in 2024. However, this growth trajectory remains the slowest since the global financial crisis, excluding the pandemic-induced downturn. The International Monetary Fund (IMF) aligns with this cautious outlook, revising its growth projection to 3.0% in 2023 and 2.9% in 2024, notably below the historical average. Advanced economies are foreseen to experience a slowdown, transitioning from 2.6% growth in 2022 to 1.5% in 2023 and 1.4% in 2024, reflecting the impact of tightening policies.

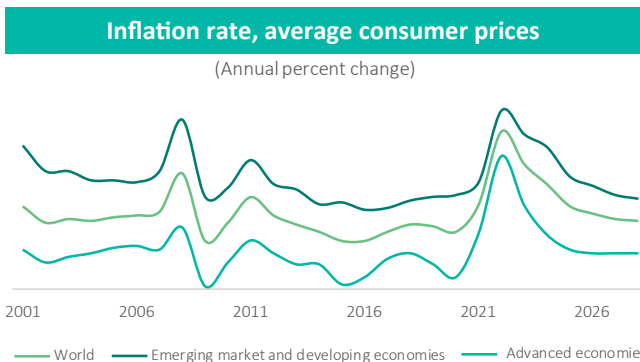


Bangladesh’s economic prospects for the fiscal year 2023-2024 present a nuanced picture. The Asian Development Bank (ADB) has revised down the growth forecast to 6.2%, citing challenges such as moderate growth in exports, manufacturing, power shortages, and high inflation. The IMF and World Bank have also adjusted their projections downward to 6%, and 5.6%, respectively. Despite these headwinds, the government holds a revised growth target of 6.5%, emphasizing increased public investment and stimulating productivity. Diverse projections from sources like The Business Standard, The Daily Star, and the United Nations highlight the varying perspectives on Bangladesh’s economic trajectory, underscoring the need for vigilance in navigating internal and external factors. The decline in inflation to 6.8% in 2024, as projected by the UN, provides a potential silver lining amid economic challenges.

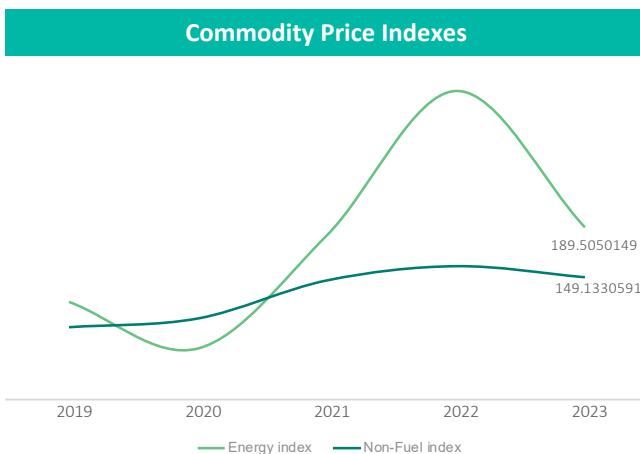


## Inflation

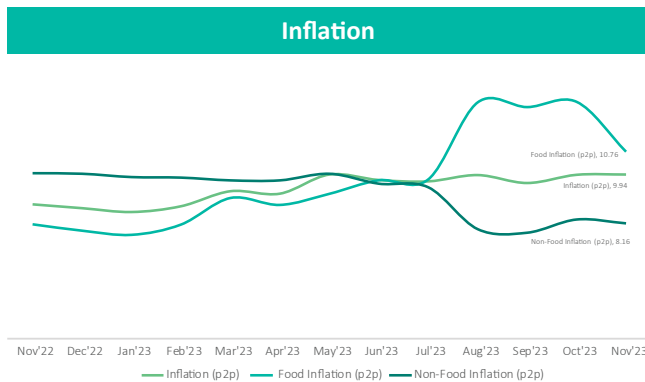
In 2023, global inflation stands at 6.9%, with emerging markets experiencing higher rates at 8.5% compared to advanced economies at 4.6%. Projections for 2024 indicate a modest decrease to 5.8% globally, with emerging markets at 7.8% and advanced economies at 3%. Policymakers globally face the challenge of stabilizing inflation amid varied economic conditions.



In 2023, Bangladesh faces inflation fluctuations, reaching 9.94% in November, and food inflation peaking at 12.56% in October. The Consumer Price Index (CPI) reflects a rising cost of living. Bangladesh Bank responds with strategic measures, including a new lending rate formula, a Monetary Policy Committee restructuring, and efforts to control money creation.



Bangladesh Bank introduces a lending rate formula in June 2024, reaching a six-month high SMART rate of 7.20% in September 2023. The decision to halt money creation aims to control the money supply. Despite criticisms, these measures align with the target of 6.5% GDP growth while keeping inflation within 7.5% for FY24.

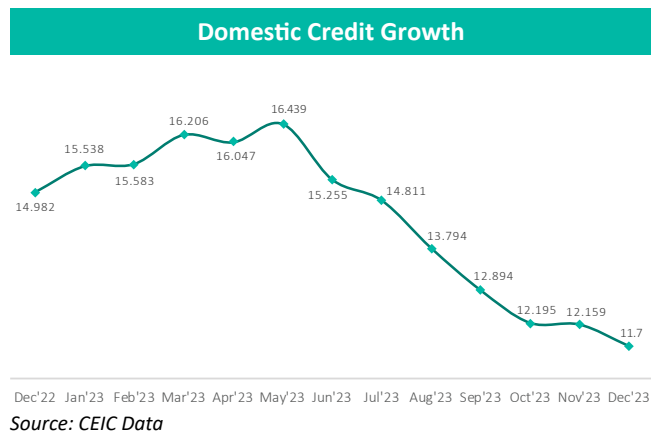


IMF projections show a rise in Bangladesh’s inflation from 4.7% in 2021 to 8.8% in 2022, with forecasts of 6.5% in 2023 and 4.1% in 2024. Challenges include global market disruptions, rising fuel prices, and currency depreciation. Central bank measures address these challenges, emphasizing a balance between economic growth and inflation control.

The inflationary challenges impact domestic lives, with rising costs affecting the purchasing power of citizens. The government’s borrowing trends and increased sales of savings certificates reflect the economic strain on various segments of society. Balancing economic growth and inflation control becomes crucial for improving the well-being of the population.

### Domestic Credit Growth

In the first half of FY24, the Bangladesh Bank (BB) implemented various measures to address persistent inflation, including a cumulative 175 basis points increase in policy rates and the introduction of a market-based reference rate (SMART) to replace lending rate caps. These steps aimed to elevate borrowing costs, limit money and credit expansion, and anchor inflation expectations. As a result, private sector credit grew by 10.2 percent in December 2023, slightly below the expected 10.9 percent growth, influenced by reduced interest from private sector investors facing higher borrowing costs and economic uncertainties. Public sector credit, growing by 18.0 percent in December 2023, fell significantly behind the projected 37.9 percent growth, driven by reduced credit demand from the government as part of austerity measures. Despite these challenges, Bangladesh’s private sector credit growth outperformed many comparable economies, showcasing its stability.



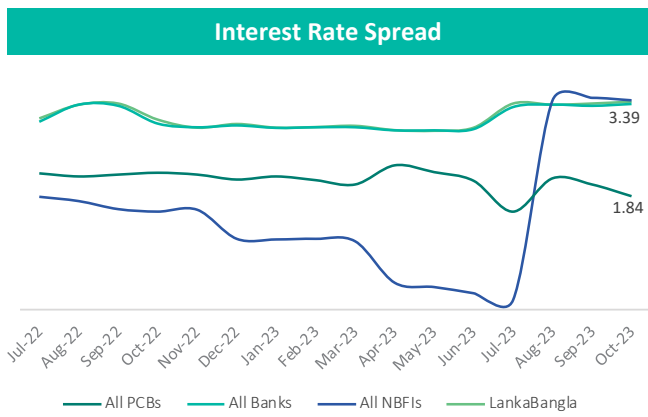
Looking ahead, private sector credit growth is anticipated to remain stable at 10.0 percent, supported by BB’s interventions. The overall domestic credit growth is projected to reach 13.9 percent by the end of June 2024. These projections reflect a prudent approach to ensure stability in the face of economic uncertainties. This strategic alignment is crucial in navigating challenges and fostering sustainable economic growth.

### NBR Tax Revenue

In the initial five months of fiscal year 2023-24 (July-November), Bangladesh’s National Board of Revenue (NBR) demonstrated a robust performance, achieving a 14.27% year-on-year growth in tax revenue. The significant contributors were VAT (42.85%), income tax (29.13%), and customs duty (12.37%). However, this collection represented 30.78% of the ambitious FY24 target of BDT 4,30,000.00 crore. While the NBR’s efforts are commendable, challenges such as import restrictions and economic uncertainties necessitate a strategic focus on revenue enhancement. The government’s commitment to fiscal prudence and expenditure rationalization will be pivotal in sustaining this positive momentum and navigating the economic landscape effectively.

### Liquidity and Interest Rate

In the dynamic landscape of Bangladesh’s financial sector, the prevailing tight liquidity conditions, driven by the central bank’s contractionary policies and substantial foreign exchange market interventions, have manifested in a discernible upswing in interest rates. Notably, the weighted average call money rate surged from 6.06 percent in June 2023 to 8.84 percent by December 2023, reflecting the impact of these monetary measures. Bangladesh Bank’s unwavering commitment to liquidity stability is evident through a suite of proactive measures, including repo facilities, assured liquidity support, and specialized initiatives for Islamic banks. Concurrently, the local currency market’s constrained liquidity has prompted increases in various interest rates, such as the weighted average nominal lending and deposit rates. This intricate interplay of policy measures and market dynamics underscores the central bank’s strategic approach to influence real interest rates positively, navigate inflationary pressures, and foster a resilient financial environment.



### External Sector Export

Against the backdrop of economic challenges, Bangladesh’s export sector faces a nuanced landscape. Monthly exports for December 2023 reached USD 5,365.19 million, depicting a marginal decrease of 1.06 percent year-on-year. However, the cumulative export performance during July-December of FY24 recorded a modest growth of 0.84 percent, totaling USD 27,540.37 million. This achievement is 8.55 percent below the strategic target set for the period, revealing a concerning shortfall. The notable surge in demand for knitwear, contributing 48.95 percent to the export portfolio, played a pivotal role in offsetting declines in other sectors. Ready-made garment products, encompassing knitwear and woven garments, constituted a dominant 84.93 percent share in the country’s exports. Noteworthy positive

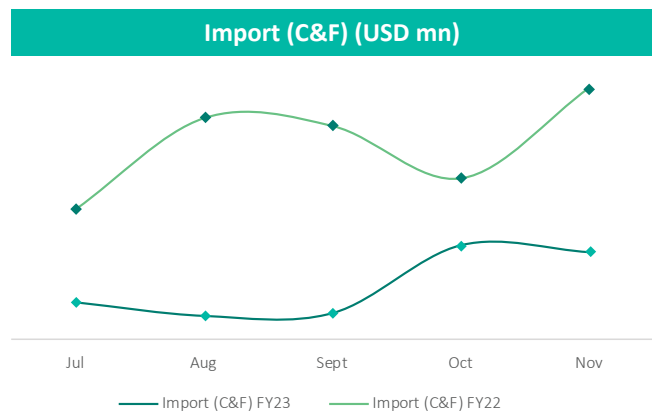


contributors included plastic products (increased by 16.44 percent), chemical products (up by 12.39 percent), and agricultural products (rising by 1.20 percent). Conversely, home textiles, leather products, frozen and live fish, jute and jute goods, and engineering products experienced substantial reductions, emphasizing sectoral disparities. Addressing these dynamics is imperative to fortify the resilience of Bangladesh’s export landscape and navigate the challenges posed by both global and domestic factors.

### Import

Bangladesh’s import landscape experienced a significant transformation, with custom-based imports plummeting by USD 7,388.70 million or 21.02 percent year-on-year during July-November of FY24, a stark contrast to the 4.35 percent increase

in FY23. Central bank and government initiatives, including LC monitoring and currency depreciation since April 2022, contributed to this downturn. Categories like intermediate goods, capital goods, and consumer goods saw notable declines, resulting in an overall decrease in custom-based imports. Despite an optimistic outlook for import LCs opening in December-February of FY24, the probable liability against back-to-back LCs poses a substantial factor, reaching USD 2,476.47 million during December-February of FY24. Last year’s decline in December 2022, driven by reduced LC openings, especially for capital machinery and industrial raw materials, raised concerns about its impact on economic growth and employment, particularly for MSMEs. The anticipation of increased imports in 2023 underscores the need for balancing measures to boost exports and attract foreign investment.



### Remittance

The remittance in Bangladesh witnessed a notable upswing as total inflows surged by USD 305.03 million or 2.91 percent, reaching USD 10,798.29 million during July-December of FY24 compared to the same period in FY23. This increase is attributed to the depreciation of BDT and new incentives provided by banks, commencing October 2023, offering an additional 2.5 percent incentive on inward remittances alongside the existing 2.5 percent government incentive. December 2023 alone saw an influx of USD 1,989.87 million, marking a 17.07 percent YoY increase and a 3.10 percent MoM increase. The U.A.E. emerged as the primary remittance sender during this period, supplanting the U.S.A. from the previous fiscal year. Gulf Cooperation Council (GCC) countries contributed significantly, holding a 49.44 percent share, while the U.S.A. accounted for 10.42 percent of total remittances. Among European countries, the U.K. and Italy collectively constituted 19.75 percent of the remittances received during July-December of FY24. This robust trend aligns with the government’s push for formal channels, yet challenges such as currency valuation discrepancies and geopolitical risks persist.

### Exchange Rate

The exchange rate dynamics in Bangladesh during July-December of FY24 reveal a notable improvement, with the Taka depreciating by a modest 1.49 percent against the US Dollar, contrasting with the more substantial 10.15 percent depreciation observed in the same period of FY23. This indicates a successful easing of depreciation pressure, attributed to strategic policy measures implemented by Bangladesh Bank and the government. Despite selling a net of USD 5.69 billion

in the foreign exchange market during this period, a decrease from the net sale of USD 7.80 billion in the preceding fiscal year, the Taka exhibited resilience. Furthermore, the depreciation of the Indian Rupee against the US Dollar and the favorable movements in both the Nominal Effective Exchange Rate (NEER) and Real Effective Exchange Rate (REER) indices signify improved competitiveness in international trade. The central bank's commitment to maintaining a stable exchange rate, with a moderate level of depreciation to support export competitiveness and enhance remittance inflows, positions the currency for stability in the coming year.

### Foreign Exchange Reserve

The foreign exchange reserves of Bangladesh experienced a decline, standing at USD 27.13 billion by the end of December in FY24, compared to USD 31.20 billion at the close of June in FY23. A deeper analysis based on BPM6 reveals reserves at USD 21.87 billion by December in FY24. Notably, commercial banks saw a 15.93 percent YoY increase in gross foreign exchange holdings by December 2023, but a 6.89 percent decrease compared to the previous month. This downward trend contrasts with the previous fiscal year when reserves dropped below USD 34 billion. The decrease was attributed to a gradual decline in earnings from exports and remittances, coupled with heightened import payments. Despite the central bank's efforts, including measures to discourage non-essential imports and currency rate adjustments, the decline persisted due to rising import costs amid global challenges, putting macroeconomic stability at risk. The current state of the economy underscores the need for strategic measures to address the challenges and mitigate further depletion of reserves.

### Balance of Payment (BOP)

The economy reflected a positive shift in Bangladesh's balance of payments during July-November of FY24, marked by a notable current account surplus of USD 0.58 billion, a remarkable turnaround from the USD 5.67 billion deficit recorded in the same period of FY23. This positive shift was primarily underpinned by improvements in the trade deficit. Despite this current account surplus, the overall balance posted a lower deficit of USD 4.90 billion in comparison to the USD 6.00 billion deficit observed in the corresponding period of FY23. This lower overall deficit was driven by a financial account deficit of USD 5.40 billion, stemming from deficits in trade credit net (USD 5.38 billion) and other net short-term loans (USD 1.04 billion). Although challenges persist, such as the decrease in foreign exchange reserves, sufficient to cover 4.7 months of prospective goods import (cif) by November 2023, down from 5.0 months in October 2023, the overall balance of payments demonstrates a positive trajectory with encouraging signs for the economic outlook.

### Capital Market

Bangladesh's capital market, orchestrated by the Bangladesh Securities Exchange Commission (BSEC) and the Bangladesh Bank (BB), has seen significant strides in fostering a robust capital and bond market. Initiatives like introducing secondary trading of government treasury bonds and guidelines for mark-to-market revaluation reflect a commitment to market efficiency. Islamic

'Sukuk' bonds have gained traction, contributing to the market's diversity. Collaborative efforts with the International Finance Corporation (IFC) aim to develop a local currency bond market. BB's strategic initiatives, including recalculating capital market exposure and updating investment guidelines for banks, have strengthened the market's resilience. The extension of investment duration for securities market intermediaries underscores the commitment to growth, and specific roles for independent directors enhance governance. These efforts have contributed to a positive trajectory for Bangladesh's capital market.

In contrast, the preceding year saw challenges, with the Dhaka Stock Exchange (DSEX) closing lower amidst economic uncertainties. Despite a decline in equity capital raised through IPOs, the market welcomed Treasury bonds and Sukuk. The outlook for 2023 remains uncertain, marked by global recession fears, geopolitical issues, and domestic challenges. However, recent improvements in economic indicators, such as reduced LC openings and import bills, coupled with the IMF loan installment, provide a glimmer of hope. While caution persists among investors due to potential inflation, market sentiment is anticipated to stabilize, fostering a positive outlook by the year-end.

## Independent Auditor's Report

### To the shareholders of LankaBangla Finance PLC

### Report on the audit of the consolidated and separate Financial Statements

#### Opinion

We have audited the consolidated financial statements of LankaBangla Finance PLC and its subsidiaries (the "Group") as well as the separate financial statements of LankaBangla Finance PLC (the "Company"), which comprise the consolidated and separate balance sheet as at 31 December 2023, and the consolidated and separate profit and loss accounts, consolidated and separate statement of cash flow statements and consolidated and separate statements of changes in equity for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the company give a true and fair view of the consolidated balance sheet of the group and the separate balance sheet of the company as at 31 December 2023, and of its consolidated and separate profit and loss accounts and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in notes 1 to 43.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the group and the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC), and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

We draw attention to notes 2.1, 2.34 and 19.2 of the financial statements, which describe the impact of departing from IAS 21, with the approval of Bangladesh Bank, for non-recognition of unrealized exchange loss related to foreign loan. The impact of recognition would result in a loss of BDT 549.03 million which will be recognized from 2024-2026 as per Bangladesh Bank's approval. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the consolidated and separate financial statements for the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Description of key audit matters	How the matters were addressed in our audit
<p><b>1. Measurement of provisions for leases, loans, and advances</b></p> <p>The process of estimating the provisions for leases, loans, and advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, these provisions consider the estimates of future business performance and the market value of the collateral provided for the credit transactions.</p> <p>Considering the complexity of the provisioning process, for the collective analysis, these provisions are manually processed and deal with voluminous databases, assumptions, and calculations.</p> <p>At the year-end of 2023, the group reported total gross loans, cash credit and overdraft, etc., of BDT 65,353,462,614 (2022: BDT 65,085,799,903) and provisions for leases, loans, and advances</p>	<p>Our procedures, in relation to the key audit matters described, included, among others:</p> <p>Tested the credit appraisal, loan disbursement procedures, monitoring, and provisioning process.</p> <p>Identified loss events, including early warning and default warning indicators.</p> <p>Reviewed quarterly Classification of Loans (CL).</p> <p>Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines.</p> <p>Reviewed Bangladesh Bank circulars and other guidelines related to confront this pandemic.</p>

Description of key audit matters	How the matters were addressed in our audit
<p>in the financial statements of BDT 3,111,453,705.07 (2022: BDT 2,753,421,078.23). The total leases and loan provisions shown in this year's profit and loss stood at BDT 763,460,665 (2022: BDT 540,575,865).</p> <p>We have focused on the following significant judgments and estimates which could intensify the probability of material misstatement or management bias:</p> <p>Completeness and timing of recognition of the loss events in accordance with criteria set out in FID circular No. 08 dated 03 August 2002, DFIM circular No. 04 dated 26 July 2021, DFIM circular No. 27 dated 21 December 2022. For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values, and the timing of cash flows;</p> <p>Provision measurement primarily depends on key assumptions relating to the probability of default, the ability to repossess collateral, and recovery rates.</p> <p>The gross interest income &amp; net interest of LankaBangla group has decreased by 3.14% &amp; 36.05%, respectively, from last year. And Interest suspense has Decreased by 4.08% from last year.</p> <p><b>See note no 2.28.1, 12.3 &amp; 12.4 to the financial statements</b></p>	<p>Our substantive procedures in relation to the provisions for leases, loans and advances portfolio comprised the following:</p> <p>Reviewed adequacy of the company's general and specific provisions as per Quick Summary Report FIID(I-19/02)/2024-650 dated 28th July 2024.</p> <p>Assessed the methodologies on which the provision amounts were based, recalculated the provisions and tested the completeness and accuracy of the underlying information.</p> <p>Reviewed disbursement procedure related to SME stimulus packages as per Bangladesh Bank guidelines.</p> <p>Finally, the appropriateness and presentation of disclosures were assessed against relevant accounting standards and Bangladesh Bank guidelines.</p>
<p><b>2. Carrying value of investments in subsidiaries by LankaBangla Finance PLC and impairment assessment of unquoted investments</b></p> <p>The LankaBangla Finance PLC (the "Company") has invested in equity shares of its subsidiaries LankaBangla Securities Limited, LankaBangla Asset Management Company Limited and LankaBangla Investment Limited. As of 31st December 2023, the carrying value of the investment was BDT 5,751.91 million (2022: BDT 7,237.03 million).</p> <p>In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment, is calculated using valuation techniques that may consider direct or indirect unobservable market data and hence require an elevated level of judgment.</p> <p>Management has applied IFRS 9, (as permitted by IAS 27) for accounting of investment in subsidiaries in the company's separate financial statements. As per IFRS 9, investment in a subsidiary is measured at fair value through other comprehensive income.</p> <p>However, as per Bangladesh Bank guidelines, the company cannot present "Other Comprehensive Income"; thus, any change in fair value will directly be recognized in the revaluation reserve under equity in the financial statements. This departure from IFRS is disclosed in Note – 2.5.</p> <p><b>See note no. 2.5, 2.17 &amp; 9 to the financial statements.</b></p>	<p>Our audit procedures, in relation to key audit matters includes the following approach:</p> <p>Reviewed to confirm whether the management's analysis of fair value assessment and recoverable value calculation of subsidiaries were in accordance with IFRS 13 and IAS 36.</p> <p>Assessed to confirm whether adequate processes and controls were in place to ensure all major investment decisions were taken with proper due diligence.</p> <p>Recalculated the investment on a sample basis and checked the results and disclosures against relevant accounting standards and Bangladesh Bank Guidelines.</p> <p>Also checked mathematical accuracy of the model, recalculated the adjusted net asset method used within the model, inputs used in the determination of assumption within the model were challenged and corroborating information was obtained with reference to external market information and third-party sources.</p> <p>The impact has been disclosed in Note 15A of the notes to the financial statements.</p>
<p><b>3. Investment and provision for diminution in value of the investment</b></p> <p>Group investments comprise marketable ordinary shares of BDT 5,150.77 million, non-marketable ordinary shares of BDT 344.14 million, subordinate bonds of BDT 683.47 million, perpetual bonds of BDT 500 million and discretionary corporate fund of BDT 259.58 million.</p> <p>Group investments are valued at BDT 8,170.00 million and represent 8.61% of total assets. This was an area of focus for our audit and a significant audit effort was directed.</p>	<p>Our audit procedures included updating our understanding of the business processes employed by the company for accounting for, and valuing, their investment portfolio.</p> <p>Our audit approach was a combination of test of internal control and substantive procedures. Following are the major steps that we covered during the audit:</p> <p>Obtained sufficient &amp; appropriate audit evidence to conclude that the inputs and methodologies used for valuation of the investments are within a reasonable range and that valuation policies were consistently applied by the management of the company Assessed the design and operating effectiveness of the group's key controls</p>

Description of key audit matters	How the matters were addressed in our audit
<p>The investment portfolio of LankaBangla Finance PLC comprises investments in marketable ordinary shares of BDT 1,139.69 million, non-marketable ordinary shares of BDT 113.44 million, subordinate bonds of BDT 634.47 million, perpetual bonds of BDT 500 million and discretionary corporate fund of BDT 259.58 million.</p> <p>Investments in quoted shares and unquoted shares are valued at average cost. However, the group made provision for diminution in the value of an investment as per FID circular no. 8 dated 3 August 2002, DFIM circular no. 02 dated 31 January 2012 and relevant SEC directive for its subsidiary companies.</p> <p>We focused on this area because of the significance of the investments in the financial statements and departure from the recognition and presentation criteria of IFRS 9, IFRS 7 &amp; IAS 32 to comply with the Bangladesh Bank directives for determining the valuation methodology and presentation to be applied by the management of the company.</p> <p><b>See notes no. 2.17, 2.5, 6 &amp; 12 to the financial statements.</b></p>	<p>supporting the identification, measurement and oversight of valuation risk of financial assets.</p> <p>Verified the existence and legal ownership of equity investments and commercial paper by confirming investment holdings with CDBL statement, trust deed and record from the registrar of Joint Stock Companies &amp; Firms appropriate.</p> <p>Checked the calculations of provision for diminution in value of investment and checked the presentation and disclosure of investment in compliance with FID circular no. 8 dated 3 August 2002 and DFIM circular no. 2 dated 31 January 2012 &amp; BSEC/surveillance/mukhopatro (5th type)/2019/196. We have checked the adequacy of provision of marketable securities from Quick Summary Report FIID(I-19/02)/2024-650 dated 28th July 2024.</p>
<p><b>4. Measurement of deferred tax assets</b></p> <p>LankaBangla Finance Ltd. has not recognized deferred tax assets regarding unabsorbed tax losses, unabsorbed capital allowance, and other timing differences.</p> <p>There is inherent uncertainty involved in forecasting future taxable profits, which determines the extent to which the deferred tax assets are recognized.</p> <p>LankaBangla Finance PLC reported net deferred tax assets totaling BDT 20.67 million as of 31st December 2023.</p> <p>Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over several years.</p> <p><b>See notes no 2.39(b), 2.5(6) and 9.1.1.1 to the financial statements.</b></p>	<p>Our procedures, in relation to the key audit matters described, included, among others:</p> <p>Evaluated the design and tested the operational effectiveness of the group's key controls over the recognition and measurement of deferred tax assets and the assumptions used in estimating LankaBangla Finance Limited's future taxable income.</p> <p>Assessed the completeness and accuracy of the data used to estimate future taxable income.</p> <p>Evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, and recognition and measurement of deferred tax assets.</p> <p>Assessed the adequacy of the company's disclosures setting out the basis of deferred tax asset balances and the level of estimation involved.</p> <p>Also assisted in evaluating the tax implications and the reasonableness of estimates and calculations determined by management.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures against IAS 12- Income Tax.</p>
<p><b>5. Legal and regulatory matters</b></p> <p>We focused on this area because LankaBangla Finance PLC and its subsidiaries (the "Group") operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are uncertain, and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the group's best estimate for existing legal matters that have a probable and significant impact on the group's financial position.</p> <p><b>See note no 1 to the financial statements.</b></p>	<p>Our procedures, in relation to the key audit matters described, included, among others:</p> <p>Obtain an understanding and evaluated the design and tested the operational effectiveness of the group's key controls over the legal provisions and contingencies process.</p> <p>Enquired to those charged with governance to obtain their views on the status of all significant litigation and regulatory matters.</p> <p>Enquired group's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.</p> <p>Assessed the methodologies on which the provision amounts were based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>Also assessed the group's provisions and contingent liabilities disclosure.</p>
<p><b>6. IT systems and controls</b></p> <p>Our audit procedures focused on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily</p>	<p>Our procedures, in relation to the key audit matters described, included, among others:</p> <p>Tested the design and operating effectiveness of the group's IT access controls over the information systems critical to financial reporting.</p>



Description of key audit matters	How the matters were addressed in our audit
<p>and the reliance on automated and IT-dependent manual controls. Our areas of audit focus included:</p> <p>IT Security management. IT risk management. Service delivery management. Infrastructure security management. Access control. Business Continuity and Disaster Recovery Management, etc.</p>	<p>Assessed the total IT security over its operation in accordance with the guideline on ICT security for Banks and Non-Bank Financial Institutions dated May 2015 Version 3.0.</p> <p>Tested IT general controls (logical access, changes management and aspects of IT operational controls). We have crosschecked the data presented in the Financial Statements with its system-generated trial balance extracted from IFS ERP Software. This included whether the request for system access was appropriately reviewed and authorized.</p> <p>Tested group's periodic review of access rights. We inspected requests for changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configurations and other application layer controls identified as key to our audit.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant changes were made to the IT landscape during the audit period and tested those changes that significantly impacted financial reporting.</p>
<p><b>7. Preparation of consolidated financial statements</b></p> <p>LankaBangla Finance PLC has a direct ownership interest in Lanka Bangla Securities Limited since 2010, LankaBangla Investments Limited since 2010 and LankaBangla Asset Management Company Limited since 2007. LankaBangla Finance PLC also has an indirect ownership interest in LankaBangla Information Systems Limited since 2013, BizBangla Media Limited since 2015.</p> <p>Determination of significant control requires careful assessment of different elements.</p> <p>Furthermore, introducing a subsidiary requires significant amendments in preparing the financial statements, including consolidated financial statements, which require a range of adjustments and additional disclosure requirements.</p>	<p>Our procedures, in relation to the key audit matters described, included, among others:</p> <p>Understanding of the consolidation process, including transactions undertaken between these companies. In this regard, we received a signed auditor's report of subsidiaries and financial statements.</p> <p>Carried out a risk assessment about consolidation and the adjustments necessary to properly prepare the consolidated financial statements. We have also assessed the inherent limitations to consolidation processes to address the issues.</p> <p>Finally, we reviewed the appropriateness and presentation of disclosures relevant to respective accounting standards and guidelines.</p>

#### Other Matter

The financial statements of LankaBangla Finance PLC and its subsidiaries for the year ended December 31, 2022, were audited by Hussain Farhad & Co, who expressed an unmodified opinion on those statements.

#### Other Information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the consolidated and separate financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the company.

#### Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the group and also separate financial statements of the company in accordance with IFRSs as explained in note no. 2, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group and the company or to cease operations, or has no realistic alternative

but to do so.

Those charged with governance are responsible for overseeing the group's and the company's financial reporting process.

### **Auditor's Responsibilities for the audit of the consolidated and separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and relevant to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to develop audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are re-quired to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other Legal and Regulatory Requirements**


In accordance with the Companies Act, 1994, the Securities and Exchange Rules, 2020, the Financial Institutions Act, 1993 and the rules and regulations issued by Bangladesh Bank, we also report that:

- i. 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;
- ii. in our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
- iii. the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- iv. the expenditures incurred and payments made were for the purpose of the company's business for the year;
- v. the financial statements of the company have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the company;
- vi. adequate provisions have been made for loans, advances, leases, investments and other assets which are, in our opinion, doubtful of

- recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- vii. the financial statements of the company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
  - viii. the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
  - ix. statements sent to Bangladesh Bank have been checked on a sample basis and no inaccuracy has come to our attention;
  - x. taxes and other duties were collected and deposited in the government treasury by the company as per government instructions and found satisfactory based on test checking;
  - xi. nothing has come to our attention that the company has adopted any unethical means i.e., 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
  - xii. proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
  - xiii. based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the company are satisfactory, effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
  - xiv. the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;
  - xv. we have reviewed over 80% of the risk-weighted assets of the company and we have spent around 1722-person hours for the audit of the books and accounts of the company.
  - xvi. the company has complied with relevant instructions which were issued by Bangladesh Bank relevant to the classification, provisioning and calculation of interest suspense;
  - xvii. all other issues which in our opinion were important for the stakeholders of the company have been adequately disclosed in the audit report.

Dated, Dhaka  
12 August 2024

**M. J. ABEDIN & CO**  
**Chartered Accountants**  
**Firm Reg. No. CAF-001-111**



**Harun Mahmud FCA, Partner**  
**Enrol. No.850**  
**DVC:2408130850AS339712**

## LankaBangla Finance PLC and its Subsidiaries

# Consolidated Balance Sheet

As at 31 December 2023

	Notes	Amount in Taka	
		31.12.2023	31.12.2022
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>		<b>640,091,314</b>	<b>531,769,059</b>
Cash in hand (including foreign currencies)	3	1,453,628	1,113,270
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	4	638,637,686	530,655,790
<b>Balance with other banks and financial institutions</b>	5	<b>11,212,977,281</b>	<b>10,463,818,938</b>
Inside Bangladesh		11,212,977,281	10,463,818,938
Outside Bangladesh		-	-
<b>Money at call and short notice</b>		<b>-</b>	<b>-</b>
<b>Investment</b>	6	<b>10,917,540,468</b>	<b>8,856,104,805</b>
Government securities		2,747,165,122	739,101,032
Other investments		8,170,375,346	8,117,003,772
<b>Leases, loans and advances</b>	7	<b>65,353,462,614</b>	<b>65,085,799,903</b>
Loans, cash credit and overdraft etc.		65,353,462,614	65,085,799,903
Bills discounted and purchased		-	-
<b>Fixed assets including land, building, furniture and fixtures</b>	8	<b>1,495,902,256</b>	<b>2,859,587,060</b>
<b>Other assets</b>	9	<b>5,235,466,653</b>	<b>2,967,933,624</b>
<b>Non-Banking assets</b>		<b>-</b>	<b>-</b>
<b>TOTAL PROPERTY AND ASSETS</b>		<b>94,855,440,586</b>	<b>90,765,013,389</b>
<b>LIABILITY AND SHAREHOLDERS' EQUITY</b>			
<b>Liabilities</b>			
<b>Borrowings from Bangladesh Bank, other banks and financial institutions</b>	10	<b>27,841,689,709</b>	<b>25,591,800,088</b>
<b>Deposits and other accounts</b>	11	<b>42,222,060,865</b>	<b>42,907,413,489</b>
Current deposits and other accounts etc.		-	-
Bills payable		-	-
Saving bank deposit		-	-
Term deposits	11.1	42,034,290,738	42,707,819,432
Bearer certificate of deposits		-	-
Other deposits	11.2	187,770,127	199,594,057
<b>Other liabilities</b>	12	<b>13,840,131,072</b>	<b>11,269,741,234</b>
<b>TOTAL LIABILITIES</b>		<b>83,903,881,646</b>	<b>79,768,954,811</b>
<b>Shareholders' Equity</b>		<b>10,138,882,800</b>	<b>10,787,714,540</b>
Paid up capital	13	5,388,386,230	5,388,386,230
Share premium		1,090,888,800	1,090,888,800
Statutory reserve	14	2,119,267,149	2,085,277,643
General reserve	15	-	47,489,333
Capital Reserve		106,011,236	86,089,440
Retained earnings	16	1,434,329,385	2,089,583,094
<b>Non controlling interest</b>	17	<b>812,676,140</b>	<b>208,344,037</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>94,855,440,586</b>	<b>90,765,013,389</b>
<b>Net asset value per share- (NAV)</b>	36	<b>18.82</b>	<b>20.02</b>



**OFF-BALANCE SHEET ITEMS**

**CONTINGENT LIABILITIES**

- Acceptances and endorsements
- Letter of guarantee
- Irrevocable letters of credit
- Bill for collection
- Other contingent liabilities

**TOTAL CONTINGENT LIABILITIES**

**OTHER COMMITMENTS**

- Documentary credits and short term trade-related transactions
- Forward assets purchased and forward deposits placed
- Undrawn note issuance and revolving underwriting facilities
- Undrawn formal standby facilities, credit lines and other commitments

**TOTAL OTHER COMMITMENTS**

**TOTAL OFF BALANCE SHEET ITEMS**

Notes	Amount in Taka	
	31.12.2023	31.12.2022
	-	-
	40,497,973	33,150,000
	-	-
	-	-
	-	-
	40,497,973	33,150,000
	-	-
	-	-
	-	-
	-	-
	-	-
	40,497,973	33,150,000

The annexed notes form an integral part of these consolidated financial statements.

Director

Company Secretary

Director

Chief Financial Officer

Acting Managing Director

Dhaka  
12 August 2024

**M. J. ABEDIN & CO**  
Chartered Accountants  
DVC:2408130850AS339712

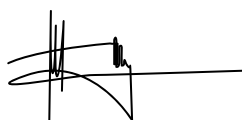
## LankaBangla Finance PLC and its Subsidiaries

# Consolidated Profit and Loss Account

For the year ended 31 December 2023

	Notes	Amount in Taka	
		December 2023	December 2022
<b>Operating Income</b>			
Interest income	18	6,971,828,107	7,197,477,894
Less : Interest expenses on deposits & borrowings	19	5,575,305,982	5,013,752,253
<b>Net interest income</b>		<b>1,396,522,126</b>	<b>2,183,725,640</b>
Income from investment	20	914,676,573	550,901,600
Commission, exchange and brokerage income	21	484,803,670	777,374,407
Other operational income	22	1,441,855,633	798,684,297
<b>Total operating income</b>		<b>4,237,858,002</b>	<b>4,310,685,944</b>
<b>Operating Expenses</b>			
Salary and allowances	23	1,260,010,713	1,360,531,402
Rent, taxes, insurance, electricity etc.	24	71,304,896	54,449,024
Legal and professional fees	25	61,141,532	48,597,285
Postage, stamp, telecommunication etc.	26	24,227,620	26,142,965
Stationery, printing, advertisement	27	62,330,093	56,466,527
Managing director's salary and allowance	28	13,910,048	15,814,000
Directors' fees and expenses	29	2,922,200	2,909,213
Auditors' fees	30	1,312,750	1,279,046
Charges on loan losses		-	-
Repairs, maintenance and depreciation	31	397,644,760	358,008,107
Other expenses	32	777,675,667	743,818,837
<b>Total operating expenses</b>		<b>2,672,480,279</b>	<b>2,668,016,406</b>
<b>Net Operating Income</b>		<b>1,565,377,723</b>	<b>1,642,669,538</b>
<b>Provisions for loans, investments and other assets</b>	<b>33</b>	<b>813,251,643</b>	<b>696,095,883</b>
Provisions for leases and loans		763,460,665	540,575,865
Provision for margin loan		(1,888,145)	(2,193,768)
Provision for diminution in value of investments		49,807,926	159,412,082
Provisions for Off-Balance Sheet Exposure		73,480	(1,198,296)
General provision for other assets		1,797,718	(500,000)
<b>Profit before tax and reserve</b>		<b>752,126,080</b>	<b>946,573,655</b>
<b>Provision for tax</b>	<b>34</b>	<b>359,363,631</b>	<b>285,197,666</b>
Current tax		357,443,402	282,664,913
Deferred tax		1,920,229	2,532,753
<b>Net profit after tax</b>		<b>392,762,449</b>	<b>661,375,989</b>
<b>Attributed to</b>			
Shareholders of the Company		377,512,436	649,812,556
Non-controlling interest	39.4	15,250,014	11,563,433
		<b>392,762,449</b>	<b>661,375,989</b>
<b>Appropriations</b>		<b>53,911,302</b>	<b>104,478,175</b>
Statutory reserve		33,989,506	35,697,813
General reserve		-	(3,348,036)
Capital Reserve		19,921,796	72,128,398
<b>Retained surplus</b>		<b>323,601,134</b>	<b>545,334,381</b>
<b>Earning per share (EPS)</b>	<b>35</b>	<b>0.70</b>	<b>1.21</b>

The annexed notes form an integral part of these consolidated financial statements.



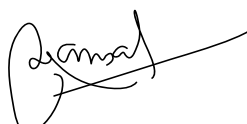
Director



Director



Acting Managing Director



Company Secretary



Chief Financial Officer



M. J. ABEDIN & CO  
Chartered Accountants  
DVC:2408130850AS339712

Dhaka  
12 August 2024

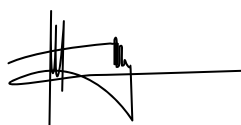
## Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Amount in Taka	
	December 2023	December 2022
<b>A) Cash flows from operating activities</b>		
Interest received	6,941,044,603	7,245,981,340
Interest paid	(5,071,427,486)	(4,825,530,203)
Dividend received	249,555,782	267,327,797
Fees and commission received	877,667,102	1,206,719,863
Income from investment	561,917,157	269,624,243
Cash paid to employees (including directors)	(1,316,656,718)	(1,391,671,215)
Cash paid to suppliers	(146,698,401)	(150,775,460)
Income taxes paid	(374,538,281)	(480,226,974)
Received from other operating activities	399,079,464	363,239,607
Paid for other operating activities	(981,947,066)	(861,135,900)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>1,137,996,155</b>	<b>1,643,553,096</b>
<b>Increase/(decrease) in operating assets &amp; liabilities:</b>		
Loans and advances to customers	(787,593,329)	(2,381,936,835)
Other assets	(97,339,379)	38,654,166
Deposits from customers	(685,352,624)	(4,768,874,252)
Other liabilities	1,085,535,996	(1,316,278,854)
<b>Total increase/(decrease) in operating assets &amp; liabilities</b>	<b>(484,749,335)</b>	<b>(8,428,435,775)</b>
<b>Net cash flows from /(used in) operating activities</b>	<b>653,246,821</b>	<b>(6,784,882,678)</b>
<b>B) Cash flows from investing activities</b>		
Investment in securities	(95,659,584)	(430,809,131)
Treasury bills	(1,888,134,963)	(688,688,379)
Purchase of fixed assets	(554,714,532)	(460,443,983)
Sales proceeds of fixed assets	664,898,434	14,362,105
Investment in Discretionary corporate fund	(74,243,418)	63,015,435
Acquisition of shares from non-controlling interest	185,328,267	(500,000)
<b>Net cash flows from /(used in) investing activities</b>	<b>(1,645,994,369)</b>	<b>(1,503,063,954)</b>
<b>C) Cash flows from financing activities</b>		
Receipt of term loan, overdraft and REPO	2,538,764,120	6,903,149,928
Payment of lease liabilities-Vehicles	(810,999)	(4,853,993)
Payment of lease liabilities-Office premises	(107,253,230)	(111,570,885)
Dividend paid	(580,486,991)	(533,321,835)
<b>Net cash flows from/(used in) financing activities</b>	<b>1,850,212,900</b>	<b>6,253,403,214</b>
<b>D) Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>857,465,352</b>	<b>(2,034,543,418)</b>
<b>E) Effect of exchange rates on cash and cash equivalents</b>	<b>15,245</b>	<b>18,847</b>
<b>F) Cash and cash equivalents at the beginning of the period</b>	<b>10,995,587,998</b>	<b>13,030,112,569</b>
<b>G) Cash and cash equivalents at the end of the period</b>	<b>11,853,068,595</b>	<b>10,995,587,998</b>
<b>* Closing cash and cash-equivalents</b>		
Cash in hand (including foreign currencies)	1,453,628	1,113,270
Balance with Bangladesh Bank and its agent bank (s)	638,637,686	530,655,790
Balance with other banks and financial institutions	11,212,977,281	10,463,818,938
Money at call and short notice	-	-
	<b>11,853,068,595</b>	<b>10,995,587,998</b>
<b>Net Operating Cash Flows Per Share - (NOCFPS)</b>	<b>1.21</b>	<b>(12.59)</b>

36

The annexed notes form an integral part of these consolidated financial statements.



Director



Director



Acting Managing Director



Company Secretary



Chief Financial Officer

Dhaka,  
12 August 2024

LankaBangla Finance PLC and its Subsidiaries

## Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

Amount in Taka

Particulars	Equity attributable to the shareholders of the Company							Non Controlling Interest	Total Equity
	Share Capital	Share Premium	Statutory Reserve	General Reserve	Capital Reserve	Retained Earnings	Total		
<b>Balance as at 01 January 2023</b>	5,388,386,230	1,090,888,800	2,085,277,643	47,489,333	86,089,440	2,089,583,094	10,787,714,540	208,344,037	10,996,058,577
<b>Prior year adjustment</b>	-	-	-	(47,489,333)	-	-	(47,489,333)	(1,635,650)	(49,124,983)
<b>Restated opening balance</b>	5,388,386,230	1,090,888,800	2,085,277,643	-	86,089,440	2,089,583,094	10,740,225,207	206,708,387	10,946,933,595
<b>Items Involved in Changes in Equity</b>									
Changes in non-controlling interest	-	-	-	-	-	(440,016,220)	(440,016,220)	625,344,487	185,328,267
Net profit for the year	-	-	-	-	-	377,512,436	377,512,436	15,250,014	392,762,449
Appropriation to statutory reserve	-	-	33,989,506	-	-	(33,989,506)	-	-	-
Capital Reserve	-	-	-	-	19,921,796	(19,921,796)	-	-	-
Increase/(decrease) in revaluation reserve	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-
Cash dividend (10.00%) for 2022	-	-	-	-	-	(538,838,623)	(538,838,623)	(34,626,748)	(573,465,371)
<b>Balance as at 31 December 2023</b>	5,388,386,230	1,090,888,800	2,119,267,149	-	106,011,236	1,434,329,385	10,138,882,800	812,676,140	10,951,558,940
<b>Balance as at 01 January 2022</b>	5,388,386,230	1,090,888,800	2,049,579,830	50,837,370	13,961,042	2,085,145,574	10,678,798,845	195,222,367	10,874,021,212
<b>Items Involved in Changes in Equity</b>									
Changes in non-controlling interest	-	-	-	-	-	(2,058,237)	(2,058,237.31)	1,558,237	(500,000)
-1	-	-	-	-	-	649,812,556	649,812,555.83	11,563,433	661,375,989
Appropriation to statutory reserve	-	-	35,697,813	-	-	(35,697,813)	-	-	-
Appropriation to general reserve	-	-	-	(3,348,036)	-	3,348,036	-	-	-
Capital Reserve	-	-	-	-	72,128,398	(72,128,398)	-	-	-
Dividend	-	-	-	-	-	-	-	-	-
Cash dividend (10.00%) for 2021	-	-	-	-	-	(538,838,623)	(538,838,623.00)	-	(538,838,623)
<b>Balance as at 31 December 2022</b>	5,388,386,230	1,090,888,800	2,085,277,643	47,489,333	86,089,440	2,089,583,094	10,787,714,540	208,344,037	10,996,058,578

The annexed notes form an integral part of these consolidated financial statements.



Director



Director



Acting Managing Director



Company Secretary



Chief Financial Officer

Dhaka,  
12 August 2024



## Balance Sheet

As at 31 December 2023

	Notes	Amount in Taka	
		31.12.2023	31.12.2022
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>		<b>639,269,621</b>	<b>531,357,244</b>
Cash in hand (including foreign currencies)	3	631,935	701,455
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	4	638,637,686	530,655,790
<b>Balance with other banks and financial institutions</b>	5	<b>9,089,951,342</b>	<b>8,790,336,478</b>
Inside Bangladesh		9,089,951,342	8,790,336,478
Outside Bangladesh		-	-
<b>Money at call and short notice</b>		<b>-</b>	<b>-</b>
<b>Investment</b>	6	<b>6,208,507,734</b>	<b>4,749,756,326</b>
Government securities		2,623,793,666	739,101,032
Other investments		3,584,714,068	4,010,655,294
<b>Leases, loans and advances</b>	7	<b>61,719,186,662</b>	<b>61,331,185,920</b>
Loans, cash credit and overdraft etc.		61,719,186,662	61,331,185,920
Bills discounted and purchased		-	-
<b>Fixed assets including land, building, furniture and fixtures</b>	8	<b>543,252,258</b>	<b>1,890,677,292</b>
<b>Other assets</b>	9	<b>9,276,025,839</b>	<b>8,640,779,551</b>
<b>Non-Banking assets</b>		<b>-</b>	<b>-</b>
<b>TOTAL PROPERTY AND ASSETS</b>		<b>87,476,193,455</b>	<b>85,934,092,812</b>
<b>LIABILITY AND SHAREHOLDERS' EQUITY</b>			
<b>Liabilities</b>			
<b>Borrowings from Bangladesh Bank, other banks and financial institutions</b>	10	<b>25,833,962,950</b>	<b>23,543,109,021</b>
<b>Deposits and other accounts</b>	11	<b>42,441,762,741</b>	<b>43,656,711,247</b>
Current deposits and other accounts		-	-
Bills payable		-	-
Savings bank deposits		-	-
Term deposits	11.1	42,253,992,614	43,457,117,190
Bearer certificate of deposits		-	-
Other deposits	11.2	187,770,127	199,594,057
<b>Other liabilities</b>	12	<b>9,700,630,888</b>	<b>7,565,746,599</b>
<b>TOTAL LIABILITIES</b>		<b>77,976,356,579</b>	<b>74,765,566,866</b>
<b>Shareholders' Equity</b>		<b>9,499,836,877</b>	<b>11,168,525,945</b>
Paid up capital	13	5,388,386,230	5,388,386,230
Statutory reserve	14	2,119,267,149	2,085,277,643
Retained earnings	15	1,155,134,291	1,558,014,890
Revaluation reserve for investment in subsidiaries	16A	837,049,207	2,136,847,181
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>87,476,193,455</b>	<b>85,934,092,812</b>
<b>Net asset value per share-(NAV) (restated 2022)</b>	35	<b>17.63</b>	<b>20.73</b>

**OFF-BALANCE SHEET ITEMS**

**CONTINGENT LIABILITIES**

Acceptances and endorsements  
 Letter of guarantee  
 Irrevocable letters of credit  
 Bill for collection  
 Other contingent liabilities

**TOTAL CONTINGENT LIABILITIES**

**OTHER COMMITMENTS**

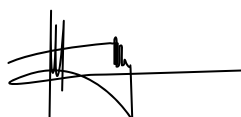
Documentary credits and short term trade-related transactions  
 Forward assets purchased and forward deposits placed  
 Undrawn note issuance and revolving underwriting facilities  
 Undrawn formal standby facilities, credit lines and other commitments

**TOTAL OTHER COMMITMENTS**

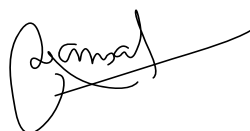
**TOTAL OFF BALANCE SHEET ITEMS**

The annexed notes form an integral part of these financial statements.

Notes	Amount in Taka	
	31.12.2023	31.12.2022
	-	-
	40,497,973	33,150,000
	-	-
	-	-
	-	-
	<b>40,497,973</b>	<b>33,150,000</b>
	-	-
	-	-
	<b>40,497,973</b>	<b>33,150,000</b>



**Director**



**Company Secretary**



**Director**



**Chief Financial Officer**



**Acting Managing Director**

Dhaka  
 12 August 2024



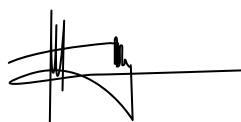
**M. J. ABEDIN & CO**  
 Chartered Accountants  
 DVC:2408130850AS339712

## Profit and Loss Account

For the year ended 31 December 2023

	Notes	Amount in Taka	
		December 2023	December 2022
Operating Income			
Interest income	18	6,485,415,940	6,711,555,195
Less : Interest expenses on deposits & borrowings	19	5,437,895,715	4,891,562,899
<b>Net interest income</b>		<b>1,047,520,224</b>	<b>1,819,992,297</b>
Income from investment	20	758,081,022	281,421,185
Commission, exchange and brokerage income	21	-	-
Other operational income	22	1,171,750,466	541,103,190
<b>Total operating income</b>		<b>2,977,351,713</b>	<b>2,642,516,672</b>
<b>Operating Expenses</b>			
Salary and allowances	23	863,522,445	917,645,562
Rent, taxes, insurance, electricity etc.	24	53,193,691	37,204,312
Legal and professional fees	25	51,688,667	39,069,177
Postage, stamp, telecommunication etc.	26	18,021,325	20,492,000
Stationery, printing, advertisement	27	52,968,369	45,423,611
Managing director's salary and allowance	28	13,910,048	15,814,000
Directors' fees and expenses	29	836,600	642,400
Auditors' fees	30	690,000	690,000
Repairs, maintenance and depreciation	31	264,475,921	236,630,000
Other expenses	32	409,212,580	370,420,845
<b>Total operating expenses</b>		<b>1,728,519,647</b>	<b>1,684,031,907</b>
<b>Net Operating Income</b>		<b>1,248,832,066</b>	<b>958,484,765</b>
<b>Provisions for loans, investments and other assets</b>	<b>33</b>	<b>836,378,130</b>	<b>654,828,254</b>
Provisions for leases and loans		793,794,974	540,575,865
Provision for diminution in value of investments		39,211,958	115,450,686
Provision for off-balance sheet exposure		73,480	(1,198,296)
General provision for other assets		3,297,718	-
<b>Profit before tax and reserve</b>		<b>412,453,936</b>	<b>303,656,511</b>
<b>Provision for tax</b>	<b>34</b>	<b>242,506,407</b>	<b>125,167,444</b>
Current tax		242,506,407	125,167,444
Deferred tax		-	-
<b>Net profit after tax</b>		<b>169,947,529</b>	<b>178,489,067</b>
<b>Appropriations</b>		<b>33,989,506</b>	<b>35,697,813</b>
Statutory reserve		33,989,506	35,697,813
General reserve		-	-
Capital Reserve		-	-
<b>Retained surplus</b>		<b>135,958,023</b>	<b>142,791,254</b>
<b>Earning per share (EPS)</b>	<b>35</b>	<b>0.32</b>	<b>0.33</b>

The annexed notes form an integral part of these financial statements.



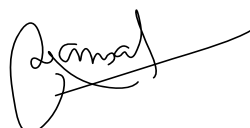
Director



Director



Acting Managing Director



Company Secretary



Chief Financial Officer



**M. J. ABEDIN & CO**  
Chartered Accountants  
DVC:2408130850AS339712

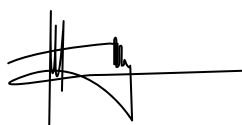
Dhaka  
12 August 2024

## Statement of Cash Flows

For the year ended 31 December 2023

Note	Amount in Taka	
	December 2023	December 2022
<b>A) Cash flows from operating activities</b>		
Interest received	6,499,195,905	6,697,066,654
Interest paid	(4,759,903,803)	(4,687,645,247)
Dividend received	132,535,394	328,555,151
Fees and commission received	386,087,935	418,422,317
Income from investment	509,938,982	92,129,405
Cash paid to employees (including directors)	(885,141,156)	(909,169,196)
Cash paid to suppliers	(25,942,892)	(103,680,265)
Income taxes paid	(245,783,212)	(285,108,471)
Received from other operating activities	135,826,793	121,978,270
Paid for other operating activities	(604,403,742)	(483,778,859)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>1,142,410,203</b>	<b>1,188,769,760</b>
<b>Increase/(decrease) in operating assets &amp; liabilities:</b>		
Loans and advances to customers	(714,831,556)	(2,724,292,644)
Other assets	(167,258,155)	17,083,946
Deposits from customers	(1,214,948,505)	(4,524,553,923)
Other liabilities	580,138,137	(117,626,381)
<b>Total Increase/(decrease) in operating assets &amp; liabilities</b>	<b>(1,516,900,079)</b>	<b>(7,349,389,002)</b>
<b>Net cash flows from /(used in) operating activities</b>	<b>(374,489,876)</b>	<b>(6,160,619,242)</b>
<b>B) Cash flows from investing activities</b>		
Investment in securities	311,261,380	(152,460,638)
Treasury bills	(1,767,297,809)	(688,688,379)
Purchase of fixed assets	(470,311,883)	(389,705,272)
Sales proceeds of fixed assets	664,345,039	1,907,256
Investment in discretionary corporate fund	(5,320,154)	(5,907,829)
Investment in subsidiaries	185,328,170	(500,000)
<b>Net cash flows from /(used in) investing activities</b>	<b>(961,995,258)</b>	<b>(1,235,354,863)</b>
<b>C) Cash flows from financing activities</b>		
Receipt of term loan, overdraft and REPO	2,346,375,994	7,211,762,184
Payment of lease liabilities-Vehicles	(818,213)	(2,930,352)
Payment of lease liabilities-Office premises	(54,703,853)	(62,168,233)
Dividend paid	(546,856,800)	(527,837,169)
<b>Net cash flows from/(used in) financing activities</b>	<b>1,743,997,129</b>	<b>6,618,826,430</b>
<b>D) Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>407,511,995</b>	<b>(777,147,675)</b>
<b>E) Effect of exchange rates on cash and cash equivalents</b>	<b>15,245</b>	<b>18,847</b>
<b>F) Cash and cash equivalents at the beginning of the year</b>	<b>9,321,693,722</b>	<b>10,098,822,551</b>
<b>G) Cash and cash equivalents at the end of the year</b>	<b>9,729,220,962</b>	<b>9,321,693,722</b>
<b>* Closing cash and cash-equivalents</b>		
Cash in hand (including foreign currencies)	631,935	701,455
Balance with Bangladesh Bank and its agent bank (s)	638,637,686	530,655,790
Balance with other banks and financial institutions	9,089,951,342	8,790,336,478
Money at call and short notice	-	-
	<b>9,729,220,962</b>	<b>9,321,693,722</b>
<b>Net Operating Cash Flows Per Share - (NOCFPS)</b>	<b>36 (0.69)</b>	<b>(11.43)</b>

The annexed notes form an integral part of these financial statements.



Director



Director



Company Secretary



Chief Financial Officer



Acting Managing Director

Dhaka,  
12 August 2024

**Statement of Changes in Equity**

For the year ended 31 December 2023

Amount in Taka

Particulars	Share Capital	Statutory Reserve	Revaluation Reserve	Retained Earnings	Total Equity
<b>Balance as at 01 January 2023</b>	<b>5,388,386,230</b>	<b>2,085,277,643</b>	<b>2,136,847,181</b>	<b>1,558,014,890</b>	<b>11,168,525,945</b>
<b>Items involved in changes in equity</b>					
Net profit for the year	-	-	-	169,947,529	169,947,529
Increase/(decrease) in revaluation reserve	-	-	(1,299,797,975)	-	(1,299,797,975)
Appropriation to statutory reserve	-	33,989,506	-	(33,989,506)	-
Cash dividend (10.00%) for 2022	-	-	-	(538,838,623)	(538,838,623)
<b>Balance as at 31 December 2023</b>	<b>5,388,386,230</b>	<b>2,119,267,149</b>	<b>837,049,207</b>	<b>1,155,134,291</b>	<b>9,499,836,877</b>
<b>Balance as at 01 January 2022</b>	<b>5,388,386,230</b>	<b>2,049,579,830</b>	<b>1,681,854,774</b>	<b>1,954,062,260</b>	<b>11,073,883,094</b>
<b>Items involved in changes in equity</b>					
Net profit for the year	-	-	-	178,489,067	178,489,067
Increase/(decrease) in revaluation reserve	-	-	-	-	-
Appropriation to statutory reserve	-	35,697,813	454,992,407	(35,697,813)	454,992,407
Cash dividend (10.00%) for 2021	-	-	-	(538,838,623)	(538,838,623)
<b>Balance as at 31 December 2022</b>	<b>5,388,386,230</b>	<b>2,085,277,643</b>	<b>2,136,847,181</b>	<b>1,558,014,890</b>	<b>11,168,525,945</b>

The annexed notes form an integral part of these financial statements.


**Director**

**Director**

**Acting Managing Director**

**Company Secretary**

**Chief Financial Officer**Dhaka,  
12 August 2024

LankaBangla Finance PLC and its Subsidiaries

## Consolidated Statement of Liquidity

As at 31 December 2023

Amount in Taka

Particulars	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	above 5-years term	Total
<b>Assets</b>						
Cash in hand (including balance with Bangladesh Bank)	252,102,489	-	387,988,825	-	-	640,091,314
Balance with banks and financial institutions	8,963,533,038	1,350,567,433	898,876,810	-	-	11,212,977,281
Money at call and short notice	-	-	-	-	-	-
Investments	2,816,610,195	2,491,719,129	2,850,302,944	1,486,139,114	1,272,769,086	10,917,540,468
Leases, loans and advances	2,124,733,375	12,219,771,616	29,542,875,064	18,286,131,904	3,179,950,655	65,353,462,614
Fixed assets including land, building, furniture and fixtures	22,826,563	43,370,470	184,895,161	592,077,144	652,732,918	1,495,902,256
Other assets	292,361,937	1,680,602,222	3,262,502,494	-	-	5,235,466,653
Non-banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>14,472,167,597</b>	<b>17,786,030,870</b>	<b>37,127,441,298</b>	<b>20,364,348,162</b>	<b>5,105,452,659</b>	<b>94,855,440,586</b>
<b>Liabilities</b>						
Borrowing from other banks, financial institutions and agents	5,848,975,209	3,328,774,211	8,857,706,766	9,805,979,954	253,567	27,841,689,709
Deposits and other accounts	3,538,056,435	9,078,802,699	21,436,361,355	6,458,160,531	1,710,679,845	42,222,060,865
Other liabilities	1,079,358,903	2,426,716,204	3,497,678,797	4,064,726,294	2,771,650,873	13,840,131,072
<b>Total Liabilities</b>	<b>10,466,390,548</b>	<b>14,834,293,115</b>	<b>33,791,746,918</b>	<b>20,328,866,780</b>	<b>4,482,584,285</b>	<b>83,903,881,646</b>
<b>Net Liquidity Surplus or (Gap)</b>	<b>4,005,777,049</b>	<b>2,951,737,755</b>	<b>3,335,694,379</b>	<b>35,481,382</b>	<b>622,868,374</b>	<b>10,951,558,940</b>

LankaBangla Finance PLC  
**Statement of Liquidity**  
As at 31 December 2023

Amount in Taka

Particulars	Totals				
	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	above 5-years term
<b>Assets</b>					<b>Total</b>
Cash in hand (including balance with Bangladesh Bank)	251,280,796	-	387,988,825	-	639,269,621
Balance with banks and financial institutions	6,908,625,456	1,309,687,315	871,638,571	-	9,089,951,342
Money at call and short notice	-	-	-	-	-
Investments	1,880,414,103	116,777,550	1,777,887,202	1,420,631,821	6,208,507,734
Leases, loans and advances	2,015,261,441	12,171,033,445	26,256,491,725	18,096,449,396	61,719,186,662
Fixed assets including land, building, furniture and fixtures	14,458,026	28,916,051	130,122,231	369,755,950	543,252,258
Other assets	235,814,670	150,811,705	3,137,491,464	-	9,276,025,839
Non-banking assets	-	-	-	-	-
<b>Total Assets</b>	<b>11,305,854,491</b>	<b>13,777,226,066</b>	<b>32,561,620,017</b>	<b>19,886,837,167</b>	<b>9,944,655,714</b>
<b>Liabilities</b>					
Borrowing from other banks, financial institutions and agents	5,221,015,542	2,876,770,015	8,166,777,031	9,569,146,795	253,567
Deposits and other accounts	3,541,017,658	9,085,731,753	21,452,571,464	6,462,996,640	1,899,445,226
Other liabilities	705,618,038	1,014,462,166	2,518,475,334	3,516,276,589	1,945,798,760
<b>Total Liabilities</b>	<b>9,467,651,238</b>	<b>12,976,963,934</b>	<b>32,137,823,829</b>	<b>19,548,420,023</b>	<b>3,845,497,554</b>
<b>Net Liquidity Surplus or (Gap)</b>	<b>1,838,203,253</b>	<b>800,262,132</b>	<b>423,796,188</b>	<b>338,417,144</b>	<b>6,099,158,159</b>
					<b>9,499,836,877</b>

## Notes to the Consolidated and Separate Financial Statements

As at and for the year ended 31 December 2023

### 1. Legal status and nature of the company

#### 1.1 Domicile, legal form and country of operation

**LankaBangla Finance PLC** (hereinafter referred to as “LankaBangla” or “the Company”), a joint venture **non-banking financial institution**, was incorporated in Bangladesh with the Registrar of Joint Stock Companies and Firms (RJSC) vide registration no. C-31702(823)/96 dated 05 November 1996 as a Public Limited Company under the Companies Act, 1994 in the name of “Vanik Bangladesh Limited”. Subsequently, it was renamed as LankaBangla Finance Limited on 27 April 2005 and again renamed as the LankaBanka Finance PLC on 22 August 2023. It started commercial operations in 1997 by obtained license from Bangladesh Bank under the Financial Institutions Act, 1993. LankaBangla also obtained license from the Securities and Exchange Commission vide No. MB-1.064/98-05 to transact public shares in the Capital Market as Merchant Banker. The Company went for public issue in 2006 and its shares were listed in both Dhaka Stock Exchange and Chittagong Stock Exchange on 17 October 2006 and 31 October 2006 respectively.

Consequently, the company has acquired the following Licenses and legal approvals:

Sl. No.	Name of License	Registration of License	Date of License	Renewed up to
1.	Trade License	03-095082	-	2023-2024
2.	Bangladesh Bank License	DFIM(L)/15	30.10.1997	N/A
3.	Tax Identification Number (e-TIN)	750833446407	N/A	N/A
4.	Business Identification Number (BIN)	002056056-0101	N/A	N/A
5.	Import Registration Certificate	BA159696	01.01.2006	2023-2024
6.	DCCI Membership Certificate	2857	23.12.2008	2023
7.	Board of Investment	9803054-H	30.03.1998	N/A
8.	Registration Number	C-31702(823)/96	05.11.1996	N/A

#### 1.2 Subsidiary companies

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

##### 1.2.1 LankaBangla Securities Limited

LankaBangla Securities Limited (formerly Vanik Bangladesh Securities Limited) is a public limited company which was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration no. C-33276(22)/97 dated 03 July 1997 under the Companies Act, 1994. The principal activities of the company are to act as a member of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited to carry on the business of brokers or dealers in stocks, shares and securities, commercial papers, bonds, debentures, debenture stocks, foreign currencies, treasury bills and/or any financial instruments. The ownership interest in the company has been disclosed in note no. 1.2.4. LankaBangla Securities Limited has two subsidiaries-

##### i) LankaBangla Information System Limited

LankaBangla Information System Limited (LBIS) was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration no. C-108903/13 dated 02 May 2013 as a Private Company Limited by Shares. Its registered office is situated at Safura Tower, 11th Floor, 20 Kemal Ataturk Avenue, Banani, Dhaka. The Operational activities are being carried out from AA Bhaban (Level 6), 23 Motijheel C/A, Dhaka-1000. The Company was entitled to commence its business from 02 May 2013. LBIS has a TREC (Trading Right Entitlement Certificate) in DSE and CSE. The ownership interest in the company has been disclosed in note no. 1.2.4.

##### ii) BizBangla Media Limited

BizBangla Media Ltd. is a Private Limited Company incorporated on January 18, 2011 under the Companies Act, 1994 with the Registrar of Joint Stock Companies & Firm of Bangladesh vide Reg. No. C- 89751/11. The Registrar office of the company is situated at 12, Kazi Nazrul Islam Avenue, BDBL Bhaban (Level- 17), Karwan Bazar, Dhaka-1215. The ownership interest in the company has been disclosed in note no. 1.2.4.

##### 1.2.2 LankaBangla Investment Limited

LankaBangla Investment Limited was incorporated as a private limited company with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration no. C-83568/10 dated 29 March 2010 under the Companies Act, 1994. Later on the company converted itself into a public limited company with effect from 12 June 2013. LankaBangla Investment Limited also applied for



registration to the Bangladesh Securities and Exchange Commission for approval to operate in the Capital Market. The ownership interest in the company has been disclosed in note no. 1.2.4.

### 1.2.3 LankaBangla Asset Management Company Limited

LankaBangla Asset Management Company Limited was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration no. C-67738(289)/2007 dated 16 July 2007 under the Companies Act, 1994. LankaBangla Asset Management Company Limited got license from Bangladesh Securities and Exchange Commission (BSEC) on June 24, 2012 vide registration no: SEC/Asset Manager/2012/17 to operate as a full-fledged asset management company. The ownership interest in the company has been disclosed in note no. 1.2.4.

### 1.2.4 Group Structure of LankaBangla

Sl.	Name	Direct Ownership Interest	Indirect Ownership Interest	Total Ownership Interest
1	LankaBangla Securities Limited	82.5387169%	4.3506089%	86.8893258%
2	LankaBangla Investments Limited	99.9999975%	-	99.9999975%
3	LankaBangla Asset Management Company Limited	99.9998943%	-	99.9998943%
4	LankaBangla Information System Limited	-	86.7155471%	86.7155471%
5	BizBangla Media Limited	-	83.9571776%	83.9571776%

During the year 2023, total 26,314,142 no shares of LankaBangla Securities Limited has been sold out of total 248,368326 no shares and gain from this sale is taka 399,304,731. Outstanding shareholding balance for the year ending 2023 is 222,054,184.

### 1.3 Company's activities

The activities of the company include services broadly classified as fee-based and fund-based services:

- Fees-based services include Credit Card Membership Fees, Merchants Commission, Underwriting of Securities, IPOs, Portfolio Management, Corporate Financial Services, etc.
- Fund-based services include Lease Finance, Term Finance, Real Estate Finance, Hire Purchase, Credit Card Operation, CMSME Finance, Auto loan, Personal Loan, Emerging and Commercial, Syndication Finance, Revolving Credit, Loan against Deposit, Staff Loan etc.
- LankaBangla also provides brokerage services, Merchant Bank services and Asset Management Services through its majority owned subsidiary companies.

## 2. Basis for preparation and significant accounting policies

### 2.1 Statement of compliance

The consolidated financial statements and separate financial statements of LankaBangla have been prepared on a going concern basis following accrual basis of accounting except for statement of cash flows as per DFIM circular No # 11 dated 23 December 2009 issued by Department of Financial Institutions and Market of Bangladesh Bank with reference to the provisions of Financial Institutions Act 1993 and Bangladesh Bank's other circulars and guidelines or directives and in accordance with Bangladesh Financial Reporting Standards (IFRS<sup>1</sup>), the Companies Act 1994, the Financial Institutions Act 1993, the Securities and Exchange Ordinance 1969, the Securities and Exchange Rules 1987, Bangladesh Securities and Exchange Commission Act 1993, Bangladesh Securities and Exchange Commission (Public Issues) Rules 2015, Income Tax Act 2023 and Rules 1984, Value Added Tax Act 1991, Financial Reporting Act, 2015, the Listing Rules of Dhaka and Chittagong Stock Exchanges and other applicable laws and regulations.

In several cases, the laws, circulars, guidelines or directives of Bangladesh Bank differ from those of financial reporting standards as promulgated by International Accounting Standards Body (IASB) and as adopted by national standard setter, i.e., Institute of Chartered Accountants of Bangladesh (ICAB), the requirements of Bangladesh Bank prevails and these financial statements have been prepared by departing from those requirements of IFRS with a view to comply with the regulatory requirements .

The requirements of accounting standards as per IFRS that have been departed to comply with Bangladesh Bank requirements have been disclosed in detail in Note- 2.5.

However, this departure with IFRS has been made by following all of the relevant provisions of IAS – 1 and the detailed disclosures are given in Note- 2.5 by following the provision of Para 20 of IAS – 1 (Presentation of Financial Statements).

Besides the departures mentioned in Note- 2.5 due to compliance with regulator, the Company has departed para 23 and 28 of IAS 21 "The Effects of Changes in Foreign Exchange Rates" which require to translate any monetary item<sup>2</sup> at the end of reporting year

1 The term "IFRS" refers to all standards and interpretations adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) in compliance with those promulgated and adopted by International Accounting Standards Board (IASB). Therefore, IFRS includes all IAS and IFRS along with all of the relevant interpretations adopted by ICAB.

2 Monetary items are units of currency held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency. For LBF PLC, relevant monetary items are foreign exchange loan liability.

---

and to recognize any difference between initial recognition and closing year measurement in profit or loss.

This departure has been made in accordance with para 19 of IAS 1 which permits to departure of any requirement of IAS (under extremely rare circumstances) if the management concludes that complying with any requirement of IAS would be so misleading that it would conflict with the objectives of financial statements provided that relevant regulatory framework does not prohibit such a departure<sup>3</sup>.

LBF PLC has departed such requirement of IAS 21 in order to achieve a fair presentation and in order to avoid any confusion within the users of financial statements. We have informed BB about such departure on October 6, 2022 and BB has given it's no objection regarding such departure on a letter dated November 09, 2022.

The background and reasons for such departure is outlined below in details:

During the last few years, LBF PLC took foreign currency loans (USD 56 million) from different foreign lenders outstanding balance of which on 31 December 2023 is USD 23.24 million (BDT 2,544.97 million @ 109.50 BDT/ 1 USD). As dollar rate against taka was stable during last few years and due to absence of proper hedging tools at affordable costs, the loan was not hedged. Due to unforeseen Russia-Ukraine war, wholesale sanction on Russia, supply-chain disruption, climate change and the economic consequences depreciate the BDT against USD by 27.62% from 85.80 in 2021 to 109.50 in 2023 which is unpredictable and beyond any risk management. Due to this we have realized a loss of BDT 214.99 million during 2023 while settling the foreign loans repayments and an unrealized loss of BDT 549.03 million as per IAS 21.

Had we considered the unrealized loss of BDT 549.03 million as per IAS 21 which is to be realized during the remaining tenure of the loans from 2024 to 2026, the Company would have to be reported a net loss of BDT 379.08 million instead of a net profit of BDT 169.95 million in Separate Financial statements and net loss of BDT 156.27 million instead of a net profit of BDT 392.76 million in Consolidated Financial statements. This would mislead the existing and potential lenders, depositors, investors and other stakeholders of the Company in making their decisions. This loss would be realized over next 3 years if current global situation exists. However, we have reasons to believe that things will be back to normal sooner as articulated by economists, Government and Central Bank. Thus, taking such a huge unrealized loss based on IAS 21 would have a dire impact on the profitability of the Company and would jeopardize the confidence of its relevant stakeholders. To prevent that the Company has departed IAS 21 with permission from Bangladesh Bank.

## **2.2 Presentation of financial statements**

The presentation of the financial statements has been made as per the requirements of DFIM Circular No: 11, dated 23 December 2009 issued by the Department of Financial Institutions and Markets of Bangladesh Bank. The activities and accounting heads mentioned in the prescribed form, which are not applicable for the financial institutions, have been excluded in preparing the financial statements.

## **2.3 Basis of measurement and consolidation**

These financial statements have been prepared based on the historical cost convention other than the finance lease asset and finance lease obligations which were measured at present value of the minimum lease payments. No adjustment has been made for inflationary factors affecting the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

The accounts of all the subsidiaries of the Company have been fully consolidated as the Company directly controls more than 50% of the voting shares of these entities.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

## **2.4 Non-Controlling Interest**

Non-Controlling Interests are measured at their proportionate share of the acquires identifiable net assets at the date of acquisition as per Para 19 of IFRS – 3 “Business Combinations”.

The company presents the non-controlling interests in the consolidated balance sheet within equity, separately from the equity of the owners of parent as per Para 22 of IFRS – 10 “Consolidated Financial Statements”.

Changes in Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transaction as per Para 23 of IFRS – 10 “Consolidated Financial Statements”.

---

<sup>3</sup> The objective of financial statements as per Conceptual Framework of IFRS is to provide financial information about the reporting entity that is useful to existing and potential investors, lenders and other creditors in making decisions relating to providing resources to the entity. Those decisions involve decisions about: a) buying, selling or holding equity and debt instruments b) providing or settling loans and other forms of credit c) exercising rights to vote on or otherwise influence, management's actions that affect the use of the entity's economic resources.

The company attributes the profit and loss to the owners of the parent and to the non-controlling interests even if the results in the non-controlling interest having a deficit balance as per provision of Para B94 of IFRS – 10 “Consolidated Financial Statements”.

When the proportion of the equity held by the non-controlling interests changes, the company adjusted the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary and recognized directly in equity for any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attribute it to the owners of the parent by as per provision of Para B96 of IFRS – 10 “Consolidated Financial Statements”.

Further details about non-controlling interest are given in Note-16 and Note-38.4 of Financial Statements.

## 2.5 Disclosure of departure from few requirements of IFRS due to mandatory compliance of Bangladesh Bank and BSEC’s requirements

Bangladesh Bank is the ultimate regulatory body for Non-Banking Financial Institutions (NBFI) in Bangladesh. Some requirements of Bangladesh Bank’s rules and regulations contradict with those of IFRS. As such the company has departed from those contradictory requirements of IFRS in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below along with financial impacts where applicable:

Sl.	Nature of Departure	Title of IFRS	Treatment of IFRS	Treatment Adopted as per Bangladesh Bank/BSEC	Financial or Presentation Effect of the Departure
1	Measurement of provision for leases, loans, advances and margin loan (financial assets measured at amortized cost)	IFRS 9 “Financial Instruments”	<p>An entity shall measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.</p> <p>The objective of the impairment requirements is to recognize lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition - whether assessed on an individual or collective basis - considering all reasonable and supportable information, including that which is forward-looking.</p> <p>If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, an entity shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.</p>	<p>As per FID circular No. 08 dated 03 August 2002, DFIM circular No. 04 dated 26 July 2021, DFIM circular No. 33 dated 19 December 2021 and DFIM letter ref. DFIM(P)1052/27/2022-23 dated 02 January 2022, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans and SMA) has to be maintained irrespective of objective evidence of impairment on leases, loans and advances.</p> <p>Also, provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.</p> <p>And As per circular of Bangladesh Securities and Exchange Commission circular # SEC/CMRRCD/2009-193/196,</p>	<p>IFRS 09 requires a robust analysis to ascertain the extent of impairment related to credit risk of individual loan clients. It also requires probability ascertainment of various possible outcome to calculate the expected credit loss. It requires professionals to engage for an unbiased judgement to measure the probability-weighted credit losses. Based on the mentioned facts, the amount of provision for leases, loans and advances couldn’t be ascertained and the effect of departure too.</p> <p>However, in consolidated and separate Financial Statements, provision for leases, loans, advances have been charged for 2023 equivalent to BDT 763.46 million as per Bangladesh Bank guidelines among which BDT 464.55 million is the general provision charged on good loans. Also, YTD December 2023, accumulated provisions for lease, loans and advances stood at BDT 3,111.45 million.</p>
			<p>Expected credit losses are a probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial instrument. For a financial asset, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.</p>	<p>dated 28 December 2016, and circular# SEC/CMRRCD/2009-193/203) dated, 28 December 2017 and subsequent extension up to 2023 through press release on 16 July, 2020 the required provisions against unrealised loss for the year 2020 has been kept.</p>	<p>In addition, no provision for margin loan and negative equity has been required for the current year but accumulated provision still kept BDT 126.94 million and 626.90 million respectively.</p>

Sl.	Nature of Departure	Title of IFRS	Treatment of IFRS	Treatment Adopted as per Bangladesh Bank/BSEC	Financial or Presentation Effect of the Departure
2	Valuation of Investments in quoted and unquoted shares	IFRS 9 "Financial Instruments"	IFRS 9 requires all equity investments to be measured at fair value. At initial recognition an entity can make an irrecoverable election to present in other comprehensive income subsequent changes in fair value of an investment in an equity instrument that is held for trading. In all other cases, investments in equity instruments measured at fair value are recognized through profit or loss. In limited circumstances, cost can be an appropriate estimate of fair value for investments in unquoted shares.	As per FID circular No. 08 dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; however, in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only.	As per Bangladesh Bank and BSEC guidelines, no profit has been recognized in the profit and loss account against unrealized gain.
3	Recognition of interest income for SMA and classified lease, loans and advances	IFRS 9 "Financial Instruments"	Interest income is calculated by using the effective interest rate to the gross carrying amount of a financial asset except for financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired for which interest income is calculated by applying the effective rate to the carrying amount net of expected credit loss provision.	As per DFIM circular No. 04 dated 26 July 2021, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)" or "classified" (SS, DF, BL), interest income from such investments are not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.	As the facts mentioned in Serial no. 1, the expected credit losses couldn't be measured for the financial assets which have become credit impaired since initial recognition, interest income on such credit-impaired financial assets also couldn't be measured and the effect of departure too. However, at year end, in Consolidated Financial Statements interest suspense account has decreased to BDT 934.26 million from 974.01 million resulting net decrease of BDT 39.75 million of interest suspense. This amount has been shown in other liabilities in note 12.3, rather shown as interest income.
4	Loans and advances net of provision	IFRS 9 "Financial Instruments"	Loan and advances shall be recognized net of impairment loss.	As per FID circular No. 08 dated 03 August 2002, DFIM circular No. 04 dated 26 July 2021, provision on loans and advance is presented separately as liability.	Impairment loss/Provision cannot be netted off against loan and advances.
5	Presentation of cash and cash equivalent	IAS 7 "Statement of Cash Flows"	Cash equivalent are short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like: 3 months or less year. In the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is illiquid asset and not available for use in day-to-day operations.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular#11 dated December 23, 2009 which will strictly be followed by all banks and NBFIs.  The templates of financial statements provided detail of presentation of statement cash flows.	Presentation of financial statements is not fully aligned with the requirements of IAS. Thus, items which should be presented as "investment activities" as per IAS is shown as cash & cash equivalent.
6	Measurement of deferred tax asset	IAS 12 "Income Tax"	A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.	As per DFIM circular No. 7 dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against lease, loans and advances.	During this year there is no impact in the financial statements due to this departure as the Company has no taxable income in near future.

Sl.	Nature of Departure	Title of IFRS	Treatment of IFRS	Treatment Adopted as per Bangladesh Bank/BSEC	Financial or Presentation Effect of the Departure
7	Presentation and disclosure of Financial Statements and Financial Instruments	IAS 1 "Presentation of Financial Statements" IAS 40 "Investment Property" IAS 32 "Financial Instruments: Presentation" IFRS 7 "Financial Instruments: Disclosure"	Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.  IAS 1 requires separate line item for intangible assets on the face of statement of financial position.  IAS 1 requires separate line item for Investment Property on the face of statement of financial position.  IAS 32 and IFRS 7 require specific presentation and disclosure relating to all financial instruments.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular# 11 dated December 23, 2009 which will strictly be followed by all banks and NBFIs.  The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Profit and Loss Account.  Intangibles assets are not separately presented on the face of statement of financial position; rather it is presented along with the line item of fixed assets.  Investment Properties are not separately presented on the face of statement of financial position; rather it is presented along with the line item of fixed assets.  As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IFRS 9. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts.	Presentation of financial statements is not fully aligned with all requirements of IAS/IFRS.  In separate financial statements, fair value loss of BDT 1,299.80 million would have been recognized in other comprehensive income against investment in subsidiaries;
8	Preparation of "Statement of Cash Flows"	IAS 7 "Statement of Cash Flows"	The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per DFIM Circular-11, Date-23 December 2009, Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.	Presentation of financial statements is not fully aligned with all requirements of the IAS.
9	Current/ Non-current distinction	IAS-1 "Presentation of Financial Statement"	As per Para 60 of IAS-1 "Presentation of Financial statement" An entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position.	As per DFIM Circular-11, Date-23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Institutions. In this templates there is no current and non-current segmentation of assets and liabilities	The presentation of financial statements is not fully aligned with all requirements of the IAS. Moreover, the liquidity statement shows the current/ non-current portion of assets and liabilities in this regard.
10	Off-balance sheet items	IAS 1 "Presentation of Financial Statements"	There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.	As per DFIM Circular-11, Date-23 December 2009, off balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet. As per DFIM circular No. 04 dated 26 July 2021, 1% general provision have to keep on outstanding balance of Off-balance sheet exposures.	The presentation of financial statements is not aligned with the requirements of the IAS 1.  Moreover, BDT 0.40 million general provision have been kept on outstanding balance of Off-balance sheet exposures.

Sl.	Nature of Departure	Title of IFRS	Treatment of IFRS	Treatment Adopted as per Bangladesh Bank/BSEC	Financial or Presentation Effect of the Departure
11	Complete set of financial statements	IAS 1 "Presentation of Financial Statements"	As per IAS 1 "Presentation of Financial Statements" complete set of financial statements are i) statement of financial position, ii) statement of profit or loss and other comprehensive income, iii) statement of changes in equity, iv) statement of cash flows, v) notes, comprising significant accounting policies and other explanatory information and vi) statement of financial position at the beginning of preceding year for retrospective restatement.	As per DFIM Circular-11, Date-23 December 2009, complete set of financial statements are i) balance sheet, ii) profit and loss account, iii) statement of cash flows, iv) statement of changes in equity, v) statement of liquidity, vi) notes, comprising significant accounting policies and other explanatory information.	Presentation of financial statements is not aligned with requirements of the IAS 1.  There is no financial impact for this departure in the financial statements.
12	Intangible asset	IAS 1 "Presentation of Financial Statements"	As per IAS 1 "Presentation of Financial Statements" para 54 the statement of financial position shall include separate line item for intangible assets.	As per DFIM Circular-11, Date-23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. We present intangible asset in the balance sheet as part of fixed assets and provide details in annexure-A as separate line item.	Presentation of financial statements is not aligned with requirements of the IAS 1.  There is no financial impact for this departure in the financial statements.
13	Fair value through other comprehensive income	IAS 1 "Presentation of Financial Statements"	As per IAS 1 "Presentation of Financial Statements, any change in revaluation reserve in long term investment is to be recognized in 'Other comprehensive income'.	As per DFIM Circular-11, Date-23 December 2009, complete set of financial statements does not contain 'Other comprehensive income' and thus any change in revaluation reserve will not be shown in 'Other comprehensive income'.	During the year, the OCI would show negative income of BDT 1,299.80 million if presented which would make total comprehensive loss of BDT 1,129.85 million in separate financial statement.

## 2.6 Components of the financial statements

The financial statements comprise of (As per DFIM Circular-11, Dated 23 December 2009 and as per the para 10 of IAS 1: Presentation of Financial Statements):

- Consolidated and Separate Balance Sheet as at 31 December 2023;
- Consolidated and Separate Profit and Loss Account for the year ended 31 December 2023;
- Consolidated and Separate Statement of Cash Flows for the year ended 31 December 2023;
- Consolidated and Separate Statement of Changes in Equity for the year ended 31 December 2023;
- Consolidated and Separate Liquidity Statement for the year ended 31 December 2023;
- Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2023.

## 2.7 Presentation and functional currency and level of precision

The financial statements are presented in Bangladesh Taka (BDT) which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest BDT.

## 2.8 Use of estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements. Provisions and accrued expenses are recognized in the financial statement in line with the International Accounting Standard (IAS) 37 "Provisions, Contingent Liabilities and Contingent Assets" when

- the Company has a legal or constructive obligation as a result of past events.
- it is probable that an outflow of economic benefit will be required to settle the obligation.
- a reliable estimate can be made on the amount of the obligation.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets

---

and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas are where management requires the use of estimate and judgment:

- Note- 2.22.3- Useful life of depreciable assets as per IAS 16.
- Note- 2.28- Provision for leases, loans, advances and investments for future impairment as per IFRS 9 and/or Bangladesh Bank guidelines.
- Note-2.38.2- Provision for Gratuity scheme as per IAS 19.
- Note-2.18- Use of Company's incremental borrowing rate as the discount rate for calculating the lease liability as per IFRS 16; and
- Note-9.1.1.1-Deferred Tax Assets.

However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the year in which the estimates are revised.

## **2.9 Changes in significant accounting policies and correction of errors**

During the year 2023, the Company has not adopted any change of accounting policies and consistently applies same accounting policies for the year of 2022.

## **2.10 Contingent asset and contingent liability**

The Company does not recognize any Contingent Asset and Contingent Liability; but discloses the existence of contingent liability in the financial statements. A contingent liability is a probable obligation that arises from the past events and whose existence will be confirmed by the occurrence of uncertain future events beyond the control of the Company or a present obligation that is not recognized because outflow of resources is not likely or obligation cannot be measured reliably.

## **2.11 Going concern**

The Company has adequate resources to continue in operation for foreseeable future. For this reason, the directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations.

## **2.12 Materiality and aggregation**

Each material item as considered by management significant has been presented separately in financial statements. No amount has been set off unless the Company has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

## **2.13 Directors' responsibility statement**

The Board of Directors takes the responsibility for the preparation and presentation of these consolidated and separate financial statements.

## **2.14 Statement of cash flows**

Statement of cash flows has been prepared in accordance with the template provided with DFIM circular no.-11, Date-23 December 2009 which is a mixture of Direct and Indirect method of IAS 7 "Statement of Cash Flows".

## **2.15 Branch accounting**

The Company has 27 branches, with no overseas branch as on 31 December 2023. Accounts of the branches are maintained at the Branch level, and consolidated through the accounting software automatically in head office from which these accounts are drawn up.

## **2.16 Cash and cash equivalent**

Cash and cash equivalents comprise cash in hand, current account with Bangladesh Bank, interest bearing and non-interest-bearing bank deposit, fixed deposits and investments in call loan that are readily convertible to a known amount of cash, and that are not subject to significant risk of change in value. Cash and cash equivalents are used and maintained for day to day operation of the company and for CRR and SLR requirements of Bangladesh Bank.

## **2.17 Investments**

Investments comprise of equity, debt, government securities and unit funds. All investments are initially recognized at cost, being fair value of the consideration given, including cost of acquisition associated with the investment. The valuation methods of investments used are:

### **2.17.1 Investments in Government Treasury Bills and Bonds**

---

As per IFRS-09 Financial assets are classified as either (i) Amortised cost (ii) Fair Value through profit or loss or (iii) Fair value through other comprehensive income. In case of valuation of investment in government bonds we have followed amortized cost method, as it meets both of the following assessment criteria:

- i) Business model assessment
- ii) Contractual cash flow assessment

Investment in subordinated bond amounting BDT 800,000,000 has grace period of four years, for that, it shows cost value in the financial statements. After completing grace period, we will follow amortized cost method for valuation.

#### **2.17.2 Investments in listed securities**

Investments in listed securities are carried at cost. Adequate provision has been made considering each individual investment (where market price is less than cost) as guided by Bangladesh Bank. No gains are recognized in the profit and loss account. This is a departure from fair value approach of IFRS 9 which is disclosed in Note 2.5.2.

#### **2.17.3 Investments in non-listed securities**

Investments in non-listed securities are reported at cost under cost method. Adjustment is given for any shortage of NAV (determined as per the last audited report) over cost for determining the carrying amount of investment in unlisted securities as per Bangladesh Bank guidelines. No gains are recognized in the profit and loss account. This is also a departure from fair value approach of IFRS 9 which is disclosed in Note 2.5.2.

#### **2.17.4 Investments in subsidiaries**

Investments in subsidiaries are accounted for under the cost method of accounting in the Company's separate financial statements in accordance with IAS-27. Accordingly, investments in subsidiaries are stated in the Company's statement of financial position at cost, less impairment losses (if any).

### **2.18 Accounting for leases**

#### **Group acting as a lessee**

At commencement or on modification of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of its relative standalone price.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate (weighted average) at the date of commencement of lease as the discount rate.

The Group determines its incremental borrowing rate by analysing its borrowings from various external sources.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.



---

The Group presents right-of-use assets in 'Fixed Assets including Land, Building, Furniture & Fixtures' and lease liabilities in 'Borrowings from Bangladesh Bank, other banks & financial institutions' in the statement of financial position.

Short-term leases and leases of low-value assets:

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including leases of IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

***Group acting as a lessor***

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone selling prices.

When the Group acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset. Currently, the Group has no operating lease as a lessor.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group applies the derecognition and impairment requirements in compliance with the requirements of circular issued by the DFIM of Bangladesh Bank.

**2.19 Accounting for term finance**

Books of account of term finance operation are maintained based on the accrual method of accounting. Outstanding loans, along with the accrued interest thereon, for short-term finance, and unrealized principal for long-term finance are accounted for as term finance assets of the company. Interest earnings are recognized on accrual basis.

**2.20 Accounting for margin loan**

Margin Loan to Portfolio investors is given at an agreed ratio between investors deposit and loan amount to purchase securities against respective investor account. The investors are to maintain the margin as per set rules and regulations. The margin is monitored on daily basis as it changes due to changes in market price of share. If the margin falls below the minimum requirement, the investors are required to deposit additional fund to maintain the margin as per rules, otherwise the securities are sold to bring the margin to the required level.

Interest on Margin loan is charged on client's portfolio value on daily basis at the applicable rate. Whenever the probability arises that the benefit will flow to the Company this is recognized to income as per para 5.4.1 of IFRS 9 'Financial Instruments'.

**2.21 Financial liabilities**

Financial liabilities are initially recognized at fair value less transaction costs that are directly attributable to the issue of financial liability. After initial recognition, all financial liabilities are measured at amortized cost using the effective interest method. The amortized cost of a financial liability is the amount at which the financial liability is measured at initial recognition minus principal repayments, plus the cumulative amortization using the effective interest. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating the interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument.

**2.22 Recognition of fixed assets**

**2.22.1 Assets acquired under own finance**

These are recognized initially at cost and subsequently at cost less accumulated depreciation in compliance (other than investment property) with the IAS 16, "Property Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any direct cost attributable to bringing the assets to its working condition for its intended use. Expenditure incurred after the assets have been put into use, such as repairs and maintenance is normally charged off as revenue expenditure in the year 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 assets, the expenditure is capitalized as an additional cost of the assets. Software and

---

all up-gradation or enhancements are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

#### **2.22.2 Assets acquired under lease**

Assets acquired under finance lease are accounted as per IFRS 16. Please see Note – 2.18 for detail of such accounting.

#### **2.22.3 Depreciation on fixed assets**

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 and the date that the asset is derecognized.

Depreciation on fixed assets is charged using straight-line method at the following rates:

<b>Fixed assets</b>	<b>Rate</b>
Furniture and fixture	20%
Office equipment	20%
Motor vehicle	20%
IT equipment	33.33%
Building	2.5%
Land	Nil
Right of use assets	Equal Monthly Lease period

#### **2.22.4 Depreciation of right-of-use assets**

Leased assets in the use and possession of the Company are depreciated in the books of the Company over the lease terms. The principal portions of lease installment paid or due are charged as depreciation in the year to which it relates.

#### **2.22.5 Subsequent expenditure on fixed assets**

Subsequent expenditure is capitalized only when it increases the future economic benefit from the assets and that cost can be measured reliably. All other expenditures are recognized as an expense as and when they are incurred.

#### **2.22.6 Disposal of fixed assets**

On disposal of fixed assets, the cost and accumulated depreciation are eliminated from the fixed assets' schedule and gain or loss on such disposal is reflected in the profit and loss account, which is determined with reference to the net book value of the assets and net sale proceeds.

#### **2.22.7 Intangible assets**

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets acquired separately are measured on initial recognition at cost and are carried at cost less accumulated amortization and accumulated impairment losses if any.

Intangible assets include accounting software, credit card software, other software and integrated systems along with related hardware.

##### **Amortization**

Amortization is calculated using the straight line method to write down the cost of intangible assets to their residual values over their estimated useful lives based on the management's best estimates. Useful life of a TranzWare software is twelve (12) years, IFS ERP software is seven (07) years and the useful life of other software is four (04) years.

##### **Subsequent expenditure**

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits in the specifications to which it relates. All other expenditure is expensed as incurred.

#### **2.23 Recognition and measurement of investment property**

Investment property comprises land and buildings that are held either to earn rental income or for capital accretion or both. In accordance with "IAS 40 Investment Property", investment property is initially carried at cost when the economic benefits are certain to flow to the Company and when the estimated costs of the property can be measured reliably. Subsequently investment property is carried at cost model.

#### **2.24 Other assets**

Any assets which do not appear as separate line item in the face of the balance sheet of the company are categorised as other assets as per DFIM circular No # 11 dated 23 December 2009 issued by Department of Financial Institutions and Market of Bangladesh Bank.

Other assets include advance office rent, payment of advance income tax for which assessment of tax has not been closed yet and all other financial assets, fees and other unrealized income receivable, advance for operation and investment in subsidiaries etc. However, investment in subsidiaries is eliminated at time of consolidation in accordance with IFRS-10 'Consolidated Financial Statements'.

## 2.25 Borrowings from Bangladesh Bank and other banks and financial institutions

Borrowed funds include call money deposits, borrowings, re-finance borrowings and other term borrowings from banks and financial institutions. These are stated in the statement of financial position at amounts payable. Interest paid or payable on these borrowings is charged to the statement of comprehensive income.

## 2.26 Term deposits and other deposits accounts

### 2.26.1 Term Deposits

Term Deposits by customers and banks/NBFIs are recognized when the Company enters into contractual provisions of the arrangements with the counterparties, which is generally on trade date, and initially measured at the consideration received.

### 2.26.2 Other deposits

Other deposits include advance rentals/installments received from assets clients against leases, loans and advances which will be adjusted at the end of termination/settlement of leases, loans and advances in accordance with terms and conditions mentioned in the sanction letter.

## 2.27 Provision for liabilities

A provision is recognized in the profit and loss account when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

## 2.28 Provision for leases, loans, advances and off-balance sheet exposures and other assets

### 2.28.1 Provision for leases, loans, advances and off-balance sheet exposure

Generally, provision against unclassified (Standard to SMA) and classified (SS to BL) leases, loans, advances and Off-balance sheet exposures are made on the basis of quarter end review by the management and instruction contained in Bangladesh Bank FID circular No. 08 dated 03 August 2002, DFIM circular No. 04 dated 26 July 2021, DFIM circular No. 27 dated 21 December 2022. However, at the discretion of management, provision against classified loans and advances may be made on monthly basis. The provisions rates are given below:

Particulars	Rates
<b>General Provision on: Unclassified leases, loans, advances</b>	
Unclassified of Cottage, Micro, Small & Medium Enterprise Financing (CMSMEF)	0.25%
Unclassified of leases, loans and advances except CMSMEF and FBMSD	1%
Unclassified of Financing to the Brokerage House/Merchant Banks/Stock Dealers etc. (FBMSD)	2%
Special Mention Account of leases, loans and advances (SMA)	5%
<b>Specific Provision On: Classified leases, loans, advances</b>	
Sub-standard of leases, loans and advances (SS)	20%
Doubtful of leases, loans and advances (DF)	50%
Bad/loss of leases, loans and advances (BL)	100%
<b>General Provision on: Off-Balance Sheet Exposure</b>	
Off-Balance Sheet Exposure	1%

### 2.28.2 Provision for other assets

DFIM circular no. 10 dated 03 October 2021 requires a provision of 50% or 100% on outstanding balance of other assets, which outstanding is carrying for one year or more against any unadjusted advance for legal fees or embezzling fund or protested bill. LankaBangla maintains provisions in line with this circular unless it assesses there is no doubt of recovery on items of other assets in which case no provision is kept.

## 2.29 Interest suspense account

In compliance with Bangladesh Bank DFIM circular No. 04 dated 26 July 2021, interest income from leases, loans and advances is not recognized as revenue and credited to interest suspense account when particular leases, loans and advances are categorised as special mention account (SMA), sub-standard (SS), doubtful (DF) and bad/loss (BL). This interest is recognised as interest income when it is realised in cash by the company.

Interests on mortgage finance overdue beyond nine months are not recognized as revenue and credited to interest suspense

---

account.

### **2.30 Borrowing cost**

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of fund.

The Company capitalized borrowing costs that is directly attributable to the acquisition, construction or production of qualifying asset from part of the cost of that asset. Other borrowing costs are recognized as an expense as per para 8 of IAS 23 'Borrowing Costs'.

### **2.31 Consistency**

In accordance with the IFRS framework for the presentation of financial statements together with IAS 1 and IAS 8, LankaBangla Finance PLC applies the accounting disclosure principles consistently from one year to the next. In case of selecting and applying new accounting policies, changes in accounting policies applied and correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS-8.

### **2.32 Liquidity statement**

The Liquidity Statement has been prepared in accordance with remaining maturity grouping of assets and liabilities as of the close of the year as per following bases:

- a) Balance with other banks and financial institutions, money at call and short notice etc. are on the basis of their term.
- b) Investments are on the basis of their residual maturity term.
- c) Loans and advances are on the basis of their repayment or maturity schedule.
- d) Fixed assets are on the basis of their useful lives.
- e) Other assets are on the basis of their adjustment.
- f) Borrowings from other banks and financial institutions as per their maturity or repayment term.
- g) Deposits and other accounts are on the basis of their maturity year and behavioral past trend.
- h) Other long-term liability on the basis of their maturity term.
- i) Provisions and other liabilities are on the basis of their settlement.

### **2.33 Books of account**

The Company maintains its books of account for main business in Electronic Form through soft automation.

### **2.34 Foreign currency transaction**

Foreign currency transactions are translated into Bangladeshi Taka at exchange rates prevailing at the respective dates of transactions. Foreign currency monetary assets at the end of the period or year are to be reported at the rates prevailing on the Balance Sheet date. Exchange gains or losses arising out of the said conversions are to be recognized as income or expense for the period or year and charged in the profit and loss account after netting off.

Due to the Ukraine-Russia war, the country's foreign exchange rate is in volatile. Therefore, with the approval of the regulator, The LBF PLC has been recognized foreign currency (Liability) at spot rate (initially recognized rate) rather than closing rate. If the Foreign currency liability translated at closing rate, foreign currency liability and foreign currency loss would have been charged BDT 549.03 million more. This has been disclosed in details in note – 2.1.

### **2.35 Revenue recognition**

Interest revenue from financial instruments is recognized in the profit and loss account on accrual basis.

Other revenue is measured based on the consideration specified in a contract with a customer. The Company/Group recognizes revenue when it transfers control over a product/service provided to a customer with the performance obligation being satisfied and the amount of the transaction price is allocated to that performance obligation.

#### **2.35.1 Income from lease finance**

The Company follows the finance lease method for accounting of lease incomes in compliance with IFRS 16. Interests are recognized as and when interest incomes are accrued. Lease interests outstanding over 3 months are not recognized as revenue, and used to keep under interest suspense account.

Fee based income charges from lease operations are accounted for when they arise.

#### **2.35.2 Interest income from term finance**

Interest income is recognized when interest is accrued. No interest on loan (except housing finance and short-term finance) is accounted for as revenue where any portion of capital or interest is in arrears for more than 3 months for the loan tenure of which is within 5 years or where any portion of capital or interest is in arrears for more than 6 months for the loan tenure of which is more than 5 years. In case of housing loan, no interest on loan is accounted for as revenue where any portion of capital or interest is in

---

arrears for more than 6 months for the loan tenure of which is within 5 years or where any portion of capital or interest is in arrears for more than 18 months for the loan tenure of which is more than 5 years. Moreover, the amounts that were previously recognized as revenue in respect of such outstanding loans are also transferred from lease income to interest suspense account.

Fees based income and delinquent charges from loan operations are accounted when they arise.

### **2.35.3 Interest income from credit cards**

Interest on credit card is accrued and taken to accounts up to 03 (three) months. Interest accrued on credit card for more than three months is accounted as Interest-in-Suspense and is not added to revenues. Thereafter, interest is recognized on cash basis reversing the suspense account.

Fee based income from credit card operations are accounted for on accrual basis.

### **2.35.4 Interest income from fixed deposit receipts**

Interest on fixed deposit receipts is recognized on accrual basis.

### **2.35.5 Investment income**

**Interest income from investments in commercial paper** is recognized on accrual basis as per para 5.4.1 of IFRS 9: Financial Instruments.

**Capital gain/ (loss) on investments in shares** is recognized when it is realized.

**Dividend income on shares** is recognized during the year as per para 5.7.1A of IFRS 9: Financial Instruments only when:

- a) the Company's right to receive the payment of the dividend is established;
- b) it is probable the economic benefits associated with the dividend will flow to the Company; and
- c) the amount of the dividend can be measured reliably.

### **2.35.6 Portfolio management fee**

Portfolio management fees are recognized based on the market value of the client's portfolio on daily basis at the applicable rate.

### **2.35.7 Issue Management and Corporate Advisory Fee**

Issue management fee and corporate advisory fees are recognized according to performance obligations being satisfied relating to the services as agreed and defined in Issue Management and Corporate Advisory agreement between company and clients.

### **2.35.8 Fees and commission-based income**

Fees and commission-based income arising on services provided by the company are recognized when the performance obligations are satisfied and the amount of the transaction price is allocated to the performance obligations.

### **2.35.9 Other income**

Fee based incomes other than above are recognized as income when the performance obligations are satisfied relating to the services and the amount of transaction price can be allocated and economic benefits associated with the transaction flow to the company.

### **2.36 Write off**

Write-off describes a reduction in recognized value. It refers to recognition of the reduced or zero value of an asset. Generally, it refers to an investment for which a return on the investment is now impossible or unlikely. The item's potential return is thus cancelled and removed from ("written off") the business's balance sheet. LBF PLC write off policy has been administrated as per DFIM Circular No. 02 dated 01 April 2019 issued by Bangladesh Bank and write off policy subsidiaries of LankaBangla Finance PLC has been administrated as per their respective write off policy.

Recovery against debts written off or provided for is credited to revenue. Income is recognized where amounts are either recovered and/or adjusted against securities, properties or advances.

### **2.37 Operating expenses**

Major component of operating expenses other than salary and allowances are office rent, printing and stationery, postage and stamp, telecommunication, legal and professional fees and other miscellaneous expenses. All expenses are recognized on accrual basis of accounting.

#### **2.37.1 Salary and allowances**

Salary and allowances comprise basic salary, house rent, medical allowance, conveyance allowance, festival bonus, leave fare

assistance etc. All expenses related to salary and allowances are recognized on accrual basis of accounting.

## 2.38 Employee benefit plans

LankaBangla Finance PLC offers a number of benefit plans which include contributory provident fund, gratuity plan, Profit participation scheme and Group Life Insurance Scheme and Health Insurance. The retirement benefits accrued for the employees of the Company as on reporting date have been accounted for in accordance with the provisions of International Accounting Standard-19, "Employee Benefit". Bases of enumerating the retirement benefit schemes operated are outlined below:

### 2.38.1 Provident fund

The Company maintains a contributory employees Provident Fund recognized by National Board of Revenue within the meaning of section 2(90), read with the provisions of part- 3 of the Second Schedule of Income Tax Act 2023 for its permanent employees. The Fund is administered by a Board of Trustees and is funded equally by the employer and the employees @ 10% of their basic salary as contribution of the fund. Provident Funds are invested in Fixed Deposit with other financial institutions and to the Government Treasury Bills and Bonds. Interest earned from the investments is credited to the members' account on yearly basis.

### 2.38.2 Gratuity fund

The Company operates an funded gratuity scheme. Employees are entitled to gratuity benefit at the following rates:

Year of Services	% of entitlement
3 years and above but less than 4 years	50% of Last Basic Salary
4 years and above but less than 5 years	100% of Last Basic Salary
5 years and above	150% of Last Basic Salary

The actuarial valuation has not yet been made to assess the adequacy of the liabilities provided for the scheme.

### 2.38.3 Profit participation scheme

Every confirmed employee will be entitled to participate in the profit participation scheme (on a pro-rata basis in case of new joiners) based on the performance.

### 2.38.4 Group life insurance scheme and health insurance

The Company has a group life insurance scheme for all of its permanent employees. It has also a health insurance scheme for all of its permanent employees including their spouse and children.

### 2.38.5 Employees home loan scheme

The Company also has real estate loan for its permanent employees at 7% simple interest rate. Employees are entitled for real estate loan after satisfying of minimum loan eligible criteria.

## 2.39 Corporate tax

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in the profit and loss account except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

### a. Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of prior years. Provision for taxation for the year ended 31 December 2023 has been made on the basis of the provisions of the Finance Act 2023. For the purpose of these financial statements, the current tax rate will be applicable, which are mentioned below:

Name of the Company	Tax Rates
LankaBangla Finance PLC	37.50%
LankaBangla Securities Limited	27.50%
LankaBangla Investment Limited	37.50%
LankaBangla Asset Management Company Limited	27.50%
LankaBangla Information System Limited	Tax Exempted
BizBangla Media Limited	27.50%

### b. Deferred tax

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the statement of financial position date. The impact on the

---

accounts of changes in the deferred tax assets and liabilities has also been recognized in the profit and loss account as per IAS-12 “Income Taxes”.

#### **2.40 Legal proceedings**

The Company is not currently a defendant or a plaintiff in any material lawsuits or arbitration. From time to time, however, the Company is involved as a plaintiff in some actions taken against the default clients in the ordinary course of business for non-payment of rentals/installments. We believe that the ultimate dispositions of those matters will be favorable and will have no material adverse effect on business, financial conditions or results of operations.

#### **2.41 Earnings per Share (EPS)**

The company calculates EPS in accordance with the requirement of IAS – 33: “Earnings Per Share”, which has been shown on the face of the profit and loss account and the computation is shown in Note- 35.

##### **Basic earnings**

This represents earnings for the year ended on 31 December 2023 attributable to the ordinary shareholders.

##### **Weighted average number of ordinary shares outstanding during the year**

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued (as bonus share) during the year multiplied by a time weighting factor. The time-weighting factor is the numbers of days the specific shares are outstanding as a proportionate of the number of days in the year.

##### **Basic earnings per share**

This has been calculated by dividing the basic earning by the weighted average number of ordinary shares outstanding for the year.

##### **Diluted earnings per share**

Diluted EPS is calculated if there is any commitment for issuance of equity shares in foreseeable future, i.e., potential shares, without inflow of resources to the Company against such issue. This is in compliance with the requirement of IAS – 33 “Earnings Per Share”.

#### **2.42 Credit rating**

Credit Rating Agency of Bangladesh Ltd. (CRAB) has rated the Company on 14 June 2023 with “AA3” (Pronounced as AA Three) in the long term and ST-2 for the short term based on audited financial of FY2022 and other available information up to the date of rating declaration. The outlook on the rating is Stable. This rating will be valid till June 30, 2024.

The rating reflects the strengths of the Company which is backed by a strong team of management, growth in the non-interest income, deposits and investments, adequate capital coverage with high Tier-1 capital, improved asset quality and well controlled liquidity position.

#### **2.43 Impairment of assets**

The company has assessed at the end of each reporting period or more frequently if events or changes in circumstances indicate that the carrying value of an asset may be impaired, whether there is any indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the assets recoverable amount. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount by debiting to statement of comprehensive account. Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired. This is in compliance with the requirement of IAS – 36 “Impairment of Assets”.

#### **2.44 Statutory reserve**

The Financial Institutions Act 1993 requires the Company to transfer 20% of its current year’s profit after tax to reserve until such reserve equals to its paid-up capital.

#### **2.45 Capital reserve**

As per Bangladesh Securities and Exchange Commission’s (BSEC) notification no. BSEC/CMRRCD/2017-357/221/Admin/89 dated 22 May 2019, LankaBangla Securities has maintained 10% provision (Commenced from 2021) on the last year’s profit after tax as Capital Reserve and the full amount of such reserve shall be accounted for in computing total capital.

#### **2.46 Revaluation reserve**

Due to subsidiaries’ investment measured at fair value through other comprehensive income (FVTOCI) (as per IFRS-09), Revaluation reserve arose from the difference between Cost price and Fair value of subsidiary investment.

#### **2.47 General reserve**

As per Bangladesh Securities and Exchange Commission (BSEC) notification no. BSEC/CMRRCD/2017-357/221/Admin/89 dated 22 May 2019, LankaBangla Securities has kept 1.00% general reserve on outstanding margin loan provided to the client against marketable securities. Add or adjustment with the general reserve will depend on the size of the outstanding margin loan for the respective year.

#### 2.48 Events after the Reporting Period

Where necessary, all the material events after the reporting year have been considered and appropriate adjustments / disclosures have been made in the financial statements.

Dividend payable to the Company's shareholders is recognized as a liability and deducted from the shareholders' equity in the year in which the shareholders' right to receive payment is established.

#### 2.49 Assortment of Statutory Audit Report with Information of Document Verification System (DVS) developed by ICAB

As per Bangladesh Bank circular reference, DFIM circular no.08 dated August 17, 2021, verification of the authenticity of Audited Financial Statements is to be preserved in loan files. In addition, the verification process is supported by the online platform namely Document Verification System (DVS), which is developed and maintained by ICAB. Accordingly, an MOU was signed on September 19, 2021.

Later, LBFPLC also received a letter from the Financial Reporting Council (FRC) on December 29, 2021 (letter reference no. 178/FRC/OPR/2021/28(19) dated December 21, 2021) regarding maintaining the compliance of DFIM circular no.08 dated August 17, 2021. Accordingly, user ID and password was provided by ICAB for the system access on February 17, 2022.

As per the compliance regarding the Bangladesh Bank circular, from January 01, 2023 to December 31, 2023; following information from Corporate Credit Unit from Credit Risk Management Division has been furnished.

Please note that the circular (DFIM Circular No. 08 dated August 17, 2021) is applicable for the Public Interest Concern (PIE) as per definition. As per definition of The Financial Reporting Act 2015, Public Interest Concern (PIE) are all types of business concern (Revenue of which equal or exceeds BDT 50 million, and/or Total Asset equal or exceeds BDT 30 million, and/or Total Liability (excluding equity) equal or exceeds BDT 10 million).

Particulars (Approved Credit Proposition in Number) Dated: January 01, 2023 –December 31, 2023	Number of Credit Propositions					
	Total Credit Proposition Approved	Credit Proposition on which the circular is applicable	Credit Proposition on which the circular is not applicable	Obtained Available Audited Financial Statements	Unavailable Audited Financial Statements: Number of Proposition on which the circular is applicable	Percentage of Obtained Available Audited Financial Statements
Corporate	34	31	3	27	4	87%
Structured Finance	2	2	-	2	-	100%
Supply Chain Finance	177	55	122	40	15	73%
Special Asset Management	1	1	-	1	-	100%
<b>Total</b>	<b>214</b>	<b>89</b>	<b>125</b>	<b>70</b>	<b>19</b>	<b>79%</b>

19 no file was appraised without readiness of Audited Financial statement. Pertinent to that, the clients were informed regarding the requirement fact as a part of raising financial awareness from the LBFPLC end. Also, approvals, which were provided, embedded with condition of providing Audited Financial Statement when available.

#### 2.50 Corporate governance

The company recognizes the importance of high standards of corporate governance and corporate social responsibility. Through regular Board Meeting and documented procedures of independence, the company endeavors to meet the standards expected.

The company has taken note of the recently prescribed measures by the Bangladesh Securities and Exchange Commission in this regard and intends to introduce the concept of independent Director at the earliest possible opportunity. An Audit Committee is already in place. The Company also prohibits provision of non-audit services by the external auditors. The Audit committee keeps under review the independence and objectivity of the external auditors.

The Board is also committed to effective communication between the company and its subsidiaries, investors, regulators and third-party interests.



**2.51 BASEL II and its implementation**

To cope with the best international practices and to make the capital more risk sensitive as well as more shock resilient, guidelines on 'Basel Accord for Financial Institutions (BAFI)' have been introduced from January 01, 2011 on test basis by the Bangladesh Bank. At the end of test run year, Basel Accord regime has started and the guidelines on BAFI has come fully into force from January 01, 2012 with its subsequent supplements/revisions. Instructions regarding Minimum Capital Requirement (MCR), Adequate Capital, and Disclosure requirement as stated in these guidelines have to be followed by all financial institutions for the purpose of statutory compliance.

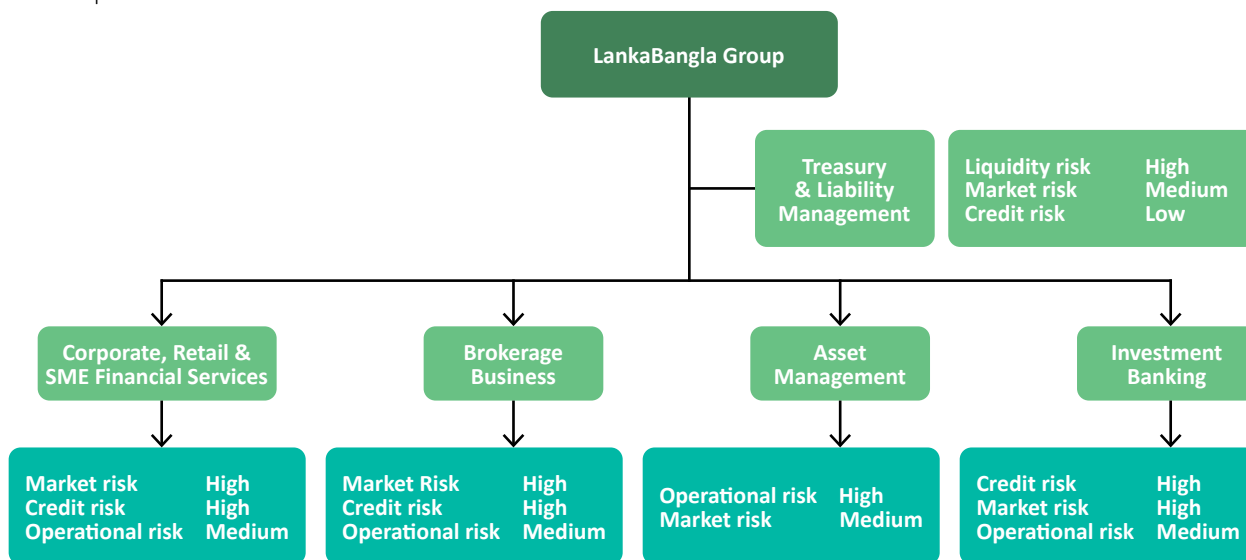
In line with Bangladesh Bank requirement, the Company has already formed BASEL Implementation Unit (BIU) to ensure timely implementation of BASEL II accord.

**2.52 Financial risk management**

The Group has exposure to the following risks from financial instruments:

- Credit risk
- Liquidity risk
- Market risks
- Operational risks
- Anti- money laundering and terrorist financing risk

The chart below provides a link between the Group’s business units and the principal risks that they are exposed to. The significance of risk is assessed within the context of the Group as a whole and is measured based on allocation of the regulatory capital within the Group.



The Company’s Board of Directors has overall responsibility for the establishment and oversight of the Group’s risk management framework. The Board of Directors has established the Asset Liability Management committee (ALCO) and Risk Management Forum by following the relevant directives and guidelines of Bangladesh Bank, which are responsible for developing and monitoring Group risk management policies.

The Group’s risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Group Audit Committee.

**A. Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s loans and advances to customers and other banks.

---

For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure (such as individual obligor default risk and sector risk).

The Board of Directors has delegated responsibility for the oversight of credit risk to its Group Credit Committee. A separate Group, Credit Risk Management department, reporting to the Managing Director and Executive Committee, is responsible for the management of the Group's credit risk, including:

Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

Establishing the authorization structure for the approval and renewal of credit facilities. Authorization limits are allocated to business unit Credit Officers. Larger facilities require approval by Group Credit, Head of Group Credit, Group Credit Committee or the Board of Directors as appropriate.

Credit Risk Management assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.

Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances, financial guarantees and similar exposures), and by issuer, credit rating band, market liquidity and country (for investment securities).

Providing advice, guidance and specialist skills to business units to promote best practice throughout the Group in the management of credit risk.

Each business unit is required to implement Group credit policies and procedures, with credit approval authorities delegated from the Group Credit Committee.

Regular audits of business units and Group Credit processes are undertaken by Internal Audit.

The Group writes off a loan or an investment debt security balance, and any related allowances for impairment losses, when Group Credit determines that the loan or security is uncollectible. This determination is made after considering information such as the occurrence of significant changes in the borrower's / issuer's financial position such that the borrower / issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller balance standardized loans, write-off decisions generally are based on a product-specific past due status.

## **B. Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's Board of Directors sets the Group's strategy for managing liquidity risk and delegates the responsibility for the oversight of the implementation of this policy to ALCO. ALCO approves the Group's liquidity policies and procedures. Treasury division manages the Group's liquidity position on a day-to day basis and reviews daily reports covering the liquidity position of the Group. A summary report, including any exceptions and remedial action taken, is submitted regularly to ALCO.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The key elements of the Group's liquidity strategy are as follows:

- Maintaining a diversified funding base consisting of customer deposits (both retail and corporate), zero coupon bond and different types of bank borrowing ranging from very short nature call loan to short term loan to long term loan and maintaining contingency facilities;
- Carrying a portfolio of highly liquid assets, diversified by currency and maturity;
- Monitoring liquidity ratios, maturity mismatches, behavioral characteristics of the Group's financial assets and liabilities, and the extent to which the Group's assets are encumbered and so not available as potential collateral for obtaining funding;
- Carrying out stress testing of the Group's liquidity position. Treasury division receives information from other business units regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. Treasury then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Group as a whole.

## **C. Market Risk**

Market risk is the risk that changes in market prices, such as interest rates, share prices and credit spreads will affect the Group's

---

income or the value of its holdings of financial instruments. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters in order to ensure the Group's solvency while optimizing the return on risk.

Overall authority for market risk is vested in ALCO. ALCO sets up limits for each type of risk in aggregate and for portfolios, with market liquidity being a primary factor in determining the level of limits set for trading portfolios.

#### **D. Operational risks**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and innovation. In all cases, the Group policy requires compliance with all applicable legal and regulatory requirements.

The Board of Directors has delegated responsibility for operational risk to Management Committee which is responsible for the development and implementation of controls to address operational risk. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

Compliance with Group standards is supported by a program of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the Management Committee with summaries submitted to the Audit Committee and senior management of the Group.

#### **E. Anti- money laundering and terrorist financing risk**

In LankaBangla Finance PLC, money laundering and terrorist financing risk has two board dimensions:

- i) Business Risk which is the risk that LBFPLC may be used for money laundering or for the financing terrorism and
- ii) Regulatory risk which is the risk that LBFPLC fails to meet regulatory obligations under the Money Laundering Prevention Act, 2012 (subsequently amended in 2015) and Anti-Terrorism Act 2009 (subsequently amended in 2022 and 2013)

To mitigate the risk, LBFPLC while adhering to various guidelines and circulars issued by the Bangladesh Financial Intelligence Unit (BFIU), has in place a strict compliance program consisting of the following components:

- a) Internal policies, procedures and controls which are continually updated as and when required
- b) A dedicated structure and sub-structure within the organization
- c) Appointment of Chief Anti-Money Laundering Compliance officer, Deputy Chief Anti-Money Laundering Compliance officer and Branch Chief Anti-Money Laundering Compliance officer.
- d) Independent audit functions and Self-Assessment Program by respective Branches;
- e) Ongoing employee training program.

#### **2.53 Segments**

After incorporation, the company started with lease and loan as its core financing business. With time, it diversified its business among Asset Management Operations, Merchant banking business and brokerage business. The company has decided to segregate its various operating segment considering nature of segmental business. Thus, four operating segments of the Group are reported and presented. Profit and loss account of above operations and other operations have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), and results of its operation have been combined, item by item, with the financial results of the Company.

#### **2.54 Comparative figures**

Comparative information has been disclosed in respect of the year ended 31 December 2023 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for better understanding of the current year's financial statements.

To facilitate comparison, certain relevant balances of the year 2022 pertaining to the comparatives have been rearranged/restated/reclassified considered necessary to ensure comparability with the current year.

## 2.55 Date of authorization

The Board of Directors has authorized these financial statements for public issue on 12 August 2024.

## 2.56 Compliance of International Financial Reporting Standards (IFRS)

SI #	Name of IAS/IFRS	Status
01	IAS 1: Presentation of Financial Statements	Partially Complied
02	IAS 2: Inventories	Not Applicable
03	IAS 7: Statements of Cash Flows	Partially Complied
04	IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors	Complied
05	IAS 10: Events after the Reporting Period	Complied
06	IAS 12: Income Taxes	Partially Complied
07	IAS 16: Property, Plant and Equipments	Complied
08	IAS 19: Employee Benefits	Complied
09	IAS 20: Accounting for Govt. Grants and disclosures of Govt. Assistances	Not Applicable
10	IAS 21: The Effects of Changes in Foreign Exchange Rates	Partially Complied
11	IAS 23: Borrowing Costs	Complied
12	IAS 24: Related Party Disclosures	Complied
13	IAS 26: Accounting and Reporting by Retirement Benefit Plan	Not Applicable
14	IAS 27: Separate Financial Statements	Complied
15	IAS 28: Investments in Associates and Joint Ventures	Not Applicable
16	IAS 29: Financial Reporting in Hyperinflationary Economics	Not Applicable
17	IAS 32: Financial Instruments: Presentation	Partially Complied
18	IAS 33: Earnings Per Share	Complied
19	IAS 34: Interim Financial Reporting	Complied
20	IAS 36: Impairment of Assets	Complied
21	IAS 37: Provisions, Contingent Liabilities and Contingent Assets	Complied
22	IAS 38: Intangible Assets	Complied
23	IAS 40: Investment Property	Complied
24	IAS 41: Agriculture	Not Applicable
25	IFRS 1: First-time adoption of International financial Reporting Standards	Not Applicable
26	IFRS 2: Share-based Payment	Not Applicable
27	IFRS 3: Business Combinations	Complied
28	IFRS 4: Insurance Contracts	Not Applicable
29	IFRS 5: Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
30	IFRS 6: Exploration for and Evaluation of Mineral Resources	Not Applicable
31	IFRS 7: Financial Instruments: Disclosures	Partially Complied
32	IFRS 8: Operating Segments	Complied
33	IFRS 9: Financial Instruments	Partially Complied
34	IFRS 10: Consolidated Financial Statements	Complied
35	IFRS 11: Joint Arrangements	Not Applicable
36	IFRS 12: Disclosure of Interests in Other Entities	Complied
37	IFRS 13: Fair Value Measurement	Partially Complied
38	IFRS 14: Regulatory Deferral Accounts	Not Applicable
39	IFRS 15: Revenue from Contracts with Customers	Complied
40	IFRS 16: Leases	Complied

**Partially Complied** standards are those requirements, which are different from those of Bangladesh Bank.

Note – 2.5 contains details about such departure from IFRS requirements to comply with Bangladesh Bank.

	LankaBangla Group		LankaBangla Finance PLC	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Taka	Taka	Taka	Taka
<b>3. Cash in hand</b>				
See accounting policy in note (2.16)				
Local currency	1,453,628	1,113,270	631,935	701,455
Foreign currency	-	-	-	-
	<b>1,453,628</b>	<b>1,113,270</b>	<b>631,935</b>	<b>701,455</b>
Cash in hand represents the amount under impress system of petty cash to meet daily petty cash expenses requirement both for head office and branch offices.				
<b>4. Balance with Bangladesh Bank and its agent banks</b>				
See accounting policy in note (2.16)				
Local currency	638,637,686	530,655,790	638,637,686	530,655,790
Foreign currency	-	-	-	-
	<b>638,637,686</b>	<b>530,655,790</b>	<b>638,637,686</b>	<b>530,655,790</b>
Balance with Bangladesh Bank has been maintained as Cash Reserve Requirement (CRR) of Bangladesh Bank through non-interest bearing current account.				
<b>4.1 Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)</b>				
Cash Reserve Requirement and Statutory Liquidity Reserve have been calculated and maintained in accordance with Financial Institution Act, 1993, Financial Institution Regulations 1994 and DFIM Circular No. 03 dated 21 June 2020				
<b>Cash reserve requirement ( CRR) 1.5%</b>				
Cash Reserve Requirement (CRR) has been calculated at the rate of 1.5% on 'Total Term Deposits' Term or Fixed Deposit, Security Deposit against Lease/Loan and other Term Deposits, received from individuals and institutions (except banks and financial institutions).				
Required reserve (1.50%)	581,983,237	603,051,603	581,983,237	603,051,603
Actual reserve held (2023: 1.97%, 2022: 1.70%)	765,944,582	682,863,244	765,944,582	682,863,244
<b>Surplus/(deficit) (2023: 0.47%, 2022: 0.20%)</b>	<b>183,961,346</b>	<b>79,811,641</b>	<b>183,961,346</b>	<b>79,811,641</b>
<b>Statutory Liquidity Requirements ( SLR) 5.00%</b>				
Statutory Liquidity Reserve (SLR) has been calculated at the rate of 5.0% on total liabilities, including CRR of 1.5% on Total Term Deposit. SLR is maintained in liquid assets in the form of cash in hand (notes and coin in BDT), balance with Bangladesh Bank and other banks and financial institutions, investment at call, unencumbered treasury bill, prize bond, savings certificate and any other assets approved by Bangladesh Bank.				
Total required reserve (5%)	2,129,638,824	2,160,100,733	2,129,638,824	2,160,100,733
Actual reserve held (2023: 14.41%, 2022: 5.07%)	6,138,415,896	2,189,789,573	6,138,415,896	2,189,789,573
<b>Total surplus/(deficit) (2023: 9.41%, 2022: 0.07%)</b>	<b>4,008,777,072</b>	<b>29,688,840</b>	<b>4,008,777,072</b>	<b>29,688,840</b>
<b>5. Balance with other banks and financial institutions</b>				
See accounting policy in note (2.16)				
<b>Inside of Bangladesh</b>				
<b>Local Currency</b>				
Non interest bearing current account (Note- 5.1)	275,834,337	63,038,975	275,834,337	63,038,975
Interest bearing short term deposit account (Note- 5.2)	8,688,275,778	6,792,218,357	6,633,368,196	5,185,314,621
Fixed deposit receipt account (Note- 5.3)	2,248,701,431	3,608,411,116	2,180,583,074	3,541,832,392
	<b>11,212,811,546</b>	<b>10,463,668,449</b>	<b>9,089,785,607</b>	<b>8,790,185,988</b>
<b>Foreign Currency</b>				
Dhaka Bank Ltd.-USD A/C (Exchange Rate Tk. 109.50)	119,399	110,130	119,399	110,130
Dhaka Bank Ltd.-POUND A/C (Exchange Rate Tk. 139.97)	37,203	32,294	37,203	32,294
Dhaka Bank Ltd.-EURO A/C (Exchange Rate Tk.121.48)	9,133	8,065	9,133	8,065
	<b>165,735</b>	<b>150,489</b>	<b>165,735</b>	<b>150,489</b>
	<b>11,212,977,281</b>	<b>10,463,818,938</b>	<b>9,089,951,342</b>	<b>8,790,336,478</b>
<b>Outside of Bangladesh</b>				
	-	-	-	-
	<b>1,212,977,281</b>	<b>10,463,818,938</b>	<b>9,089,951,342</b>	<b>8,790,336,478</b>

	LankaBangla Group		LankaBangla Finance PLC	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Taka	Taka	Taka	Taka
<b>5.1 Non interest bearing current account</b>				
Bank Asia Limited	19,095	-	19,095	-
BRAC Bank Limited	20,542,322	11,701,197	20,542,322	11,701,197
Community Bank Bangladesh Limited	37,817	39,451	37,817	39,451
Commercial Bank of Ceylon	17,281,839	270,202	17,281,839	270,202
Dhaka Bank Limited	122,645	78,965	122,645	78,965
Dutch Bangla Bank Limited	1,188	1,321	1,188	1,321
Eastern Bank PLC	100,001	37,902	100,001	37,902
Exim Bank Limited	655	2,150	655	2,150
First Security Islami Bank Limited	102,388	104,968	102,388	104,968
Mercantile Bank PLC	32,339,255	9,498,943	32,339,255	9,498,943
Mutual Trust Bank Limited	3,207	17,137	3,207	17,137
NRB Bank Limited	255	255	255	255
ONE Bank Limited	880,597	1,511,436	880,597	1,511,436
Prime Bank Limited	471	471	471	471
Rupali Bank Limited	3,160	3,850	3,160	3,850
Standard Chartered Bank	139,252,538	37,416,916	139,252,538	37,416,916
Sonali Bank Limited	280,250	41,212	280,250	41,212
The Premier Bank Limited	483	1,111	483	1,111
Trust Bank Limited	3,287,861	2,310,984	3,287,861	2,310,984
United Commercial Bank PLC	30,216	506	30,216	506
Mobile Financial Services	61,548,094	-	61,548,094	-
	<b>275,834,337</b>	<b>63,038,975</b>	<b>275,834,337</b>	<b>63,038,975</b>
<b>5.2 Interest bearing short term deposit account</b>				
AB Bank Limited	15,439,927	91,959,822	15,439,927	91,959,822
Agrani Bank Limited	234,669	156,454	234,669	156,454
Bank Asia Limited	49,237,254	62,773,347	49,237,254	62,773,347
BASIC Bank Limited	1	2,999	1	2,999
Brac Bank Limited	126,902,219	22,259,127	417,498	-
Bangladesh Development Bank Limited	171,481	160,391	-	-
Commercial Bank of Ceylon	7,637,589	649,487,523	145,881	625,378,803
Dhaka Bank Limited	1,284,779,633	1,311,588,959	1,282,214,672	1,310,252,216
Dutch Bangla Bank Limited	141,100,495	72,705,497	141,100,495	72,705,497
Eastern Bank PLC	31,739,585	14,502,583	31,739,585	14,502,583
Exim Bank Limited	4,566,376	39,958,659	4,566,376	39,958,659
Jamuna Bank Limited	57,199	0.0	0.0	0.0
Meghna Bank Limited	250,197,243	3,620	250,197,243	3,620
Mercantile Bank PLC	654,342,205	441,025,657	654,342,205	441,025,657
Midland Bank Limited	145,514	1,181,818	28,334	211,958
Mutual Trust Bank Limited	945,942	596,910	945,942	596,910
NRB Bank Limited	1,040,660,794	740,138,881	1,040,660,794	740,138,881
National Credit & Commerce Bank Ltd	836,942,087	515,849,644	813,036,772	506,802,928
ONE Bank Limited	2,234,985,691	1,988,764,711	632,235,284	603,555,954
Prime Bank Limited	4,067,150	2,147,673	4,067,150	2,147,673
Shahajalal Islami Bank Limited	632,434	52,588,989	632,434	52,588,989
Social Islami Bank Limited	1,892,699	2,279,709	-	-
Sonali Bank Limited	425,353	272,612	-	-
South Bangla Agriculture & Commerce Bank	70,320	7,017,808	-	-
Standard Bank Limited	323,989	150,610	-	-
Standard Chartered Bank	291,839,632	166,537,936	3,187,386	12,445,255
The City Bank Limited	96,531,603	119,691,862	96,531,603	119,691,862
The Premier Bank Limited	9,790,099	132,784,190	9,790,099	132,784,190
Trust Bank Limited	1,031,270,811	-	1,031,270,811	-
United Commercial Bank PLC	567,641,481	353,992,937	567,641,481	353,992,937
Woori Bank	3,704,304	1,637,426	3,704,304	1,637,426
	<b>8,688,275,778</b>	<b>6,792,218,357</b>	<b>6,633,368,196</b>	<b>5,185,314,621</b>
<b>5.3 Fixed deposit receipt account</b>				
Agrani Bank Limited	360,000,000	700,000,000	360,000,000	700,000,000
Dhaka Bank Limited	200,000,000	400,000,000	200,000,000	400,000,000
Mercantile Bank PLC	-	312,050,000	-	312,050,000
National Credit and Commerce Bank Limited	200,000,000	-	200,000,000	-
One Bank Limited	117,559,977	456,075,000	107,969,384	456,075,000
Sonali Bank Limited	422,613,690	583,707,392	422,613,690	583,707,392
Social Islami Bank Limited	1,162,030	9,231,380	-	-
Southeast Bank Limited	-	400,000,000	-	400,000,000
Standard Chartered Bank	57,365,734	57,347,344	-	-
The Premier Bank Limited	100,000,000	-	100,000,000	-
United Commercial Bank PLC	500,000,000	400,000,000	500,000,000	400,000,000
Union Capital Limited	290,000,000	290,000,000	290,000,000	290,000,000
	<b>2,248,701,431</b>	<b>3,608,411,116</b>	<b>2,180,583,074</b>	<b>3,541,832,392</b>

LankaBangla Group		LankaBangla Finance PLC	
31.12.2023	31.12.2022	31.12.2023	31.12.2022
Taka	Taka	Taka	Taka

Disclosures in compliance to the FID Circular # 6, dated 06 November 2003 of the Bangladesh Bank consist of the following:

#### 5.4 Maturity grouping of balance with other banks and financial institutions

Up to 1 month	8,963,533,038	7,425,033,045	6,908,625,456	5,751,420,896
Over 1 month but not more than 3 months	1,350,567,433	2,166,446,596	1,309,687,315	2,166,446,596
Over 3 months but not more than 6 months	299,625,603	290,779,766	290,546,190	290,822,995
Over 6 months but not more than 1 year	599,251,206	581,559,531	581,092,381	581,645,991
Over 1 year but not more than 5 years	-	-	-	-
Over 5 years	-	-	-	-
	<b>11,212,977,281</b>	<b>10,463,818,938</b>	<b>9,089,951,342</b>	<b>8,790,336,478</b>

#### 6 Investment

See accounting policy in note (2.17)

##### Government securities

Treasury Bills	2,747,165,122	739,101,032	2,623,793,666	739,101,032
Treasury Bonds	1,865,205,498	243,865,860	1,836,773,938	243,865,860
	881,959,624	495,235,172	787,019,728	495,235,172

##### Other investments

Non marketable shares and mutual funds (Note- 6.1)	8,170,375,346	8,117,003,772	3,584,714,068	4,010,655,294
Non marketable preference shares	344,141,791	224,891,792	113,437,292	113,437,292
Marketable shares and mutual funds (Note- 6.2)	932,000,000	1,256,000,000	892,000,000	1,206,000,000
Investment in Perpetual bond	5,451,180,764	5,150,771,180	1,139,692,558	1,136,953,938
Investment in Subordinated bond	500,000,000	500,000,000	500,000,000	500,000,000
Discretionary corporate fund-LBAMCOL Maximizer	683,468,572	800,000,000	680,000,000	800,000,000
	259,584,219	185,340,800	259,584,219	254,264,064
	<b>10,917,540,468</b>	<b>8,856,104,805</b>	<b>6,208,507,734</b>	<b>4,749,756,326</b>

##### Investment is Designated as follows:

Held for Trading	5,426,603,756	4,173,819,194	1,115,419,958	1,023,516,646
Held to Maturity	4,862,633,694	3,295,101,032	4,695,793,666	3,245,101,032
Available for Sale	284,161,227	1,162,292,787	283,856,819	367,701,356
Others	344,141,791	224,891,792	113,437,292	113,437,292
	<b>10,917,540,468</b>	<b>8,856,104,805</b>	<b>6,208,507,734</b>	<b>4,749,756,326</b>

#### 6.1 Non marketable shares and mutual funds

Non marketable shares (Note- 6.1.1)	121,773,949	123,023,950	21,569,450	21,569,450
Non marketable mutual funds (Note- 6.1.2)	222,367,842	101,867,842	91,867,842	91,867,842
	<b>344,141,791</b>	<b>224,891,792</b>	<b>113,437,292</b>	<b>113,437,292</b>

#### 6.1.1 Non marketable shares

Asiatic Laboratories Limited	4,750,000	4,750,000	-	-
BD Venture Limited	20,000,000	20,000,000	20,000,000	20,000,000
Base Textiles Limited	30,000,000	30,000,000	-	-
Bengal Meat Processing Industries Limited	50,000,000	50,000,000	-	-
Central Depository (Bangladesh) Limited	1,569,450	1,569,450	1,569,450	1,569,450
Chittagong Stock Exchange Limited*	3,749,999	5,000,000	-	-
Dhaka Stock Exchange Limited*	8,704,500	8,704,500	-	-
Financial Excellence Limited	3,000,000	3,000,000	-	-
	<b>121,773,949</b>	<b>123,023,950</b>	<b>21,569,450</b>	<b>21,569,450</b>

#### 6.1.2 Non marketable mutual funds

CAPM Unit Fund	2,000,000	2,000,000	2,000,000	2,000,000
LankaBangla 1st PE Fund	10,500,000	10,000,000	-	-
LBAMC Al-Arafah Shariah Unit Fund	39,867,842	39,867,842	39,867,842	39,867,842
LB Multi Asset Income ETF	120,000,000	-	-	-
LankaBangla 1st Balanced Unit Fund	50,000,000	50,000,000	50,000,000	50,000,000
	<b>222,367,842</b>	<b>101,867,842</b>	<b>91,867,842</b>	<b>91,867,842</b>

\*LankaBangla Securities Limited has received the following shares from DSE and CSE against the membership under demutualization scheme of the stock exchanges

Stock Exchange	Type of Shares	Number of Shares	Face Value	Face Value amount
Dhaka Stock Exchange	Floated (53.33%)	2,886,042	10	28,860,420
	Blocked (46.67%)	2,525,287	10	25,252,870
		<b>5,411,329</b>		<b>54,113,290</b>
Chittagong Stock Exchange	Floated (53.33%)	1,714,932	10	17,149,320
	Blocked (46.67%)	1,500,565	10	15,005,650
		<b>3,215,497</b>		<b>32,154,970</b>

Valuation of membership has been shown at cost in the accounts.

	LankaBangla Group		LankaBangla Finance PLC	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Taka	Taka	Taka	Taka
<b>6.2 Marketable shares and mutual funds</b>				
Bank	470,782,255	347,735,060	196,405,310	193,655,310
Cement	164,324,413	220,551,039	23,113,251	23,113,251
Bond	17,134,528	18,924,357	-	-
Engineering	202,595,316	195,068,020	8,888,673	8,888,673
Food and Allied	173,504,760	175,237,235	139,800,408	139,763,458
Fuel and Power	605,836,426	603,383,137	158,568,019	158,568,019
Insurance	47,468,547	40,489,763	-	128,000
IT Sector	-	6,760,993	-	-
Miscellaneous	129,664,762	127,124,041	94,929,699	94,929,699
Mutual Funds	24,577,008	26,247,675	24,272,600	24,272,600
Non-Bank Financial Institutions	816,687,652	816,687,651	300,855,209	300,855,209
Paper and Printing	-	5,608,584	-	-
Pharmaceuticals and Chemicals	1,891,680,010	1,709,546,096	68,736,217	68,736,217
Services and Real Estate	17,222,877	17,222,877	-	-
Tannery Industries	47,313,929	-	90,310	-
Telecommunication	545,607,146	480,207,146	97,951,675	97,951,675
Textile	296,781,134	358,195,664	26,081,186	26,091,826
Travel and Leisure	-	1,781,844	-	-
	<b>5,451,180,764</b>	<b>5,150,771,180</b>	<b>1,139,692,558</b>	<b>1,136,953,938</b>

All investments in marketable shares are valued at average cost price as on reporting date and adequate provision has been made as per Bangladesh Bank and BSEC Guideline.\*

Investments in non-marketable shares are valued at cost due to fair value cannot be measured reliably.

\*As at 31 December 2023 there was Tk. 261,064,291 (Gross unrealized gain was Tk. 39,355,396 and gross unrealised loss was Tk. 300,419,688) net unrealized loss of LankaBangla Finance PLC and there was TK. 320,765,129 net unrealized loss of LankaBangla Group (Gross unrealized gain was Tk. 163,122,171 and gross unrealised loss was Tk. 483,887,300) on investment in marketable shares and mutual funds which is charged through profit and loss account in compliance with the DFIM Circular No.02, dated; 31 January 2012 issued by Bangladesh Bank and As per BSEC circular # SEC/CMRRCD/2009-193/196, dated 28 December 2016, and circular# SEC/CMRRCD/2009-193/203) dated, 28 December 2017 and subsequent extension up to 2023 through press release on 28 December 2022 the required provisions against unrealised loss for the year 2023 has been kept

<b>6.3 Maturity wise grouping of investments</b>				
Up to 01 Month	2,816,610,195	2,332,657,962	1,880,414,103	1,414,098,179
More than 01 Month to 03 Months	2,491,719,129	2,164,253,321	116,777,550	160,122,884
More than 03 Month to 01 years	2,850,302,944	2,164,866,580	1,777,887,202	912,285,057
More than 01 year to 05 years	1,486,139,114	1,763,250,207	1,420,631,821	1,763,250,207
More than 05 years	1,272,769,086	431,076,735	1,012,797,058	500,000,000
	<b>10,917,540,468</b>	<b>8,856,104,805</b>	<b>6,208,507,734</b>	<b>4,749,756,326</b>
<b>7 Leases, loans and advances</b>				
Loans, cash credit and overdraft etc. (Note- 7.1)	65,353,462,614	65,085,799,903	61,719,186,662	61,331,185,920
Bills discounted and purchased	-	-	-	-
	<b>65,353,462,614</b>	<b>65,085,799,903</b>	<b>61,719,186,662</b>	<b>61,331,185,920</b>
<b>7.1 Loans, cash credit and overdraft etc.</b>				
See accounting policy in note (2.18), (2.19) and (2.20)				
<b>Corporate finance</b>				
Lease finance	4,429,007,289	4,812,582,962	4,429,007,289	4,812,582,962
Secured Overdraft	443,744,998	37,649,473	443,744,998	37,649,473
Short term finance	541,104,218	720,002,352	541,104,218	720,002,352
Term loan to subsidiaries (Note- 7.1.1)	-	-	1,516,715,450	1,576,680,450
Term loan	12,119,227,001	12,262,962,523	12,119,227,001	12,262,962,523
Syndication finance	1,534,238,250	434,682,175	1,534,238,250	434,682,175
	<b>19,067,321,755</b>	<b>18,267,879,485</b>	<b>20,584,037,205</b>	<b>19,844,559,935</b>
<b>Retail finance</b>				
Auto loan (Note- 7.1.2)	2,188,901,179	3,167,017,584	2,188,901,179	3,167,017,584
Credit card receivables (Note- 7.1.3)	5,034,776,244	4,786,388,280	5,034,776,244	4,786,388,280
Home loan (Note- 7.1.4)	7,678,771,975	8,659,975,377	7,678,771,975	8,659,975,377
Personal loan (Note- 7.1.5)	2,000,166,972	2,534,197,460	1,992,696,266	2,529,942,276
	<b>16,902,616,369</b>	<b>19,147,578,701</b>	<b>16,895,145,663</b>	<b>19,143,323,517</b>
<b>CMSME Finance</b>				
Term loan	17,388,846,644	15,053,948,289	17,388,846,644	15,053,948,289
Lease finance	2,003,276,580	2,232,717,576	2,003,276,580	2,232,717,576
Auto loan	1,232,184,109	1,386,418,193	1,232,184,109	1,386,418,193



	LankaBangla Group		LankaBangla Finance PLC	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Taka	Taka	Taka	Taka
Emerging and commercial	2,948,002,076	2,901,399,254	2,948,002,076	2,901,399,254
Loan against deposit	18,655,203	20,531,164	18,655,203	20,531,164
Home Loan	77,965,873	189,746,020	77,965,873	189,746,020
Real state developer finance	35,224,550	35,224,550	35,224,550	35,224,550
Short term loan	161,641,550	170,652,650	161,641,550	170,652,650
Syndication finance	374,207,209	338,125,213	374,207,209	338,125,213
Work order finance	-	14,539,560	-	14,539,560
	<b>24,240,003,794</b>	<b>22,343,302,468</b>	<b>24,240,003,794</b>	<b>22,343,302,468</b>
<b>Others</b>				
Debit balance of share trading clients	4,723,683,752	4,912,498,328	-	-
Margin loan to share trading clients	419,836,943	414,540,920	-	-
	<b>5,143,520,696</b>	<b>5,327,039,248</b>	-	-
	<b>65,353,462,614</b>	<b>65,085,799,903</b>	<b>61,719,186,662</b>	<b>61,331,185,920</b>
<b>Place of disbursement</b>				
In Bangladesh	65,353,462,614	65,085,799,903	61,719,186,662	61,331,185,920
Outside of Bangladesh	-	-	-	-
	<b>65,353,462,614</b>	<b>65,085,799,903</b>	<b>61,719,186,662</b>	<b>61,331,185,920</b>
<b>7.1.1 Term loan to subsidiaries</b>				
LankaBangla Investments Limited	-	-	1,516,715,450	1,576,665,450
LankaBangla Securities Limited	-	-	-	15,000
	-	-	<b>1,516,715,450</b>	<b>1,576,680,450</b>
<b>7.1.2 Auto Loan</b>				
Commercial loan	2,121,119,928	3,064,439,538	2,121,119,928	3,064,439,538
Staff loan	67,781,251	102,578,046	67,781,251	102,578,046
	<b>2,188,901,179</b>	<b>3,167,017,584</b>	<b>2,188,901,179</b>	<b>3,167,017,584</b>
<b>7.1.3 Credit card receivables</b>				
Master card	3,329,891,693	3,028,968,806	3,329,891,693	3,028,968,806
VISA card	1,167,261,138	1,175,435,744	1,167,261,138	1,175,435,744
Master card ezyap	442,948,340	465,960,713	442,948,340	465,960,713
VISA card ezyap	94,675,073	116,023,018	94,675,073	116,023,018
	<b>5,034,776,244</b>	<b>4,786,388,280</b>	<b>5,034,776,244</b>	<b>4,786,388,280</b>
<b>7.1.4 Home loan</b>				
Bangladesh Bank refinance loan	177,866,489	217,418,662	177,866,489	217,418,662
Commercial loan	7,255,891,063	8,204,030,371	7,255,891,063	8,204,030,371
Staff loan	245,014,422	238,526,344	245,014,422	238,526,344
	<b>7,678,771,975</b>	<b>8,659,975,377</b>	<b>7,678,771,975</b>	<b>8,659,975,377</b>
<b>7.1.5 Personal Loan</b>				
Loan against deposit	548,752,173	484,586,916	548,752,173	484,586,916
Term loan	1,368,466,881	1,956,239,006	1,368,466,881	1,956,239,006
Staff loan	82,947,918	93,371,538	75,477,212	89,116,354
	<b>2,000,166,972</b>	<b>2,534,197,460</b>	<b>1,992,696,266</b>	<b>2,529,942,276</b>
<b>7.1.6 Maturity wise grouping of leases, loans and advances</b>				
On demand	2,124,733,375	2,954,001,879	2,015,261,441	2,050,088,328
Not more than 3 months	12,219,771,616	2,032,911,460	12,171,033,445	10,075,563,040
More than 03 month to 01 years	29,542,875,064	30,134,720,689	26,256,491,725	29,388,092,643
More than 01 year to 05 years	18,286,131,904	16,953,588,325	18,096,449,396	16,827,611,717
More than 05 years	3,179,950,655	3,010,577,549	3,179,950,655	2,989,830,193
	<b>65,353,462,614</b>	<b>65,085,799,903</b>	<b>61,719,186,662</b>	<b>61,331,185,920</b>
<b>7.1.7 Classification wise leases, loans and advances</b>				
<b>Unclassified</b>				
Standard (UC)	51,333,973,542	57,720,220,503	47,699,697,591	53,965,606,521
Special Mention Accounts (SMA)	9,443,543,156	2,937,759,781	9,443,543,156	2,937,759,781
	<b>60,777,516,698</b>	<b>60,657,980,285</b>	<b>57,143,240,747</b>	<b>56,903,366,302</b>
<b>Classified</b>				
Sub-standard (SS)	1,697,765,931	779,721,236	1,697,765,931	779,721,236
Doubtful (DF)	568,704,268	575,690,080	568,704,268	575,690,080
Bad/loss (BL)	2,309,475,716	3,072,408,302	2,309,475,716	3,072,408,302
	<b>4,575,945,915</b>	<b>4,427,819,618</b>	<b>4,575,945,915</b>	<b>4,427,819,618</b>
	<b>65,353,462,614</b>	<b>65,085,799,903</b>	<b>61,719,186,662</b>	<b>61,331,185,920</b>

	LankaBangla Group		LankaBangla Finance PLC	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Taka	Taka	Taka	Taka
<b>Leases, Loans and advances on the basis of significant concentration</b>				
a) Loans, advances and leases to the institutions in which Directors have interest	-	-	1,516,715,450	1,576,680,450
b) Loans, advances and leases to Chief Executive and other senior executives	62,907,649	99,111,690	62,907,649	99,111,690
<b>c) Loans, advances and lease to customer groups:</b>				
i) Real estate finance	7,255,891,063	8,204,030,371	7,255,891,063	8,204,030,371
ii) Car loan	2,121,119,928	3,064,439,538	2,121,119,928	3,064,439,538
iii) Personal loan	1,368,466,881	1,956,239,006	1,368,466,881	1,956,239,006
iv) Loan against deposits (LAD)	548,752,173	484,586,916	548,752,173	484,586,916
v) Small and medium enterprises	24,240,003,794	22,343,302,468	24,240,003,794	22,343,302,468
vi) Special program loan (Bangladesh Bank refinancing scheme)	177,866,489	217,418,662	177,866,489	217,418,662
vii) Staff loan	395,743,591	434,475,928	388,272,885	430,220,744
viii) Industrial loans, advances and leases	19,067,321,755	18,267,879,485	20,584,037,205	19,844,559,935
ix) Other loans and advances	10,178,296,939	10,113,427,529	5,034,776,244	4,786,388,280
	<b>65,353,462,614</b>	<b>65,085,799,903</b>	<b>61,719,186,662</b>	<b>61,331,185,920</b>
<b>d) Details of industrial loans, advances and leases</b>				
<b>1 Trade and commerce</b>	13,016,797,049	11,758,939,747	13,016,797,049	11,758,939,747
<b>2 Industry</b>				
A. Garments & Knitwear	2,088,192,696	2,363,320,011	2,088,192,696	2,363,320,011
B. Textiles	1,822,336,877	1,948,908,590	1,822,336,877	1,948,908,590
C. Food Production, Processing & Rice Mills	5,438,789,011	5,224,599,198	5,438,789,011	5,224,599,198
D. Jute & Jute products	126,107,806	121,192,963	126,107,806	121,192,963
E. Plastic & Rubber Industry	1,188,085,609	1,303,189,262	1,188,085,609	1,303,189,262
F. Leather & Leather goods	1,121,442,774	288,161,755	1,121,442,774	288,161,755
G. Iron, Steel & Engineering	1,797,806,411	2,059,872,546	1,797,806,411	2,059,872,546
H. Pharmaceuticals & Chemicals	1,845,675,090	1,355,005,432	1,845,675,090	1,355,005,432
I. Cement & Allied Industry	1,553,529,195	1,711,807,597	1,553,529,195	1,711,807,597
J. Paper, Packaging, Printing, Publishing & Allied Industry	642,634,126	512,714,522	642,634,126	512,714,522
K. Wood, Furniture & Fixture	156,260,731	151,133,819	156,260,731	151,133,819
L. Glass, Glassware & Ceramic Industry	188,202,727	1,279,270	188,202,727	1,279,270
M. Ship Manufacturing & Breaking	-	-	-	-
N. Electronics & Electrical Products	1,319,536,557	1,425,132,664	1,319,536,557	1,425,132,664
O. Power, Gas, Petroleum, Water & Sanitary	539,745,524	597,146,197	539,745,524	597,146,197
P. Transport & Aviation	1,941,396,843	2,244,738,382	1,941,396,843	2,244,738,382
Q. Others	-	-	-	-
<b>3 Agriculture</b>				
A. Crops	-	-	-	-
B. Forestry	847,429	879,669	847,429	879,669
C. Poultry & Livestock	426,680,712	342,654,152	426,680,712	342,654,152
D. Fisheries	18,676,401	4,725,281	18,676,401	4,725,281
E. Others (Cold Storage, Biofuel, Seed, Feed, Agri-related Other Institutions & Services)	964,773,849	863,394,537	964,773,849	863,394,537
<b>4 Mining &amp; Quarrying</b>	-	5,593,156	-	5,593,156
<b>5 Housing</b>				
A. Individual/Retail Housing	7,104,784,905	8,181,277,370	7,104,784,905	8,181,277,370
B. Project/Commercial Housing	-	-	-	-
<b>6 Financial Corporation</b>				
A. Bank	-	-	-	-
B. Financial Institution	-	-	-	-
C. Insurance Company	-	1,001,495	-	1,001,495
D. NGO	3,092,432,365	2,152,656,336	3,092,432,365	2,152,656,336
E. Audit & Accounting firm	12,114,800	11,625,859	12,114,800	11,625,859
F. Credit Rating Agency	-	-	-	-
G. Merchant Banking				
i. Loans to Own Subsidiaries	-	-	1,516,715,450	1,576,680,450
ii. Loans to Other FI/Bank Subsidiaries	-	-	-	-
iii. Loans to Brokerage House	554,900,500	375,337,774	554,900,500	375,337,774
H. Other Financial Auxiliaries	-	-	-	-
<b>7 Service</b>				
A. Education, Career & Training (Institutional), Consultancy Supervisory	183,858,475	251,414,481	183,858,475	251,414,481
B. Tourism, Hospitality & Logistics	918,660,289	1,034,989,830	918,660,289	1,034,989,830
C. Health Sector	363,658,485	388,258,121	363,658,485	388,258,121
D. Media, Advertising & Event Management	54,152,874	92,945,422	54,152,874	92,945,422
E. Beautification & Gym	7,234,847	5,231,912	7,234,847	5,231,912
F. Tailoring & Laundry	8,234,617	13,073,961	8,234,617	13,073,961
G. Private Survey Institution	-	-	-	-
H. Restaurant Service, Catering & Online Food Supplier	54,937,267	61,458,169	54,937,267	61,458,169
I. Telecommunication & Information Technology	1,277,034,810	1,127,932,502	1,277,034,810	1,127,932,502

	LankaBangla Group		LankaBangla Finance PLC	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Taka	Taka	Taka	Taka
J. Others	1,160,944,126	1,328,721,021	1,160,944,126	1,328,721,021
<b>8 Consumer Finance</b>				
A. Personal Loan	1,496,142,710	1,960,494,191	1,488,672,004	1,956,239,007
B. Auto Loan	1,843,889,012	2,741,640,000	1,843,889,012	2,741,640,000
C. Employee/Staff Loan	389,142,980	433,773,788	389,142,980	433,773,788
D. Credit Card	5,034,776,244	4,786,388,280	5,034,776,244	4,786,388,280
E. Loan Against Deposit	455,525,193	526,151,388	455,525,193	526,151,388
<b>9 Others</b>	5,143,520,696	5,327,039,248	-	-
	<b>65,353,462,614</b>	<b>65,085,799,903</b>	<b>61,719,186,662</b>	<b>61,331,185,920</b>
<b>7.1.8 Particulars of loans, advances and leases</b>				
i) Loan considered good in respect of which the Bank/ FI is fully secured	22,778,838,443	35,528,926,883	24,295,553,893	37,105,607,333
ii) Loan considered good for which the Bank/FI holds no other security than the debtor's personal security.	10,185,767,645	10,117,682,713	5,034,776,244	4,786,388,280
iii) Loan considered good and secured by the personal security of one or more parties in addition to the personal security of the debtors.	32,388,856,526	19,439,190,307	32,388,856,526	19,439,190,307
iv) Loan adversely classified for which no provision is created.	-	-	-	-
	<b>65,353,462,614</b>	<b>65,085,799,903</b>	<b>61,719,186,662</b>	<b>61,331,185,920</b>
v) Loan due by directors or officers of the Bank/ FI or any of them either jointly or separately with any other persons.	395,743,591	434,475,928	388,272,885	430,220,744
vi) Loan due by companies and firms in which the directors of the Bank/FI have interests as directors, partners or managing agent or in case of private companies as members.	-	-	1,516,715,450	1,576,680,450
Note: These loans, advances and leases are given to subsidiaries companies where some of the Directors of LankaBangla Finance PLC are Directors in those subsidiaries companies				
vii) Maximum total amount of advances, including temporary advances made at any time during the period to directors and managers or officers of the Bank/ FI or any of them either severally or jointly with any other persons.	-	159,509,138	-	159,509,138
viii) Maximum total amount of advances, including temporary advances granted during the period to the companies or firms in which the directors of the Bank/ FI have interests as directors, partners or managing agents or, in case of private companies as members.	-	-	-	-
Note: These loans, advances and leases are given to subsidiaries companies where some of the Directors of LankaBangla Finance PLC are Directors in those subsidiaries companies				
ix) Due from other bank/ FI companies	-	-	-	-
x) Information in respect of classified loans and advances:				
a) Classified loans for which interest/ profit not credited to income	4,575,945,915	4,427,819,618	4,575,945,915	4,427,819,618
b) Amount of provision kept against loans classified as bad/ loss as at the Balance Sheet date	1,586,222,681	1,861,086,837	1,586,222,681	1,861,086,837
	<b>6,162,168,597</b>	<b>6,288,906,456</b>	<b>6,162,168,597</b>	<b>6,288,906,456</b>
c) Amount of interest credited to the interest suspense account	(39,750,764)	(79,236,306)	78,597,225	(79,236,306)
<u>xi) Cumulative amount of written off loans:</u>				
Opening Balance	2,921,002,798	2,848,645,831	1,327,501,075	1,270,919,574
Amount written off during the year	707,755,463	105,909,817	514,655,659	90,134,351
Amount received from written off during the year	(36,912,104)	(33,552,850)	(36,912,104)	(33,552,850)
Balance of written off loans and advances yet to be recovered	<b>3,591,846,157</b>	<b>2,921,002,798</b>	<b>1,805,244,630</b>	<b>1,327,501,075</b>
The amount of written off loans for which law suits have been filed.				

LankaBangla Group		LankaBangla Finance PLC	
31.12.2023	31.12.2022	31.12.2023	31.12.2022
Taka	Taka	Taka	Taka

**Leases, Loans, and advances -geographical location-wise  
Inside Bangladesh**

**Urban**

Dhaka	44,057,829,994	44,158,901,409	41,170,874,032	41,310,505,818
Chittagong	9,264,159,352	0,157,179,178	8,657,287,334	9,418,951,046
Sylhet	925,303,745	693,305,500	875,389,112	612,427,514
Jessore	1,286,374,279	1,737,319,500	1,285,023,540	1,737,319,050
Narshindi	671,982,822	726,187,444	671,835,278	726,187,444
Comilla	641,287,561	553,746,052	579,505,813	494,249,798
Bogura	1,519,800,796	1,143,608,691	1,519,712,705	1,143,608,691
Barisal	483,342,523	372,084,417	481,534,206	370,508,357
Khulna	781,130,917	566,880,068	777,724,175	566,879,313
Mymensingh	1,232,062,391	1,150,781,161	1,232,062,391	1,150,781,161
Narayangonj	810,508,830	936,049,829	792,626,641	912,534,914
Rajshahi	934,542,059	526,909,907	934,518,500	526,909,907
Feni	4,018,480	2,522,883	-	-
Tangail	15,876	957	-	-
Chowmuhani	397,039,547	337,558,484	397,039,547	337,558,484
Dinajpur	787,132,408	682,867,962	787,132,408	682,867,962
Gazipur	574,683,385	422,701,028	574,683,385	422,701,028
Faridpur	299,733,736	381,031,782	299,733,736	381,031,782
Habiganj	333,750,507	302,092,053	333,750,507	302,092,053
Kushtia	348,763,407	234,071,598	348,753,351	234,071,598
	<b>5,353,462,614</b>	<b>65,085,799,903</b>	<b>61,719,186,662</b>	<b>61,331,185,920</b>

**Outside Bangladesh**

	<b>5,353,462,614</b>	<b>5,085,799,903</b>	<b>61,719,186,662</b>	<b>61,331,185,920</b>
--	----------------------	----------------------	-----------------------	-----------------------

**8. Fixed Assets including Land, Building, Furniture and Fixtures**

Assets used for Administrative purpose (Note- 8.1)	1,495,902,256	1,395,453,557	543,252,258	426,543,789
Investment property (Note- 8.2)	-	1,464,133,503	-	1,464,133,503
	<b>1,495,902,256</b>	<b>2,859,587,060</b>	<b>543,252,258</b>	<b>1,890,677,292</b>

**8.1 Assets used for Administrative purpose**

See accounting policy in note (2.22)

Freehold assets (Note- 8.1.1)	1,101,425,835	903,957,220	334,849,796	138,181,429
Intangible assets (Note- 8.1.2)	195,391,115	202,880,431	130,820,597	158,860,190
Capital Work in Progress (CWIP) (Note- 8.1.3)	-	-	-	-
Right-of-use assets (Note- 8.1.4)	199,085,307	288,615,906	77,581,865	129,502,170
	<b>1,495,902,256</b>	<b>1,395,453,557</b>	<b>543,252,258</b>	<b>426,543,789</b>

Details are given in Annexure - A and Annexure - B

**8.1.1 Freehold assets**

Land (Note- 8.1.1.1)	-	-	-	-
Freehold asset other than land (Note- 8.1.1.2)	1,101,425,835	903,957,220	334,849,796	138,181,429
	<b>1,101,425,835</b>	<b>903,957,220</b>	<b>334,849,796</b>	<b>138,181,429</b>

**8.1.1.1 Land**

Opening Balance	-	787,519,083	-	787,519,083
Add : Addition/(Disposal) during the year	-	-	-	-
	-	787,519,083	-	787,519,083
Less: Transfer to Investment property	-	787,519,083	-	787,519,083
	-	-	-	-

**8.1.1.2 Freehold asset other than land**

**A. Cost**

Opening Balance	1,753,692,562	1,641,357,888	703,914,461	633,470,133
Add : Addition during the year	338,067,019	155,085,032	295,111,045	97,310,602
	2,091,759,581	1,796,442,921	999,025,506	730,780,735
Less: Sales/ disposal during the year	31,718,901	42,750,359	27,835,060	26,866,274
	2,060,040,680	1,753,692,562	971,190,447	703,914,461

**B. Accumulated depreciation**

Opening Balance	849,735,342	782,307,566	565,733,032	523,378,596
Add : Charged during the year	140,383,900	108,461,662	98,440,324	69,183,731
	990,119,242	890,769,228	664,173,356	592,562,327
Less: Adjusted during the year	31,504,397	41,033,887	27,832,705	26,829,296
	958,614,845	849,735,342	636,340,651	565,733,032

**C. Written down value Total (A-B)**

	<b>1,101,425,835</b>	<b>903,957,220</b>	<b>334,849,796</b>	<b>138,181,429</b>
--	----------------------	--------------------	--------------------	--------------------

	LankaBangla Group		LankaBangla Finance PLC	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Taka	Taka	Taka	Taka
<b>8.1.2 Intangible assets</b>				
System Software (Note- 8.1.2.1)	195,391,115	202,880,431	130,820,597	158,860,190
	<b>195,391,115</b>	<b>202,880,431</b>	<b>130,820,597</b>	<b>158,860,190</b>
<b>8.1.2.1 System software</b>				
<b>A. Cost</b>				
Opening Balance	576,911,884	487,767,949	385,688,314	309,508,660
Add: Addition during the year	55,820,129	89,143,935	14,373,454	76,179,654
	632,732,013	576,911,884	400,061,768	385,688,314
Less: Adjustment during the year	4,362,500	-	-	-
	628,369,513	576,911,884	400,061,768	385,688,314
<b>B. Accumulated amortization</b>				
Opening Balance	374,031,453	313,217,740	226,828,124	187,876,377
Less : Amortized during the year	63,309,445	60,813,713	42,413,046	38,951,747
	437,340,898	374,031,453	269,241,171	226,828,124
Less: Adjustment during the year	4,362,500	-	-	-
	432,978,398	374,031,453	269,241,171	226,828,124
<b>C. Written down value</b>	<b>195,391,115</b>	<b>202,880,431</b>	<b>130,820,597</b>	<b>158,860,190</b>
<b>8.1.3 Capital work in progress-tangible assets</b>				
Opening balance	-	460,399,404	-	460,399,404
Add: Addition during the year	-	216,215,016	-	216,215,016
Less: Transfer to Investment Property	-	676,614,420	-	676,614,420
	-	-	-	-
<b>8.1.4 Right-of-use Assets</b>				
<b>Right-of-use Assets</b>				
Right-of-use assets-vehicles (Note- 8.1.4.1)	4,582,861	6,155,503	2,867,902	4,011,804
Right-of-use assets-office premises (Note- 8.1.4.2)	194,502,445	282,460,402	74,713,963	125,490,365
	<b>199,085,307</b>	<b>288,615,906</b>	<b>77,581,865</b>	<b>129,502,170</b>
<b>8.1.4.1 Right-of-use assets-vehicles</b>				
<b>A. Cost</b>				
Opening Balance	37,529,908	54,352,908	28,101,000	24,857,000
Add: Addition during the year	-	3,244,000	-	3,244,000
	37,529,908	57,596,908	28,101,000	28,101,000
Less: Adjusted during the year	-	20,067,000	-	-
	37,529,908	37,529,908	28,101,000	28,101,000
<b>B. Accumulated amortization</b>				
Opening Balance	31,374,405	49,368,844	24,089,196	23,076,759
Add : Charged during the year	1,572,642	2,072,561	1,143,902	1,012,437
	32,947,047	51,441,405	25,233,098	24,089,196
Less: Adjustment during the year	-	20,067,000	-	-
	32,947,047	31,374,405	25,233,098	24,089,196
<b>C. Written down value</b>	<b>4,582,861</b>	<b>6,155,503</b>	<b>2,867,902</b>	<b>4,011,804</b>
<b>8.1.4.2 Right-of-use assets-office premises</b>				
<b>A. Cost</b>				
Opening Balance	485,617,205	465,486,075	277,715,438	305,609,312
Add: Addition during the year	20,552,817	97,994,286	-	3,813,450
	506,170,022	563,480,361	277,715,438	309,422,761
Less: Adjusted during the year	54,330,443	77,863,156	47,670,400	31,707,323
	451,839,579	485,617,205	230,045,038	277,715,438
<b>B. Accumulated amortization</b>				
Opening Balance	203,156,803	157,183,098	152,225,073	117,820,047
Add : Charged during the year	108,054,781	116,240,535	50,776,403	64,043,234
	311,211,584	273,423,632	203,001,476	181,863,282
Less: Adjustment during the year	53,874,450	70,266,830	47,670,400	29,638,209
	257,337,134	203,156,803	155,331,076	152,225,073
<b>C. Written down value</b>	<b>194,502,445</b>	<b>282,460,402</b>	<b>74,713,963</b>	<b>125,490,365</b>

See accounting policy in note 2.18.

	LankaBangla Group		LankaBangla Finance PLC	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Taka	Taka	Taka	Taka
<b>8.02 Investment property</b>				
See accounting policy in note (2.23)				
Land (Note-8.02.01)	-	787,519,083	-	787,519,083
Building (Note-8.02.02)	-	676,614,420	-	676,614,420
	-	<b>1,464,133,503</b>	-	<b>1,464,133,503</b>
<b>8.02.01 Land</b>				
Opening balance	787,519,083	-	787,519,083	-
Add : Addition/Designated from Assets used for Administrative purpose	-	787,519,083	-	787,519,083
Less : Sale during the year	(787,519,083)	-	(787,519,083)	-
	-	<b>787,519,083</b>	-	<b>787,519,083</b>
<b>8.02.02 Building</b>				
Opening balance	676,614,420	-	676,614,420	-
Add : Addition/Designated from Assets used for Administrative purpose	286,288,941	676,614,420	286,288,941	676,614,420
Less : Sale during the year	(962,903,361)	-	(962,903,361)	-
	-	<b>676,614,420</b>	-	<b>676,614,420</b>
<b>9. Other assets</b>				
See accounting policy in note (2.24 and 2.17.4)				
<b>Non income generating assets</b>				
Advances and prepayments (Note- 9.1)	<b>4,884,521,082</b>	<b>2,619,708,431</b>	<b>3,360,675,979</b>	<b>1,233,399,983</b>
<b>Income generating assets</b>	<b>350,945,571</b>	<b>348,225,193</b>	<b>5,915,349,860</b>	<b>7,407,379,568</b>
Interest and other receivables (Note- 9.2)	350,945,571	348,225,193	163,441,860	170,345,423
Investment in subsidiaries*	-	-	5,751,908,000	7,237,034,144
LankaBangla Securities Limited	-	-	4,114,152,099	5,280,030,655
LankaBangla Investments Limited	-	-	1,034,905,695	965,234,067
LankaBangla Asset Management Company Limited	-	-	602,850,207	991,769,423
	<b>5,235,466,653</b>	<b>2,967,933,624</b>	<b>9,276,025,839</b>	<b>8,640,779,551</b>
<b>9.1 Advances and Prepayments</b>				
Advance office rent	32,039,642	30,756,279	19,113,870	18,225,370
Advance for expenses	52,810,005	41,184,773	49,199,827	36,095,089
Advance insurance premium	4,397,288	4,005,774	-	-
Advance to suppliers and others	44,483,202	104,582,639	44,483,201	104,582,639
Advance income tax*	2,561,820,489	2,189,530,427	1,193,246,329	947,463,117
Advance interest payment	82,708,794	35,610,302	82,708,794	35,610,302
Security and other deposit receivable	167,305,223	18,887,682	142,469,016	5,337,477
Advance for bank guarantee margin	507,540	196,595	-	-
Prepayments and others (Note- 9.1.1)	1,938,448,899	194,953,960	1,829,454,942	86,085,989
	<b>4,884,521,082</b>	<b>2,619,708,431</b>	<b>3,360,675,979</b>	<b>1,233,399,983</b>
*Advance income tax represents corporate income tax paid as per Section-154 of the Finance Act 2023 and the amount of income tax deducted at source (TDS) by different financial institutions on the interest on bank balances of LankaBangla Finance PLC.				
<b>9.1.1 Prepayments and others</b>				
Receivables against share trading	2,089,306	3,510,138	2,096	243,638
Receivables DSE and CSE	22,330,657	8,602,263	-	-
Deferred tax asset (Note-9.1.1.1)	22,748,045	21,901,117	20,670,433	20,670,433
Dividend receivable	91,492,171	107,468,031	21,422,872	30,087,453
Inventory	35,131,105	32,067,815	31,955,180	22,209,950
Receivable against investment property sale	1,735,900,156	-	1,735,900,156	-
Other receivable	28,757,458	21,404,596	19,504,205	12,874,515
	<b>1,938,448,899</b>	<b>194,953,960</b>	<b>1,829,454,942</b>	<b>86,085,989</b>
<b>9.1.1.1 Deferred tax asset</b>				
Deferred tax has been calculated base on deductible/taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of Bangladesh Accounting Standard (IAS) 12 "Income Taxes".				

	LankaBangla Group		LankaBangla Finance PLC	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Taka	Taka	Taka	Taka
Particulars	Accounting base carrying amounts	Tax base amounts	Deductible/ (Taxable) temporary difference	
<b>Deferred tax asset is arrived at as follows</b>				
<b>Assets:</b>				
Fixed assets net of depreciation as on 31 December 2023	465,670,393	634,080,903	168,410,510	
Right-of-use Assets- Office premises	77,581,865	-	(77,581,865)	
<b>Liabilities:</b>				
Employee gratuity as on 31 December 2023	47,153,361	37,266,920	9,886,442	
Lease liability- Office premises	97,272,607	-	97,272,607	
Sub-total	687,678,227	671,347,822	197,987,694	
Applicable tax rate @37.5%			74,245,385	
Deferred tax asset as on 31 December 2023			<b>74,245,385</b>	
Deferred tax asset as on 31 December 2022			20,670,433	
Deferred tax income need to account for during the year			<b>53,574,952</b>	
However, as per IAS 12 deferred tax asset shall be recognized to the extent that it is probable that taxable profit will be available against which the deductible difference can be utilized. However, due to having huge amount of accumulated business loss as per tax laws, it is not probable that there will be future taxable profit against which these deductible temporary difference can be utilized. Hence, no additional deferred tax asset has been recognized during the current year.				
In addition to that subsidiary companies recognized its respective deferred tax assets to the extent of its available taxable profit.				
<b>Group deferred tax assets</b>				
LankaBangla Finance PLC	20,670,433	20,670,433		
LankaBangla Securities Limited	-	-		
LankaBangla Investments Limited	1,116,726	-		
LankaBangla Asset Management Company Limited	960,886	1,230,684		
	<b>22,748,045</b>	<b>21,901,117</b>		
See Note 2.5.5 for departure of IAS 12 in order to comply with Bangladesh Bank.				
<b>9.2 Interest and other receivables</b>				
Interest receivables from fixed deposit account	92,844,604	62,061,100	92,582,473	62,004,032
Interest receivables from Perpetual bond	25,068,493	25,205,479	25,068,493	25,205,479
Interest receivable against Govt. subsidised stimulus package for COVID-19	38,119,970	82,478,376	38,119,970	82,478,376
Interest receivables from Subordinated bond	44,890	657,536	44,890	657,536
Coupon Receivable- Treasury Bill/Bond	10,709,086	-	7,626,035	-
Issue management fees receivable	2,270,000	3,778,962	-	-
Account receivable from advertisement	161,710,815	156,028,086	-	-
Account receivable from circulation	8,282,474	8,403,585	-	-
Receivable from LB Gratuity Wealth Builder Fund	976,023	948,887	-	-
Receivable from LankaBangla 1st PE Fund	350,000	50,000	-	-
Receivable from LB Gratuity Opportunities Fund	1,143,992	1,244,139	-	-
Receivable from LankaBangla Al-Arafah Shariah Unit Fund	3,044,825	3,135,725	-	-
Receivable from LB ETF-DS30	2,369,378	152,190	-	-
Receivable from LankaBangla 1st balanced unit fund	4,011,022	4,081,129	-	-
	<b>350,945,571</b>	<b>348,225,193</b>	<b>163,441,860</b>	<b>170,345,423</b>
*During the year 2023, total received BDT 5.60 million as interest against investment in TDR with Union Capital Limited.				
<b>10 Borrowings from Bangladesh Bank, other banks and financial institutions</b>				
See accounting policy in note (2.25)				
Inside Bangladesh (Note- 10.1)	25,845,782,818	23,037,781,574	23,838,056,059	20,989,090,506
Outside Bangladesh (Note- 10.2)	1,995,906,891	2,554,018,515	1,995,906,891	2,554,018,515
	<b>27,841,689,709</b>	<b>25,591,800,088</b>	<b>25,833,962,950</b>	<b>23,543,109,021</b>
<b>10.1 Inside Bangladesh Secured:</b>				
Bank overdraft (Note- 10.1.1)	385,491,399	720,817,101	385,491,399	720,817,101
Long term loan (Note- 10.1.2)	6,927,834,955	10,171,875,533	6,432,022,448	9,624,009,775
REPO against Govt. Treasury Bills	1,594,484,710	-	1,594,484,710	-
REPO against Govt. Treasury Bonds	655,775,424	152,962,191	655,775,424	152,962,191
Lease liability-Vehicles	4,691,663	5,502,662	1,995,394	2,813,607
	<b>9,568,278,150</b>	<b>11,051,157,486</b>	<b>9,069,769,375</b>	<b>10,500,602,674</b>

	LankaBangla Group		LankaBangla Finance PLC	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Taka	Taka	Taka	Taka
<b>Unsecured:</b>				
Call loans (Note- 10.1.3)	250,000,000	-	250,000,000	-
Short term borrowings (Note- 10.1.4)	5,086,413,804	4,645,982,313	3,320,000,000	3,120,000,000
Zero Coupon Bond (Note- 10.1.5)	1,432,040,516	928,202,708	1,728,515,975	997,125,972
Subordinate bond (Note- 10.1.6)	802,019,242	1,269,598,991	892,753,582	1,390,532,324
Long term loan (Note- 10.1.2)	8,269,284,519	4,497,440,577	8,269,284,519	4,497,440,577
Long term loan-SME Foundation	210,460,000	331,412,500	210,460,000	331,412,500
Lease liability- Office premises (Note- 10.1.7)	227,286,586	313,986,999	97,272,607	151,976,460
	<b>16,277,504,668</b>	<b>11,986,624,087</b>	<b>14,768,286,684</b>	<b>10,488,487,833</b>
	<b>25,845,782,818</b>	<b>23,037,781,574</b>	<b>23,838,056,059</b>	<b>20,989,090,506</b>
<b>10.1.1 Bank overdraft</b>				
<b>Secured by FDR</b>				
Standard Chartered Bank	41,685,101	(8,410,187)	41,685,101	(8,410,187)
	<b>41,685,101</b>	<b>(8,410,187)</b>	<b>41,685,101</b>	<b>(8,410,187)</b>
<b>Secured by Pari Passu sharing agreement</b>				
Midland Bank Limited	11,483,803	157,396,303	11,483,803	157,396,303
BASIC Bank Limited	89,460,138	99,956,404	89,460,138	99,956,404
Prime Bank Limited	-	29,232	-	29,232
Dhaka Bank Limited	23,480,371	95,445,676	23,480,371	95,445,676
Mercantile Bank PLC	193,566,970	198,107,084	193,566,970	198,107,084
Mutual Trust Bank Limited	25,815,015	178,292,588	25,815,015	178,292,588
United Commercial Bank PLC	-	-	-	-
	<b>343,806,297</b>	<b>729,227,287</b>	<b>343,806,297</b>	<b>729,227,287</b>
	<b>385,491,399</b>	<b>720,817,101</b>	<b>385,491,399</b>	<b>720,817,101</b>
<b>10.1.2 Long term loan</b>				
Opening Balance	14,669,316,109	7,033,187,534	14,121,450,352	6,491,063,021
Add: Addition during the year	9,664,000,102	10,040,184,100	9,364,000,102	9,840,184,100
	24,333,316,211	17,073,371,634	23,485,450,453	16,331,247,121
Less: Adjusted during the year	9,136,196,737	2,605,418,612	8,784,143,486	2,411,159,857
Closing Balance	<b>15,197,119,474</b>	<b>14,669,316,109</b>	<b>14,701,306,967</b>	<b>14,121,450,352</b>
<b>Details of the above balance is presented below:</b>				
<b>Secured:</b>				
<b>From other than Bangladesh Bank and its agents Bank</b>				
Commercial Bank of Ceylon	750,000,000	468,750,000	750,000,000	468,750,000
Dutch Bangla Bank Limited	1,296,793,382	1,788,684,738	1,296,793,382	1,788,684,738
Investment Corporation of Bangladesh	157,849,708	-	-	-
Mercantile Bank PLC	661,559,279	1,096,320,001	661,559,279	1,096,320,001
Midland Bank Limited	190,177,012	320,819,586	131,660,013	227,240,226
National Credit and Commerce Bank Limited	934,796,440	1,335,341,253	821,975,554	1,185,941,920
NRB Bank Limited	294,683,197	-	294,683,197	-
One Bank Limited	166,624,913	304,887,065	-	-
Trust Bank Limited	1,049,655,924	792,483,596	1,049,655,924	792,483,596
Uttara Bank Limited	-	166,738,118	-	166,738,118
United Commercial Bank PLC	613,195,100	400,000,000	613,195,100	400,000,000
Woori Bank	187,500,000	312,500,000	187,500,000	312,500,000
Syndicated Term Loan*	625,000,000	3,185,351,176	625,000,000	3,185,351,176
	<b>6,927,834,955</b>	<b>10,171,875,533</b>	<b>6,432,022,448</b>	<b>9,624,009,775</b>
<b>Unsecured:</b>				
<b>From Bangladesh Bank and its agents Bank</b>				
Bangladesh Bank (under re-finance)- Women Entrepreneur	957,577,011	644,704,881	957,577,011	644,704,881
Bangladesh Bank (under re-finance)- Mortgage Loan	157,500,370	208,007,960	157,500,370	208,007,960
Bangladesh Bank (under re-finance)- IPFF Fund	1,289,306,853	97,642,901	1,289,306,853	97,642,901
Bangladesh Bank (under re-finance)- ADB Project	125,300,160	155,427,067	125,300,160	155,427,067
Bangladesh Bank (Under Pre-Finance)- CMSME Sector	2,090,726,369	-	2,090,726,369	-
Bangladesh Bank (under re-finance)- Covid-19 Stimulus Packages	2,563,843,190	2,231,009,167	2,563,843,190	2,231,009,167
Bangladesh Bank (under re-finance)- New Enterprise Fund	504,698,869	561,683,037	504,698,869	561,683,037
Bangladesh Bank (under re-finance)- Agro Processing Industry	500,340,702	468,043,150	500,340,702	468,043,150
Bangladesh Bank (under re-finance)- JICA Assisted Project-FSPDSME	79,990,995	130,922,414	79,990,995	130,922,414
	<b>8,269,284,519</b>	<b>4,497,440,577</b>	<b>8,269,284,519</b>	<b>4,497,440,577</b>
	<b>15,197,119,474</b>	<b>14,669,316,109</b>	<b>14,701,306,967</b>	<b>14,121,450,352</b>



LankaBangla Group		LankaBangla Finance PLC	
31.12.2023	31.12.2022	31.12.2023	31.12.2022
Taka	Taka	Taka	Taka

**Bank borrowings are secured by:**

- First ranking pari passu charge on present and future fixed and floating assets of LankaBangla Finance PLC with the future and existing lenders.
- Usual charge documents (Letter of Hypothecation, Promissory Notes, Letter of Continuation, Letter of Arrangements, etc.)
- Funds required for the operation of business are primarily obtained from various banks and financial institutions. Secured loans are covered by way of first priority floating charge with full title guarantee ranking pari-passu among all the lenders of the company.

**\*Syndicated Term Loan**

In 2021, Standard Chartered Bank has arranged a syndicated term loan facility of BDT 4,950 million for LankaBangla Finance PLC. Out of the raised BDT 4,950 million, LankaBangla has drawn down BDT 2,000 million in two tranches as of the reporting date. The loan will be repaid in eight (08) equal quarterly instalments (EQI) starting from the end of nine months from the initial draw down.

The syndicate members include Standard Chartered Bank, DutchBangla Bank Limited, Agrani Bank Limited, Trust Bank Limited, Meghna Bank Limited and Midland Bank Limited.

Initially the syndicated loan was measured at fair value BDT 2,000,000,000 less transaction costs BDT 24,696,171, i.e. 1,975,303,829 as per Para 5.1.1 of IFRS 9.

<b>10.1.3 Call loan</b>				
NRB Bank Limited	150,000,000	-	150,000,000	-
One Bank Limited	100,000,000	-	100,000,000	-
	<b>250,000,000</b>	<b>-</b>	<b>250,000,000</b>	<b>-</b>
<b>10.1.4 Short term borrowings</b>				
Dhaka Bank Limited	800,000,000	300,000,000	800,000,000	300,000,000
Investment Corporation of Bangladesh	72,414,283	-	-	-
LATR Loan	-	4,357,691	-	-
Alliance Finance Limited	50,000,000	-	50,000,000	-
Midland Bank Limited	35,342,482	39,538,195	-	-
Mutual Trust Bank Limited	-	100,000,000	-	100,000,000
National Credit and Commerce Bank Limited	139,367,705	337,492,395	-	200,000,000
One Bank Limited	1,246,710,863	752,984,322	500,000,000	150,000,000
Quard Loan	-	2,014,553	-	-
Shahjalal Islami Bank Limited	109,087,222	108,475,000	-	-
Shimanto Bank Limited	-	400,000,000	-	400,000,000
South Bangla Agriculture and Commerce Bank Limited	205,216,772	242,212,689	-	-
Social Islami Bank Ltd	69,011,660	-	-	-
Standard Chartered Bank	1,659,262,817	1,658,907,468	1,270,000,000	1,270,000,000
Trust Bank Limited	600,000,000	600,000,000	600,000,000	600,000,000
Woori Bank	100,000,000	100,000,000	100,000,000	100,000,000
	<b>5,086,413,804</b>	<b>4,645,982,313</b>	<b>3,320,000,000</b>	<b>3,120,000,000</b>
<b>10.1.5 Zero Coupon Bond</b>				
Zero Coupon Bond	<b>1,432,040,516</b>	<b>928,202,708</b>	<b>1,728,515,975</b>	<b>997,125,972</b>
LankaBangla Finance PLC received consents from Bangladesh Bank on May 25, 2021 and from Bangladesh Securities & Exchange Commission on September 5, 2021 to issue Non-Convertible, Zero Coupon Bond with face value up to BDT 3,000 million. After discounting the face value of BDT 3,000 million at 7.25% p.a. (the discount rate) the company will receive BDT 2,653,371,721. The bond will be redeemed semi-annually (twice a year) in 6 instalments.				
Out of the discounted value of BDT 2,653,371,721, the company has received BDT 1,284,231,913 in multiple tranches as of the reporting date, against which it has incurred transaction costs of BDT 14,591,155. Initially the Zero Coupon Bond was measured at fair value (BDT 1,284,231,913) less transaction costs (BDT 14,591,155), i.e. BDT 1,269,640,758 as per Para 43 of IAS 39. Subsequently, the Zero Coupon Bond was measured at amortized cost using the effective interest method as per Para 9 of IAS 9.				
<b>10.1.6 Subordinate bond</b>				
SK. Akijuddin Limited	300,715,612	596,424,095	300,715,612	596,424,095
Green Delta Securities Limited	1,458,706	3,102,709	1,458,706	3,102,709
Green Delta Insurance Co. Employee Provident Fund	12,742,423	20,922,600	12,742,423	20,922,600
Index Poultry (Pvt) Limited	67,466,781	88,499,004	67,466,781	88,499,004
Sonali Bank Limited	404,629,587	540,654,094	404,629,587	540,654,094
LankaBangla Investment Limited	-	-	90,734,341	120,933,333
LankaBangla 1st Balanced Unit Fund	15,006,133	19,996,488	15,006,133	19,996,488
	<b>802,019,242</b>	<b>1,269,598,991</b>	<b>892,753,582</b>	<b>1,390,532,324</b>

LankaBangla Group		LankaBangla Finance PLC	
31.12.2023	31.12.2022	31.12.2023	31.12.2022
Taka	Taka	Taka	Taka

On 25 November 2020, the company completed the issuance of the entire issue of its coupon bearing, non-convertible, subordinated bond with approved face value of BDT 3,000 million with maturity up to 6 years issued in multiple tranches. The coupon rate of the bond is floating with floor of 8.00% and ceiling of 11.00%. Total transaction costs incurred for issuance of the subordinated bond (for the entire issue) was BDT 36,196,620. The bond was measured at fair value BDT 3,000,000,000 less transaction costs BDT 36,196,620 as per Para 5.1.1 of IFRS 9. Subsequently, the bond was measured at amortized cost using the effective interest method as per Para B5.4.1 of IFRS 9. The bond is being redeemed semi-annually starting from the end of six months from the issuance of each tranche.

#### 10.1.7 Lease liability- Office premises

See accounting policy in note 2.18.

Opening Balance	313,986,999	327,563,598	151,976,460	210,331,243
Add: Addition during the year	20,552,817	97,994,286	-	3,813,450
	<b>334,539,816</b>	<b>425,557,884</b>	<b>151,976,460</b>	<b>214,144,693</b>
Less: Repayment during the year and adjustment	107,253,230	111,570,885	54,703,853	62,168,233
Closing Balance	<b>227,286,586</b>	<b>313,986,999</b>	<b>97,272,607</b>	<b>151,976,460</b>

#### 10.2 Outside Bangladesh

a) Foreign term loan-Islamic Corporation for The Development (ICD)	4,378,016	21,890,099	4,378,016	21,890,099
b) Foreign term loan-Blueorchard Micro Finance Fund	832,563,332	986,471,434	832,563,332	986,471,434
c) Foreign term loan-Healthier Lives DAC	259,169,785	431,999,502	259,169,785	431,999,502
d) Foreign term loan-ResponsAbility Investments AG	899,795,757	1,113,657,480	899,795,757	1,113,657,480
	<b>1,995,906,891</b>	<b>2,554,018,515</b>	<b>1,995,906,891</b>	<b>2,554,018,515</b>

a) On 13 January 2019, LankaBangla Finance PLC received USD 19,984,730, which is equivalent to BDT 1,675,719,611 at the exchange rate of 83.85, against a foreign currency facility from Islamic Corporation for the Development of the Private Sector (ICD), private sector wing of Islamic Development Bank (IsDB). The tenure of the facility is 40 months. Repayment will be made in 14 (fourteen) quarterly instalments starting from the end of the third month from the receipt of the loan. The mark-up rate of the facility is 5.53%. Total transaction costs incurred for this purpose was USD 321,386 equivalent to BDT 26,985,958 at the average foreign exchange rate of 83.25. Initially the fund was measured at fair value (USD 19,984,730) less transaction costs (USD 321,386) i.e. USD 19,662,894 as per Para B5.1.1 of IFRS 9 and subsequently, the loan was measured at amortized cost using the effective interest rate method as per Para B5.4.1 of IFRS 9.

b) On 25 May 2021, LankaBangla Finance PLC received USD 15,000,000, which is equivalent to BDT 1,271,700,000 at the exchange rate of 84.78, as foreign currency term loan from BlueOrchard Microfinance Fund (managed by Swiss impact investment manager BlueOrchard Finance Limited). The tenure of the loan is 60 months. The loan will be repaid in 9 (nine) half yearly instalments starting from the end of the twelfth month from the receipt of the loan. The interest rate of the loan is 4.50% p.a. Total transaction costs incurred for this purpose was USD 166,791 equivalent to BDT 14,140,539.7 at the average foreign exchange rate of 84.78. Initially, the loan was measured at fair value (USD 15,000,000) less transaction costs (USD 166,791) i.e. USD 14,833,209.01 as per Para B5.1.1 of IFRS 9 and subsequently, the loan was measured at amortized cost using the effective interest rate method as per Para B5.4.1 of IFRS 9.

c) On 21 September 2021, LankaBangla Finance PLC received USD 5,000,000, which is equivalent to BDT 426,500,000 at the exchange rate of 85.30, as foreign currency term loan from Financing for Healthier Lives DAC—an SPV based in Ireland, established to issue social bonds for the purpose of on-lending. The tenure of the foreign currency loan is 60 months. The loan will be repaid in three instalments—40% at the end of the 24th month, 40% at the end of 36th month, and the rest 20% at the end of the 60th month from the drawdown date. The interest rate of the facility is 4.50% p.a. Total transaction costs incurred for this purpose was USD 40,633 equivalent to BDT 3,465,982 at the average foreign exchange rate of 85.30. Initially the fund was measured at fair value (USD 5,000,000) less transaction costs (USD 40,633) i.e. USD 4,959,367 as per Para B5.1.1 of IFRS 9 and subsequently, the loan was measured at amortized cost using the effective interest rate method as per Para B5.4.1 of IFRS 9.

d) On 24 November 2021, LankaBangla Finance PLC received USD 16,000,000, which is equivalent to BDT 1,393,600,000 at the exchange rate of 87.10, as foreign currency term loan from ResponsAbility Investments AG, through five funds managed by it. The tenure of the foreign currency loan is 60 months. The loan will be repaid in 20 (twenty) quarterly instalments starting from the end of three months from the receipt of the loan. The interest rate of the loan is 4.50% p.a. Total transaction costs incurred for this purpose was USD 115,951 equivalent to BDT 10,099,343 at the average foreign exchange rate of 87.10. Initially the fund was measured at fair value (USD 16,000,000) less transaction costs (USD 115,951) i.e. USD 15,884,049 as per Para B5.1.1 of IFRS 9 and subsequently, the loan was measured at amortized cost using the effective interest rate method as per Para B5.4.1 of IFRS 9.

Total foreign exchange loss BDT 214,990,817 and BDT 115,769,093 has been recognized against above all funds in 2023 and 2022 respectively which reflected in note no. 18.2 as per Para 5.7.2 of IFRS 9 and Para 23 of IAS 21.

Foreign loan is translated at initial conversion rate instead of year end conversion rate. This departure has been made as per IAS 1 and approval of Bangladesh Bank and explained in Note 2.1 and 2.34, 18.2.

	LankaBangla Group		LankaBangla Finance PLC	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Taka	Taka	Taka	Taka
<b>Maturity grouping of borrowings from other banks and financial institutions</b>				
Payable on demand	-	-	-	-
Up to 1 month	5,848,975,209	2,408,795,871	5,221,015,542	2,370,534,043
Over 1 month but within 3 months	3,328,774,211	3,363,331,610	2,876,770,015	2,402,346,132
Over 3 months but within 1 year	8,857,706,766	9,415,908,219	8,166,777,031	8,920,845,182
Over 1 year but within 5 years	9,805,979,954	9,859,909,905	9,569,146,795	9,607,591,620
Over 5 years	253,567	543,854,484	253,567	241,792,044
	<b>27,841,689,709</b>	<b>25,591,800,088</b>	<b>25,833,962,950</b>	<b>23,543,109,021</b>
<b>11 Term deposits and other deposits</b>				
See accounting policy in note (2.26)				
Term deposits (Note- 11.1)	42,034,290,738	42,707,819,432	42,253,992,614	43,457,117,190
Other deposit (Note- 11.2)	187,770,127	199,594,057	187,770,127	199,594,057
	<b>42,222,060,865</b>	<b>42,907,413,489</b>	<b>42,441,762,741</b>	<b>43,656,711,247</b>
<b>11.1 Term deposits</b>				
<b>Product wise break-up of term deposit</b>				
Periodic return term deposits	3,387,104,689	2,808,298,247	3,387,104,689	2,808,298,247
Cumulative term deposits	7,529,622	12,142,852	7,529,622	12,142,852
Double money term deposits	3,183,378,488	3,219,901,816	3,183,378,488	3,219,901,816
Money builders scheme	1,580,628,250	1,564,007,603	1,580,628,250	1,564,007,603
Fixed term deposit	4,336,249,690	3,557,259,763	4,555,951,566	4,306,557,520
Flexi Deposits	10,342,541	22,866,641	10,342,541	22,866,641
CMSME term deposits	5,140,180,482	4,471,066,711	5,140,180,482	4,471,066,711
Retail institution deposit	2,802,977,459	2,468,185,365	2,802,977,459	2,468,185,365
Term deposit shohoj sanchoy	2,747,374,511	2,952,378,545	2,747,374,511	2,952,378,545
Term deposit quick sanchoy	1,349,018,768	1,785,083,336	1,349,018,768	1,785,083,336
Term deposit triple money	1,014,518,906	894,403,944	1,014,518,906	894,403,944
Term deposit (fixed term)-3 months	1,052,561	42,124,255	1,052,561	42,124,255
Term deposit Earn First Fixed Rate	628,841,385	548,068,041	628,841,385	548,068,041
Term deposit AgroJ (Senior Citizen)	3,472,217,846	4,669,660,543	3,472,217,846	4,669,660,543
Term deposit classic TDR 2 to 3 periods	12,372,875,541	13,692,371,772	12,372,875,541	13,692,371,772
	<b>42,034,290,738</b>	<b>42,707,819,432</b>	<b>42,253,992,614</b>	<b>43,457,117,190</b>
<b>11.2 Other deposits against leases, loans and advances</b>				
Other deposits				
Corporate Clients	147,791,478	145,737,201	147,791,478	145,737,201
Retail Clients	23,545,053	37,250,967	23,545,053	37,250,967
CMSME clients	16,433,596	16,605,889	16,433,596	16,605,889
	<b>187,770,127</b>	<b>199,594,057</b>	<b>187,770,127</b>	<b>199,594,057</b>
<b>11.3 Group-wise break-up of term deposits and other deposits</b>				
Bank and Non Bank Financial Institutions (NBFI)	4,804,822,222	3,681,604,167	4,804,822,222	3,681,604,167
Corporate houses	12,529,472,483	14,596,566,741	12,749,174,359	14,596,566,741
Individual	24,887,766,160	24,629,242,582	24,887,766,160	25,378,540,339
	<b>42,222,060,865</b>	<b>42,907,413,489</b>	<b>42,441,762,741</b>	<b>43,656,711,247</b>
<b>11.4 Remaining maturity grouping of term deposits and other deposits</b>				
Payable on demand	-	-	-	-
In not more than 01 month	3,538,056,435	4,231,812,799	3,541,017,658	4,540,787,759
In more than 01 month but not more than 06 months	16,224,256,484	15,316,147,442	16,236,588,908	15,534,244,441
In more than 06 months but not more than 01 year	14,290,907,570	13,112,563,904	14,301,714,310	13,329,152,634
In more than 01 year but not more than 05 years	6,458,160,531	7,677,945,355	6,462,996,640	7,683,582,424
In more than 05 years but not more than 10 years	1,710,679,845	2,568,943,989	1,899,445,226	2,568,943,989
In more than 10 years	-	-	-	-
	<b>42,222,060,865</b>	<b>42,907,413,489</b>	<b>42,441,762,741</b>	<b>43,656,711,247</b>
<b>12. Other liabilities</b>				
See accounting policy in note (2.27),(2.28),(2.29),(2.37),(2.38) and (2.39)				
Accrued expenses	74,927,391	122,873,828	48,298,245	88,629,355
Salaries and related expenses payable	19,864,370	54,202,992	3,006,041	5,592,579
Office rent payable	6,932,758	11,122,468	-	-
Utility bill payable	3,051,757	3,629,867	1,015,711	2,049,396
Balance for adjustment with client and bank clearing	799,254,977	302,035,100	799,254,977	302,035,100
CDBL expenses payable	1,979,232	1,393,991	-	-
Client positive balance	36,465,920	37,698,401	36,465,920	37,698,401
Deferred liability-employee gratuity (Note-12.1)	48,962,928	51,731,313	47,153,361	49,395,653
Deferred tax liability	23,288,547	20,521,389	-	-
Employees provident fund payable	11,816,836	14,523,586	487,843	2,531,077
Interest payable (Note- 12.2)	2,795,636,120	2,043,296,045	2,730,349,326	2,005,258,922
Interest suspense account (Note- 12.3)	934,259,965	974,010,728	934,259,965	855,662,740

	LankaBangla Group		LankaBangla Finance PLC	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Taka	Taka	Taka	Taka
Interest suspense for other investment	61,077,703	14,500,000	61,077,703	14,500,000
IPO subscription payable	51,794	51,794	51,794	51,794
ITCL settlement A/C	30,042,169	12,948,950	30,042,169	12,948,950
Payable against merchants claims and others	26,134,749	12,516,699	26,134,749	12,516,699
Payable against receipt from other card holders	7,914,551	7,663,272	7,914,551	7,663,272
Provision for building construction for sale of investment property	125,461,557	-	125,461,557	-
Payable to LB Foundation	2,917,356	5,292,720	1,716,642	1,802,920
Payable to Workers' Welfare Fund (WWF)*	40,625,745	38,517,750	40,625,745	38,517,750
Payable to Workers' Welfare Foundation Fund (WWFF)*	40,625,745	38,517,750	40,625,745	38,517,750
Payable DSE and CSE	13,917,715	10,148,584	-	-
Payable to share trading clients	1,792,205,560	1,292,726,571	-	-
Provisions for loans, investments and other assets (Note- 12.4)	4,194,232,885	3,812,036,113	3,408,755,003	2,977,804,911
Provision for taxation (Note- 12.5)	2,312,966,458	1,957,771,276	945,893,086	703,386,679
Payables/(receivables)-Other MasterCard Operator	85,782,394	57,584,724	85,782,394	57,584,724
Payable to right share holder	206,623	206,623	206,623	206,623
Payable against legal and professional fees	21,123,793	16,912,427	20,499,293	16,233,502
Payable against redemption of mortgage property	4,687,725	4,195,725	4,687,725	4,195,725
Provision for audit fee	1,420,988	1,279,487	690,000	690,000
Sundry creditors suppliers	72,337,048	79,053,205	69,513,026	76,930,375
Safety net deposit-factoring and others	13,765,235	12,899,546	13,765,235	12,899,546
Security Deposits	4,620,900	4,495,659	3,044,300	3,044,300
Privileged creditors (Note- 12.6)	170,293,895	176,925,843	164,166,487	175,167,389
Unpaid dividend (Note- 12.7)	43,727,526	50,749,145	39,935,062	47,953,238
VISA settlement A/C	9,496,293	13,588,329	9,496,293	13,588,329
Brokerage sharing	7,503,069	10,732,612	-	-
Other liabilities	296,476	697,824	-	-
Mobile phone bill payable-Handset	199,644	159,010	199,644	159,010
Payable against parent health insurance	54,674	529,890	54,674	529,890
	<b>13,840,131,072</b>	<b>11,269,741,234</b>	<b>9,700,630,888</b>	<b>7,565,746,599</b>
<b>12.1 Deferred liability - employee gratuity</b>				
Opening Balance	51,731,313	31,459,807	49,395,653	29,437,093
Addition during the year	39,681,140	45,946,708	35,024,627	40,186,550
	91,412,453	77,406,515	84,420,281	69,623,643
Transfer to gratuity fund account	42,449,525	25,675,202	37,266,920	20,227,990
Closing Balance	<b>48,962,928</b>	<b>51,731,313</b>	<b>47,153,361</b>	<b>49,395,653</b>
<b>12.2 Interest payable</b>				
Call loan borrowings	268,056	-	268,056	-
Inter Bank REPO against Govt. Treasury Bills	1,861,310	-	1,861,310	-
Term deposit receipts	2,521,557,710	1,856,220,954	2,528,375,332	1,872,945,355
Long term loan-Commercial Bank	77,241,381	62,585,276	77,241,381	62,585,276
Long term loan-Bangladesh Bank	1,565,594	2,669,347	1,565,594	2,669,347
Long term loan-Bangladesh Bank-IPFF	18,392,635	2,339,807	18,392,635	2,339,807
Long term loan-Bangladesh Bank-Woman	22,649,363	19,781,834	22,649,363	19,781,834
Long term loan-Bangladesh Bank-Agro Processing Industry	5,526,564	5,392,977	5,526,564	5,392,977
Long term loan-Bangladesh Bank-JICA Assisted Project-FSPDSME	1,200,616	1,697,858	1,200,616	1,697,858
Long term loan-Bangladesh Bank-ADB Project	11,459,496	12,167,296	11,459,496	12,167,296
Long term loan-Bangladesh Bank-Covid-19 Stimulus Packages	23,643,277	22,509,903	23,643,277	22,509,903
Long term loan-Bangladesh Bank-New Enterprise Fund	2,718,278	1,934,687	2,718,278	1,934,687
Long term loan-Bangladesh Bank (Under Pre-Finance)- CMSME Sector	11,568,496	-	11,568,496	-
Bangladesh Bank REPO against Govt. Treasury Bonds	784,944	98,063	784,944	98,063
Short term borrowings	95,050,264	55,819,788	22,945,847	1,058,264
Lease assets	148,137	78,255	148,137	78,255
	<b>2,795,636,120</b>	<b>2,043,296,045</b>	<b>2,730,349,326</b>	<b>2,005,258,922</b>
<b>12.3 Interest suspense account</b>				
Interest suspense on Leases, loans and advances (Note- 12.3.1)	920,695,465	855,662,740	920,695,465	855,662,740
Lease Finance	79,122,349	45,525,131	79,122,349	45,525,131
Term Finance	668,170,331	642,083,270	668,170,331	642,083,270
Credit card	13,154,245	33,814,471	13,154,245	33,814,471
Home loan	160,248,541	134,239,868	160,248,541	134,239,868
Margin Loan	-	118,347,988	-	-
Additional Interest suspense on Leases, loans and advances	13,564,500	-	13,564,500	-
	<b>934,259,965</b>	<b>974,010,728</b>	<b>934,259,965</b>	<b>855,662,740</b>
<b>12.3.1 Interest suspense on leases, loans and advances account</b>				
<b>Corporate Finance</b>				
Lease finance	13,025,942	5,509,063	13,025,942	5,509,063
Term loan	132,101,326	152,000,850	132,101,326	152,000,850
Syndication finance	11,381,173	11,881,173	11,381,173	11,881,173
	<b>156,508,442</b>	<b>169,391,086</b>	<b>156,508,442</b>	<b>169,391,086</b>

	LankaBangla Group		LankaBangla Finance PLC	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Taka	Taka	Taka	Taka
<b>Retail Finance</b>				
Auto Loan	25,311,327	29,683,586	25,311,327	29,683,586
Credit Cards	13,154,245	33,814,471	13,154,245	33,814,471
Home Loan	146,083,042	119,170,922	146,083,042	119,170,922
Personal Loan	93,098,022	118,042,454	93,098,022	118,042,454
	<b>277,646,636</b>	<b>300,711,432</b>	<b>277,646,636</b>	<b>300,711,432</b>
<b>SME Finance</b>				
Term loan	355,987,639	320,743,131	355,987,639	320,743,131
Lease finance	51,512,816	14,292,351	51,512,816	14,292,351
Auto loan	36,342,563	10,524,703	36,342,563	10,524,703
Emerging and commercial	249,935	6,254,707	249,935	6,254,707
Home Loan	14,994,994	15,068,946	14,994,994	15,068,946
Real state developer finance	2,412,584	2,412,584	2,412,584	2,412,584
Short term finance	16,719,268	16,263,799	16,719,268	16,263,799
Syndication finance	21,885,089	-	21,885,089	-
	<b>500,104,887</b>	<b>385,560,222</b>	<b>500,104,887</b>	<b>385,560,222</b>
Margin loan	-	118,347,988	-	-
	<b>934,259,965</b>	<b>974,010,728</b>	<b>934,259,965</b>	<b>855,662,740</b>
<b>12.3.1 Movement of interest suspense account</b>				
Opening Balance	974,010,728	1,053,247,034	855,662,740	934,899,046
Transferred to interest suspense during the year	419,925,720	201,081,267	419,925,720	201,081,267
Interest suspense realized during the year	(232,100,875)	(279,087,603)	(232,100,875)	(279,087,603)
	<b>1,161,835,573</b>	<b>975,240,698</b>	<b>1,043,487,585</b>	<b>856,892,710</b>
Write off during the year	(227,575,609)	(1,229,970)	(109,227,621)	(1,229,970)
	<b>934,259,965</b>	<b>974,010,728</b>	<b>934,259,965</b>	<b>855,662,740</b>
<b>12.4 Provisions for leases, loans, investments and off-balance sheet exposures and other assets</b>				
Leases, loans and advances	3,111,453,705	2,753,421,078	3,141,788,014	2,753,421,078
Margin loan	126,941,158	79,704,321	-	-
Negative equity	626,900,195	701,652,011	-	-
Diminution in value of investment in equity shares	320,765,129	270,957,203	261,064,291	221,852,333
Other assets	7,767,718	5,970,000	5,497,718	2,200,000
Off-Balance Sheet Exposure	404,980	331,500	404,980	331,500
	<b>4,194,232,885</b>	<b>3,812,036,113</b>	<b>3,408,755,003</b>	<b>2,977,804,911</b>
<b>12.4.1 Provisions for leases, loans and advances</b>				
<b>Corporate Finance</b>				
Lease finance	79,744,724	269,140,814	79,744,724	269,140,814
Secured overdraft	4,437,450	376,495	4,437,450	376,495
Short term finance	5,411,042	7,200,024	5,411,042	7,200,024
Term loan to subsidiaries	-	31,533,609	30,334,309	31,533,609
Term loan	468,077,088	450,434,094	468,077,088	450,434,094
Syndication finance	19,108,156	90,876,777	19,108,156	90,876,777
	<b>576,778,460</b>	<b>849,561,812</b>	<b>607,112,769</b>	<b>849,561,812</b>
<b>Retail Finance</b>				
Auto loan	62,214,244	99,679,059	62,214,244	99,679,059
Credit Cards	644,305,975	573,049,586	644,305,975	573,049,586
Home Loan	206,724,048	166,879,765	206,724,048	166,879,765
Personal Loan	217,390,444	264,195,676	217,390,444	264,195,676
	<b>1,130,634,712</b>	<b>1,103,804,086</b>	<b>1,130,634,712</b>	<b>1,103,804,086</b>
<b>SME Finance</b>				
Term loan	958,135,883	653,977,471	958,135,883	653,977,471
Lease finance	138,332,409	23,038,735	138,332,409	23,038,735
Auto loan	216,153,328	41,060,609	216,153,328	41,060,609
Emerging and commercial	5,973,297	36,496,841	5,973,297	36,496,841
Loan against deposit	46,638	51,328	46,638	51,328
Home Loan	2,235,155	9,472,842	2,235,155	9,472,842
Real state developer finance	1,640,598	7,503,966	1,640,598	7,503,966
Short term finance	34,120,951	20,568,516	34,120,951	20,568,516
Syndication finance	46,909,479	845,313	46,909,479	845,313
Work order finance	492,795	7,039,560	492,795	7,039,560
	<b>1,404,040,533</b>	<b>800,055,180</b>	<b>1,404,040,533</b>	<b>800,055,180</b>
	<b>3,111,453,705</b>	<b>2,753,421,078</b>	<b>3,141,788,014</b>	<b>2,753,421,078</b>

	LankaBangla Group		LankaBangla Finance PLC	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Taka	Taka	Taka	Taka
<b>12.4.2 Movement of provisions for loans, investments and other assets</b>				
Opening Balance	3,812,036,113	3,220,620,078	2,977,804,911	2,411,881,038
Provision required for the year	2,032,681,443	1,192,088,345	1,979,167,968	1,148,626,949
Provision released during the year	(1,219,429,800)	(495,992,462)	(1,142,789,839)	(493,798,694)
Provision charged for the year	813,251,643	696,095,883	836,378,130	654,828,254
Provision transfer from general reserve to margin loan	49,124,983	-	-	-
Write off during the year	(480,179,854)	(104,679,847)	(405,428,038)	(88,904,381)
<b>Closing Balance</b>	<b>4,194,232,885</b>	<b>3,812,036,113</b>	<b>3,408,755,003</b>	<b>2,977,804,911</b>

During the year 2023, LankaBangla Finance PLC had written off its receivables of contracts as per write off policy of the Bangladesh Bank (DFIM Circular No. 02 dated 01 April 2019) and subsidiaries of LankaBangla Finance PLC had written off receivables as per their respective write off policy.

#### 12.4.3 Grouping of provisions for loans, investments and other assets

##### General Provision

Standard (UC)	363,622,382	407,708,301	393,956,691	407,708,301
Special Mention Account (SMA)	649,384,361	140,750,872	649,384,361	140,750,872
	<b>1,013,006,743</b>	<b>548,459,173</b>	<b>1,043,341,052</b>	<b>548,459,173</b>

##### Specific Provision

Sub-standard (SS)	285,868,010	107,662,031	285,868,010	107,662,031
Doubtful (DF)	226,356,271	236,213,037	226,356,271	236,213,037
Bad Loss (BL)	1,586,222,681	1,861,086,837	1,586,222,681	1,861,086,837
	<b>2,098,446,962</b>	<b>2,204,961,905</b>	<b>2,098,446,962</b>	<b>2,204,961,905</b>

##### Provision for margin loan

	126,941,158	79,704,321	-	-
--	-------------	------------	---	---

##### Negative equity

	626,900,195	701,652,011	-	-
--	-------------	-------------	---	---

##### Provision for investment in shares

	320,765,129	270,957,203	261,064,291	221,852,333
--	-------------	-------------	-------------	-------------

##### Provision for other assets

	7,767,718	5,970,000	5,497,718	2,200,000
--	-----------	-----------	-----------	-----------

##### Off-Balance Sheet Exposure

	404,980	331,500	404,980	331,500
	<b>4,194,232,885</b>	<b>3,812,036,113</b>	<b>3,408,755,003</b>	<b>2,977,804,911</b>

#### 12.5 Provision for taxation

Opening Balance	1,957,771,276	1,761,055,965	703,386,679	664,168,837
Provision during the year	357,443,402	282,664,913	242,506,407	125,167,444
	2,315,214,677	2,043,720,878	945,893,086	789,336,281
Adjusted during the year	(2,248,219)	(85,949,602)	(0)	(85,949,602)
	<b>2,312,966,458</b>	<b>1,957,771,276</b>	<b>945,893,086</b>	<b>703,386,679</b>

#### 12.6 Privileged creditors

Three major categories of government dues are reported. tax deduction at source, VAT, excise duty payable to govt. exchequer.

VAT at source	39,567,484	17,299,653	39,567,484	17,299,653
Withholding tax payable	62,176,535	93,054,810	56,049,127	91,296,356
Excise Duty Payable	68,549,876	66,571,380	68,549,876	66,571,380
	<b>170,293,895</b>	<b>176,925,843</b>	<b>164,166,487</b>	<b>175,167,389</b>

#### 12.7 Unpaid dividend

Summary of unpaid/unclaimed dividend as on 31 December 2023

In compliance with directive no. BSEC/CMRRCD/2021-386/03 dated 14 January 2021 of Bangladesh Securities & Exchange Commission (BSEC) clause no. 3(vii) summary of unpaid/unclaimed cash & stock dividend as on 31 December 2023 is given below:

Dividend year	Particulars	Cash	Stock	Remarks
2020-2022	Up to 3 years	39,935,062	-	
2018-2019	Up to 2 years	-	-	BDT 6,397,373.04 and 922 stocks have been transferred to Capital Market Stabilization Fund as on 22 June 2023
2006-2017	More than 5 years & above	-	-	BDT 19,144,615 and 6,075 stocks have been transferred to Capital Market Stabilization Fund as on 23 September 2021

#### 13. Share capital

<b>Authorized capital</b>	<b>10,000,000,000</b>	<b>10,000,000,000</b>	<b>10,000,000,000</b>	<b>10,000,000,000</b>
1,000,000,000 ordinary shares of Tk.10/- each				
<b>Issued, subscribed and paid up capital</b>	<b>5,388,386,230</b>	<b>5,388,386,230</b>	<b>5,388,386,230</b>	<b>5,388,386,230</b>

LankaBangla Group		LankaBangla Finance PLC	
31.12.2023	31.12.2022	31.12.2023	31.12.2022
Taka	Taka	Taka	Taka

### 13.1 Given below the history of raising of share capital of LankaBangla Finance PLC

Date of Issue	Particulars	Number of Shares Issued		Paid up Shares (Cumulative)	Amount of Shares Capital (BDT)	Amount of Shares Capital (BDT) (Cumulative)
		Bonus Shares	Subscription			
5-Nov-96	First (Subscription as per Memorandum and Articles of Association) at the time of Incorporation	-	500,000	500,000	5,000,000	5,000,000
5-Apr-98	Subscription	-	9,500,000	10,000,000	95,000,000	100,000,000
12-Apr-03	Subscription	-	10,105,363	20,105,363	101,053,630	201,053,630
28-Jun-04	Subscription	-	4,000,000	24,105,363	40,000,000	241,053,630
3-May-05	Subscription	-	1,894,637	26,000,000	18,946,370	260,000,000
14-Sep-06	IPO	-	9,000,000	35,000,000	90,000,000	350,000,000
19-May-08	10% Stock Dividend for 2007	3,500,000	-	38,500,000	35,000,000	385,000,000
5-May-09	15% Stock Dividend for 2008	5,775,000	-	44,275,000	57,750,000	442,750,000
30-Mar-10	20% Stock Dividend for 2009	8,855,000	-	53,130,000	88,550,000	531,300,000
27-Mar-11	55% Stock Dividend for 2010	29,221,500	-	82,351,500	292,215,000	823,515,000
28-Mar-12	30% Stock Dividend for 2011	24,705,450	-	107,056,950	247,054,500	1,070,569,500
3-May-12	1:1 Right of 82,351,500 Shares	-	82,351,500	189,408,450	823,515,000	1,894,084,500
31-Mar-13	10% Stock Dividend for 2012	18,940,845	-	208,349,295	189,408,450	2,083,492,950
31-Mar-14	5% Stock Dividend for 2013	10,417,464	-	218,766,759	104,174,640	2,187,667,590
19-Mar-15	10% Stock Dividend for 2014	21,876,675	-	240,643,434	218,766,750	2,406,434,340
30-Mar-16	15% Stock Dividend for 2015	36,096,515	-	276,739,949	360,965,150	2,767,399,490
30-Mar-17	15% Stock Dividend for 2016	41,510,992	-	318,250,941	415,109,920	3,182,509,410
31-Jan-18	2:1 Right of 159,125,470 Shares	-	159,125,470	477,376,411	1,591,254,700	4,773,764,110
31-Mar-18	7.5% Stock Dividend for 2017	35,803,230	-	513,179,641	358,032,300	5,131,796,410
7-Sep-20	5.00% Stock Dividend for 2019	25,658,982	-	538,838,623	256,589,820	5,388,386,230
<b>Total</b>					<b>5,388,386,230</b>	

#### Details of shares holding position are as under:

Sponsor shareholders:

#### a. Foreign sponsors

Sampath Bank Limited, Sri Lanka

Percentage 31.12.2023	31.12.2023		31.12.2022	
	Number of shares	Taka	Number of shares	Taka
9.47%	51,036,605	510,366,050	51,036,605	510,366,050
24.08%	129,759,316	1,297,593,160	129,759,316	1,297,593,160
3.78%	20,362,737	203,627,370	20,362,737	203,627,370
20.30%	109,396,579	1,093,965,790	109,396,579	1,093,965,790

#### General shareholders

66.45%	358,042,702	3,580,427,020	358,042,702	3,580,427,020
<b>100.00%</b>	<b>538,838,623</b>	<b>5,388,386,230</b>	<b>538,838,623</b>	<b>5,388,386,230</b>

Shares groups	Number of share	Percentage	Number of share	Percentage
Less than 500	1,955,862	0.36%	1,947,838	0.36%
501 to 5000	32,123,074	5.96%	32,142,690	5.97%
5,001 to 10000	24,182,669	4.49%	24,062,403	4.47%
10,001 to 20000	29,589,452	5.49%	29,477,409	5.47%
20,001 to 30000	18,582,022	3.45%	18,563,209	3.45%
30,001 to 40000	13,994,941	2.60%	13,880,301	2.58%
40,001 to 50000	12,782,856	2.37%	13,140,469	2.44%
50,001 to 100000	35,886,359	6.66%	35,756,578	6.64%
100,001 to 1000000	102,507,301	19.02%	102,653,739	19.05%
Above 1000000	267,234,087	49.59%	267,213,987	49.59%
	<b>538,838,623</b>	<b>100%</b>	<b>538,838,623</b>	<b>100%</b>

The shares were listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited on 17 October 2006 and 31 October 2006 respectively, also trading in the both houses from 01 November, 2006. Share trade Tk. 31.4 at both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited at the end of the year 2020.

LankaBangla Group		LankaBangla Finance PLC	
31.12.2023	31.12.2022	31.12.2023	31.12.2022
Taka	Taka	Taka	Taka

### 13.2 Name of the sponsors and/or directors and their shareholdings as at 31 December 2023

Sl No.	Name	Status	Share Holding as on 31.12.2023	% of Share holding as on 31.12.2023	Share holding as on 31.12.2022
1	Mr. Mohammad A. Moyeen	Chairman	22,842,546	4.24%	22,842,546
2	Mr. I. W. Senanayake (Representative of Sampath Bank PLC)	Director	51,036,605	9.47%	51,036,605
3	Mr. Nanda Fernando (Representative Sampath Bank PLC)	Director			
4	ONE Bank Limited	Corporate Director	20,362,737	3.78%	20,362,737
5	Mrs. Aneesha Mahial Kundanmal	Director	41,503,844	7.70%	41,503,844
6	Mr. Mahbulul Anam	Director	23,998,741	4.45%	23,998,741
7	Mr. Tahsinul Huque	Director	20,973,565	3.89%	20,993,703
8	Mrs. Jasmine Sultana	Sponsor	77,883	0.01%	77,883
9	Mrs. Zaitun Sayef	Independent Director	-	-	-
10	Mr. Md. Fakhrul Alam	Independent Director	-	-	-
<b>Total</b>			<b>180,795,921</b>	<b>33.55%</b>	<b>180,816,059</b>

Pursuant to the BSEC notification no. BSEC/CMRRCD/2009-193/10/Admin/118 Dated: 22 March 2021, no director or shareholder of LankaBangla Finance PLC ("The Company") holding 10% or more shares has availed any loan or credit facility through lien or pledge of their shares in the company or has not availed margin loan from any stockbroker or portfolio manager.

### 13.3 Capital Adequacy Ratio (CAR)

As per section 4(GHA) of the Financial Institution Regulations 1994, the minimum paid up capital of the Financial Institution (FI) shall be Tk. 100 crore; Provided that the sum of paid up capital and reserves shall not be less than the minimum capital determined by the Bangladesh Bank under the Risk-Based Assets of the Company. The surplus eligible capital of the Group as well as the Company at the close of business on 31 December 2023 were Tk. 4,237.38 million and Tk. 2,850.98 million respectively.

#### Core Capital (Tier-1)

Paid-up capital	(Note- 13)	5,388,386,230	5,388,386,230	5,388,386,230	5,388,386,230
Share premium		1,090,888,800	1,090,888,800	-	-
Statutory reserves	(Note- 14)	2,119,267,149	2,085,277,643	2,119,267,149	2,085,277,644
General reserves		-	47,489,333	-	-
Capital Reserve		106,011,236	86,089,440	-	-
Dividend equalization reserves		-	-	-	-
Other (Share money deposit for right issue)		-	-	-	-
Retained earnings	(Note- 15)	1,434,329,385	2,089,583,094	1,155,134,291	1,558,014,891
Non-controlling interest		812,676,140	208,344,037	-	-
<b>Sub-Total</b>		<b>10,951,558,940</b>	<b>10,996,058,578</b>	<b>8,662,787,670</b>	<b>9,031,678,764</b>

#### Deductions from Tier-1 (Core Capital)

Goodwill and value of any contingent assets which are shown as assets		-	-	-	-
Any investment exceeding the approved limit		336,366,669	-	336,366,669	-
<b>Total Eligible Tire - 1 Capital</b>		<b>10,615,192,271</b>	<b>10,996,058,578</b>	<b>8,326,421,001</b>	<b>9,031,678,764</b>

#### Supplementary capital (Tier -II)

General provision (unclassified loans up to specified limit + SMA + off balance sheet exposure)		698,169,408	517,257,064	747,203,540	548,790,673
Assets revaluation reserves up to 50%		-	-	-	-
Revaluation reserve for securities up to 45 %		-	-	-	-
Revaluation reserve for Equity Instruments upto 10%		-	-	83,704,921	213,684,718
All others preference shares		-	-	-	-
Others (if any other item approved by Bangladesh Bank) (Subordinated bond)		802,019,242	1,269,598,991	892,753,582	1,390,532,324
<b>Sub-Total</b>		<b>1,500,188,650</b>	<b>1,786,856,055</b>	<b>1,723,662,043</b>	<b>2,153,007,716</b>

#### Deduction from Tier-1 (Supplementary capital)

Any investment exceeding the approved limit		336,366,669	-	336,366,669	-
<b>Total Eligible Tire - 2 Capital</b>		<b>1,163,821,981</b>	<b>1,786,856,055</b>	<b>1,387,295,374</b>	<b>2,153,007,716</b>

#### A) Total capital

		<b>11,779,014,252</b>	<b>12,782,914,633</b>	<b>9,713,716,376</b>	<b>11,184,686,480</b>
--	--	-----------------------	-----------------------	----------------------	-----------------------

#### Total assets including off -balance sheet exposures

		<b>94,895,938,559</b>	<b>90,798,163,389</b>	<b>87,516,691,428</b>	<b>85,967,242,812</b>
--	--	-----------------------	-----------------------	-----------------------	-----------------------

#### B) Total risk weighted assets

		<b>75,416,351,102</b>	<b>73,763,055,699</b>	<b>68,627,400,546</b>	<b>70,878,681,018</b>
--	--	-----------------------	-----------------------	-----------------------	-----------------------

#### C) Required capital based on risk weighted assets (10% on B)

		<b>7,541,635,110</b>	<b>7,376,305,570</b>	<b>6,862,740,055</b>	<b>7,087,868,102</b>
--	--	----------------------	----------------------	----------------------	----------------------

#### D) Surplus capital (A-C)

		<b>4,237,379,142</b>	<b>5,406,609,063</b>	<b>2,850,976,321</b>	<b>4,096,818,378</b>
--	--	----------------------	----------------------	----------------------	----------------------

#### E) Capital Adequacy Ratio

		<b>15.62%</b>	<b>17.33%</b>	<b>14.15%</b>	<b>15.78%</b>
--	--	---------------	---------------	---------------	---------------

#### F) Core Capital to RWA

		<b>14.08%</b>	<b>14.91%</b>	<b>12.13%</b>	<b>12.74%</b>
--	--	---------------	---------------	---------------	---------------

#### G) Supplementary Capital to RWA

		<b>1.54%</b>	<b>2.42%</b>	<b>2.02%</b>	<b>3.04%</b>
--	--	--------------	--------------	--------------	--------------



	LankaBangla Group		LankaBangla Finance PLC	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Taka	Taka	Taka	Taka
<b>14. Statutory reserve</b>				
See accounting policy in note (2.44)				
Opening Balance	2,085,277,643	2,049,579,830	2,085,277,644	2,049,579,830
Add: Transferred from profit during the year @ 20%	33,989,506	35,697,813	33,989,506	35,697,813
	<b>2,119,267,149</b>	<b>2,085,277,643</b>	<b>2,119,267,149</b>	<b>2,085,277,644</b>
<b>15. General Reserve</b>				
Opening balance	47,489,333	47,489,333	-	-
Add: Addition during the year	-	-	-	-
	47,489,333	47,489,333	-	-
Less: Transferred to general provision on margin loan	47,489,333	-	-	-
Closing balance	-	<b>47,489,333</b>	-	-
<b>16. Retained earnings</b>				
	<b>2,467,095,530</b>	<b>2,734,958,130</b>	<b>1,727,962,420</b>	<b>2,132,551,327</b>
Opening Balance	2,089,583,094	2,085,145,574	1,558,014,891	1,954,062,260
Add: Profit during the year	377,512,436	649,812,556	169,947,529	178,489,067
Less: Adjustment during the year:	<b>1,032,766,145</b>	<b>645,375,036</b>	<b>572,828,129</b>	<b>574,536,436</b>
Transfer to statutory reserve during the year	33,989,506	35,697,813	33,989,506	35,697,813
Transfer to general reserve during the year	-	(3,348,036)	-	-
Capital Reserve	19,921,796	72,128,398	-	-
Changing in non-controlling interest	440,016,220	2,058,237	-	-
Cash dividend	538,838,623	538,838,623	538,838,623	538,838,623
	<b>1,434,329,385</b>	<b>2,089,583,094</b>	<b>1,155,134,291</b>	<b>1,558,014,891</b>
<b>16A. Revaluation reserve for investment in subsidiaries</b>				
See accounting policy in note 2.17.4				
<b>Investment in subsidiaries (at fair value as per IFRS 9)</b>			<b>5,751,908,000</b>	<b>7,237,034,144</b>
LankaBangla Securities Limited			4,114,152,099	5,280,030,655
LankaBangla Investments Limited			1,034,905,695	965,234,067
LankaBangla Asset Management Company Limited			602,850,207	991,769,423
<b>Investment in subsidiaries at cost</b>			<b>4,914,858,793</b>	<b>5,100,186,963</b>
LankaBangla Securities Limited			1,563,908,853	1,749,237,023
LankaBangla Investments Limited			2,404,999,940	2,404,999,940
LankaBangla Asset Management Company Limited			945,950,000	945,950,000
<b>Revaluation reserve</b>			<b>837,049,207</b>	<b>2,136,847,181</b>
<b>Change in revaluation reserve</b>			<b>(1,299,797,975)</b>	<b>454,992,407</b>
<b>17. Non-controlling interest</b>			LankaBangla Group	
See accounting policy in note (2.4)			31.12.2023	31.12.2022
	Percentage in Non-controlling interest	Equity as on 31.12.2023	Taka	Taka
<b>Name of Subsidiaries</b>				
LankaBangla Securities Limited	13.111%	6,050,733,125	793,291,908	201,146,175
LankaBangla Investments Limited	0.000%	1,040,963,040	26	24
LankaBangla Asset Management Company Limited	0.000%	602,829,339	637	1,048
LankaBangla Information System Limited	13.284%	7,187,987	954,885	225,067
BizBangla Media Limited	16.043%	114,871,835	18,428,685	6,971,723
			<b>812,676,140</b>	<b>208,344,037</b>

	LankaBangla Group		LankaBangla Finance PLC	
	December 2023 Taka	December 2022 Taka	December 2023 Taka	December 2022 Taka
<b>18 Interest income</b>				
See accounting policy in note (2.35.1) (2.35.2), (2.35.3) and (2.35.4)				
<b><u>Leases, loans and advances</u></b>				
Lease finance	589,350,719	547,018,833	589,350,719	547,018,833
Lending to subsidiaries	-	-	-	1,803,468
Real estate developers Finance	4,815	450,000	4,815	450,000
Short term lending	74,550,324	154,878,160	74,550,324	154,878,160
Term Finance	1,405,720,572	1,420,601,777	1,405,720,572	1,420,601,777
Term loan secured overdraft	15,518,841	7,480,230	15,518,841	7,480,230
Term loan syndication finance	72,713,342	63,022,791	72,713,342	63,022,791
Auto loan	389,378,183	459,988,059	389,378,183	459,988,059
Credit card (Note- 18.1)	790,754,926	782,839,458	790,754,926	782,839,458
Home loan (Note- 18.2)	738,993,287	1,011,583,438	738,993,287	1,011,583,438
Personal loan (Note- 18.3)	224,939,642	331,781,044	224,420,563	330,900,659
Emerging and commercial	296,703,919	260,096,260	296,703,919	260,096,260
Term loan CMSME	1,195,923,176	1,056,387,836	1,195,923,176	1,056,387,836
Lease finance CMSME	49,187,145	74,596,271	49,187,145	74,596,271
	<b>5,843,738,890</b>	<b>6,170,724,156</b>	<b>5,843,219,811</b>	<b>6,171,647,239</b>
<b><u>Treasury finance</u></b>				
Fixed deposit accounts	185,108,703	213,811,879	185,079,298	213,535,057
Short term deposit accounts	468,173,632	338,478,191	456,900,164	326,046,277
Money at call and short notice	216,667	326,622	216,667	326,622
	<b>653,499,002</b>	<b>552,616,692</b>	<b>642,196,128</b>	<b>539,907,956</b>
<b><u>Others</u></b>				
Debit balance of share trading clients	441,882,913	428,073,345	-	-
Margin loan to share trading clients	32,707,302	46,063,700	-	-
	<b>474,590,215</b>	<b>474,137,046</b>	-	-
	<b>6,971,828,107</b>	<b>7,197,477,894</b>	<b>6,485,415,940</b>	<b>6,711,555,195</b>
<b>18.1 Credit Card</b>				
Master card account	509,087,245	498,584,205	509,087,245	498,584,205
VISA card account	186,122,209	184,312,874	186,122,209	184,312,874
Master card ezyipay account	84,951,333	88,920,648	84,951,333	88,920,648
VISA card ezyipay account	10,594,138	11,021,731	10,594,138	11,021,731
	<b>790,754,926</b>	<b>782,839,458</b>	<b>790,754,926</b>	<b>782,839,458</b>
<b>18.2 Home loan</b>				
Bangladesh Bank refinance loan	15,583,091	20,017,324	15,583,091	20,017,324
Commercial loan	711,551,072	978,834,636	711,551,072	978,834,636
Staff loan	11,859,124	12,731,478	11,859,124	12,731,478
	<b>738,993,287</b>	<b>1,011,583,438</b>	<b>738,993,287</b>	<b>1,011,583,438</b>
<b>18.3 Personal loan</b>				
Term loan	162,186,364	252,287,726	162,186,364	252,287,726
Loan against deposit	53,785,042	70,107,816	53,785,042	70,107,816
Staff loan	8,968,236	9,385,503	8,449,157	8,505,118
	<b>224,939,642</b>	<b>331,781,044</b>	<b>224,420,563</b>	<b>330,900,659</b>
<b>19 Interest expenses on deposits and borrowings</b>				
See accounting policy in note (2.30)				
<b><u>Other than Bangladesh Bank</u></b>				
Term loan- commercial bank	708,536,935	501,205,079	525,555,321	332,006,442
Lease liability (Note-19.1)	26,269,748	30,649,445	12,706,900	17,956,106
Syndicated term loan	96,739,970	400,538,079	96,739,970	400,538,079
Foreign term loan (Note-19.2)	349,143,534	303,196,050	349,143,534	303,196,050
Zero Coupon Bond	129,789,880	93,565,717	152,837,383	93,565,717
Subordinated bond	95,418,168	135,238,927	104,350,425	146,405,593
Term deposits	3,572,137,967	3,218,411,808	3,599,292,402	3,266,947,763
Short term loans	248,748,839	170,616,451	248,748,839	170,616,451
Bank overdraft	30,484,637	29,486,488	30,484,637	29,486,488
Call loan	41,166,583	32,638,334	41,166,583	32,638,334
	<b>5,298,436,260</b>	<b>4,915,546,377</b>	<b>5,161,025,994</b>	<b>4,793,357,023</b>
<b><u>Bangladesh Bank</u></b>				
Term loan- Bangladesh Bank	198,290,752	96,578,551	198,290,752	96,578,551
Bangladesh Bank REPO against Govt. Treasury Bonds	22,176,526	1,627,325	22,176,526	1,627,325
Inter Bank REPO against Govt. treasury bills	56,402,443	-	56,402,443	-
	<b>276,869,722</b>	<b>98,205,876</b>	<b>276,869,722</b>	<b>98,205,876</b>
	<b>5,575,305,982</b>	<b>5,013,752,253</b>	<b>5,437,895,715</b>	<b>4,891,562,899</b>

	LankaBangla Group		LankaBangla Finance PLC	
	December 2023 Taka	December 2022 Taka	December 2023 Taka	December 2022 Taka
<b>19.1 Lease liability</b>				
Lease liability-Vehicles	585,519	708,905	410,288	291,472
Lease liability- Office premises	25,684,229	29,940,540	12,296,612	17,664,634
	<b>26,269,748</b>	<b>30,649,445</b>	<b>12,706,900</b>	<b>17,956,106</b>
<b>19.2 Foreign term loan</b>				
Profit/interest on foreign term loan	134,152,717	187,426,957	134,152,717	187,426,957
Foreign exchange loss on foreign loan	214,990,817	115,769,093	214,990,817	115,769,093
	<b>349,143,534</b>	<b>303,196,050</b>	<b>349,143,534</b>	<b>303,196,050</b>
Foreign exchange loss on foreign loan includes only realized loss during year 2023 and 2023 during the settlement of payment. Provision of IAS 21 to include unrealized loss as well has been departed to avoid any misunderstanding of the stakeholders about the financial health of the Company. Such departure was made by conforming with IAS 1 and by taking approval from Bangladesh Bank. Details are in Note 2.1 and 2.34.				
<b>20 Income from investment</b>				
See accounting policy in note (2.35.5)				
Income from investment in share (Capital gain)	444,874,576	181,962,023	400,522,436	4,467,185
Dividend income	233,579,922	236,852,563	123,870,813	144,866,986
Treasury bills	82,851,994	127,160	82,568,771	127,160
Treasury bonds	37,077,133	19,185,168	34,826,054	19,185,168
Subordinated bond	60,229,655	56,043,836	60,229,655	56,043,836
Perpetual bond	49,863,014	49,975,206	49,863,014	49,975,206
Discretionary corporate fund-LBAMCOL maximizer	6,200,280	6,755,643	6,200,280	6,755,643
	<b>914,676,573</b>	<b>550,901,600</b>	<b>758,081,022</b>	<b>281,421,185</b>
<b>21 Commission, exchange and brokerage income</b>				
See accounting policy in note (2.35.8)				
Brokerage commission	484,503,670	776,999,407	-	-
Underwriting commission	300,000	375,000	-	-
	<b>484,803,670</b>	<b>777,374,407</b>	-	-
<b>22 Other operational income</b>				
See accounting policy in note (2.35.6), (2.35.7), (2.35.8), (2.35.9), (2.22.6) and (2.36)				
<b>Fees and documentations</b>				
Portfolio and issue management fees	5,759,928	9,917,639	-	-
Membership fees of credit card	58,858,150	48,800,630	58,858,150	48,800,630
Other income from credit card	90,798,317	83,309,902	90,798,317	83,309,902
Fees and documentations (Note-22.1)	327,229,785	369,621,687	327,229,785	369,621,687
	<b>482,646,179</b>	<b>511,649,857</b>	<b>476,886,252</b>	<b>501,732,219</b>
<b>Others</b>				
Advertisement	167,626,128	145,808,875	-	-
Circulation	15,534,561	14,459,624	-	-
Late payment charge-factoring	1,814,244	1,910,019	1,814,244	1,910,019
Corporate advisory fees	8,835,954	10,210,730	-	-
Foreign exchange gain/(loss)	15,245	18,847	15,245	18,847
Income from CDBL	16,091,685	19,090,243	-	-
Income from unit fund operation	18,510,609	19,018,741	-	-
Income from IPM fund operation	6,026,220	5,360,904	-	-
Miscellaneous	8,618,464	6,334,418	286,558	-
Office space rent	1,340,861	1,296,000	-	-
Write off recovery	36,912,104	33,552,850	36,912,104	33,552,850
Profit on sale of fixed asset	649,897,492	6,080,388	649,820,493	683,756
Redemption income against mortgage property	1,015,570	1,005,500	1,015,570	1,005,500
Sponsorship	26,172,317	21,920,085	-	-
Management fees	-	-	5,000,000	2,200,000
Round Table Conference	798,000	967,217	-	-
	<b>959,209,454</b>	<b>287,034,440</b>	<b>694,864,215</b>	<b>39,370,972</b>
	<b>1,441,855,633</b>	<b>798,684,297</b>	<b>1,171,750,466</b>	<b>541,103,190</b>
<b>22.1 Fees and documentations</b>				
<b>Lending finance</b>				
Lease finance	850,779	4,591,903	850,779	4,591,903
Revolving credit-secured	34,435	6,000	34,435	6,000
Short term loan	801,086	976,897	801,086	976,897
Term loan	3,409,685	4,470,140	3,409,685	4,470,140
Syndication finance	-	1,803,038	-	1,803,038
Work order finance	401,174	323,000	401,174	323,000
Auto loan	7,192,837	20,906,640	7,192,837	20,906,640

	LankaBangla Group		LankaBangla Finance PLC	
	December 2023 Taka	December 2022 Taka	December 2023 Taka	December 2022 Taka
Credit card	233,918,771	235,583,052	233,918,771	235,583,052
Home loan	9,749,128	25,921,575	9,749,128	25,921,575
Personal loan	3,506,550	6,107,069	3,506,550	6,107,069
CMSME finance	44,007,011	41,918,711	44,007,011	41,918,711
Emerging and commercial	23,358,329	27,013,663	23,358,329	27,013,663
	<b>327,229,785</b>	<b>369,621,687</b>	<b>327,229,785</b>	<b>369,621,687</b>
<b>23 Salary and allowances</b>				
See accounting policy in note (2.37.1) and (2.38)				
Salary and allowances	1,062,211,257	1,091,124,304	701,688,985	721,657,313
Provident fund contribution	41,939,488	32,164,632	26,039,779	17,750,382
Gratuity fund	46,149,581	57,355,256	34,765,806	39,516,550
Festival bonus	56,255,791	55,964,072	56,255,791	55,964,072
Business performance incentive	53,454,596	123,923,138	44,772,084	82,757,244
	<b>1,260,010,713</b>	<b>1,360,531,402</b>	<b>863,522,445</b>	<b>917,645,562</b>
<b>24 Rent, taxes, insurance, electricity etc.</b>				
See accounting policy in note (2.37)				
* Office rent	27,461,348	9,843,474	27,461,348	9,843,474
Insurance premium	17,716,156	20,518,545	10,114,912	12,143,304
Electricity	26,127,391	24,087,005	15,617,430	15,217,535
	<b>71,304,896</b>	<b>54,449,024</b>	<b>53,193,691</b>	<b>37,204,312</b>
*As adoption of IFRS 16, Office rent expense has been charged through depreciation of Right of Use Assets and Interest on Lease liability (disclosed in note 18.1). Some short term leases has not been recognized as asset and liability as per IFRS 16 rather charged as expenses as per IFRS 16. Office Rent amount of BDT 27,461,348 reflects those short term leases.				
<b>25 Legal and professional fees</b>	<b>61,141,532</b>	<b>48,597,285</b>	<b>51,688,667</b>	<b>39,069,177</b>
See accounting policy in note (2.37)				
<b>26 Postage, stamp, telecommunication etc.</b>				
See accounting policy in note (2.37)				
Postage and courier	1,594,285	2,882,064	1,162,940	2,425,953
Stamp charges	3,261,603	2,741,060	3,232,828	2,689,898
Telephone bill	19,371,732	20,519,841	13,625,557	15,376,149
	<b>24,227,620</b>	<b>26,142,965</b>	<b>18,021,325</b>	<b>20,492,000</b>
<b>27 Stationery, printing, advertisement</b>				
See accounting policy in note (2.37)				
Printing and stationery	25,708,293	25,418,844	19,870,236	18,964,498
Advertisement	36,621,801	31,047,684	33,098,134	26,459,114
	<b>62,330,093</b>	<b>56,466,527</b>	<b>52,968,369</b>	<b>45,423,611</b>
<b>28 Managing director's salary and allowance</b>				
See accounting policy in note (2.37.1) and (2.38)				
Salary and allowances	13,340,000	14,340,000	13,340,000	14,340,000
Provident fund contribution	311,226	804,000	311,226	804,000
Gratuity fund	258,822	670,000	258,822	670,000
	<b>13,910,048</b>	<b>15,814,000</b>	<b>13,910,048</b>	<b>15,814,000</b>
<b>29 Directors' fees and expenses</b>				
See accounting policy in note (2.37)				
Board meeting and audit committee attendance fees	2,922,200	2,909,213	836,600	642,400
Other financial benefits	-	-	-	-
	<b>2,922,200</b>	<b>2,909,213</b>	<b>836,600</b>	<b>642,400</b>
<b>30 Auditors' fees</b>	<b>1,312,750</b>	<b>1,279,046</b>	<b>690,000</b>	<b>690,000</b>
See accounting policy in note (2.37)				
<b>31 Repairs, maintenance and depreciation</b>				
See accounting policy in note (2.22.3) and (2.37)				
Repairs and maintenance	6,776,262	6,942,250	5,645,866	3,988,360
Software maintenance	86,514,323	72,593,591	66,056,380	59,450,491
Depreciation and amortization	304,354,175	278,472,267	192,773,675	173,191,150
	<b>397,644,760</b>	<b>358,008,107</b>	<b>264,475,921</b>	<b>236,630,000</b>

	LankaBangla Group		LankaBangla Finance PLC	
	December 2023 Taka	December 2022 Taka	December 2023 Taka	December 2022 Taka
<b>32 Other expenses</b>				
See accounting policy in note (2.37)				
Bank charges	7,480,185	6,153,302	3,363,483	2,073,045
Business promotion	112,813,950	86,747,833	103,348,701	74,621,280
CDBL fee	23,529,222	34,575,180	766,567	27,453
Certification fee	2,564,040	3,918,425	2,564,040	3,918,425
CIB Charge	4,405,558	5,683,920	4,405,558	5,683,920
Commission of bank guarantee	4,687,130	5,435,464	-	-
Commission on mobile banking transaction	605,323	914,367	605,323	914,367
Computer accessories	588,606	5,617,532	581,706	5,610,879
Contact point verification fee	3,100,960	4,956,100	3,100,960	4,956,100
Conveyance	9,897,671	9,119,401	9,606,683	8,850,579
Cost of Newspaper, P. S Plates & Polyester film	31,309,496	25,905,600	-	-
Credit card accessories	4,979,737	7,797,062	4,979,737	7,797,062
Donation and miscellaneous expenses	1,083,651	977,565	935,608	316,187
Educational expense reimbursements	495,131	161,335	474,658	145,225
Entertainment	17,015,080	16,426,890	6,305,882	5,911,044
Excise duty	8,227,798	6,335,700	7,608,298	5,708,700
Factory overhead	131,987,902	101,921,630	-	-
Fair and conference	628,900	17,110	-	-
Fuel expense	3,999,562	3,888,511	2,395,769	2,465,731
HR event	1,180,440	3,602,253	1,180,440	3,602,253
Internet and e-mail	30,854,515	22,118,285	20,652,181	13,485,673
IT Security Service	2,426,108	3,080,240	2,426,108	3,080,240
Laga charges	39,103,095	60,362,763	-	-
Contribution to workers' profit participation fund	4,215,991	3,341,728	4,215,991	3,341,728
LB foundation	2,757,974	5,133,338	1,716,642	1,802,920
Loss on sales of fixed asset	191,844	1,031,082	98	882,593
Marketing expenses	2,547,619	13,932,384	2,547,619	13,932,384
Master Card Consolidated Billing System charges (MCBS)	40,882,988	30,769,101	40,882,988	30,769,101
Master Card-Stand By Letter of Credit issuance charge (SBLC)	8,280,521	5,271,130	8,280,521	5,271,130
Meeting expense	96,412	159,901	96,412	159,901
Membership and regulatory fees	8,077,976	7,803,010	4,816,486	3,699,634
Networking charge	505,123	458,190	-	-
News paper and periodicals	627,443	502,686	314,803	359,981
Office maintenance	84,112,270	86,036,421	60,610,651	65,115,512
OMS Expense	9,560,000	792,336	-	-
Other expense	300,526	656,223	-	-
Other operational expenses credit card	12,970,414	4,950,534	12,970,414	4,950,534
Recovery commission	725,568	3,578,093	725,568	3,578,093
Recruitment expense	407,181	66,037	407,181	66,037
Selling & distribution expenses	17,258,307	24,623,234	-	-
SMS service charge	8,798,631	7,616,027	8,798,631	7,616,027
Staff welfare	5,859	66,320	5,859	66,320
Subscription	4,572,787	13,586,100	-	-
Training	10,642,142	7,962,931	9,499,637	6,970,556
Travelling	45,979,558	46,559,797	39,370,366	39,453,003
Vehicle maintenance/registration	62,859,965	59,553,565	31,464,756	30,932,473
Water and sewerage bill	2,772,642	3,037,200	1,735,500	1,969,755
	<b>777,675,667</b>	<b>743,818,837</b>	<b>409,212,580</b>	<b>370,420,845</b>
<b>33 Provisions for loans, investments and off-balance sheet exposures and other assets</b>				
See accounting policy in note (2.28)				
Provisions for leases and loans	<b>763,460,665</b>	<b>540,575,865</b>	<b>793,794,974</b>	<b>540,575,865</b>
General provision	464,547,570	56,550,922	494,881,879	56,550,922
Special General provision for COVID-19	-	(57,663,335)	-	(57,663,335)
Specific provision	298,913,095	541,688,278	298,913,095	541,688,278
Provision for margin loan	(1,888,145)	(2,193,768)	-	-
Provision for diminution in value of investments	49,807,926	159,412,082	39,211,958	115,450,686
General provision for Off-Balance Sheet Exposure	73,480	(1,198,296)	73,480	(1,198,296)
Provision for other assets	1,797,718	(500,000)	3,297,718	-
	<b>813,251,643</b>	<b>696,095,883</b>	<b>836,378,130</b>	<b>654,828,254</b>
<b>34 Provision for tax made during the year</b>				
See accounting policy in note (2.39)				
<b>Current tax expense:</b>				
Current income tax charge	357,443,402	282,664,913	242,506,407	125,167,444
Adjustment in respect of current income tax of prior year	-	-	-	-
	<b>357,443,402</b>	<b>282,664,913</b>	<b>242,506,407</b>	<b>125,167,444</b>

	LankaBangla Group		LankaBangla Finance PLC	
	December 2023 Taka	December 2022 Taka	December 2023 Taka	December 2022 Taka
<b>Deferred tax expense/(income):</b>				
Origination and reversal of temporary difference	1,920,229	2,532,753	-	-
Changes in tax rate	-	-	-	-
	<u>1,920,229</u>	<u>2,532,753</u>	<u>-</u>	<u>-</u>
<b>Income tax expense reported in profit and loss account</b>	<b><u>359,363,631</u></b>	<b><u>285,197,666</u></b>	<b><u>242,506,407</u></b>	<b><u>125,167,444</u></b>
<b>34.1 Reconciliation of current income tax charge</b>			<b>Regular tax</b>	<b>Gross receipts</b>
<b>Taxable Income or Gross receipts</b>			-	<b>7,678,166,729</b>
Applicable tax rate*			37.50%	0.60%
Income tax charge as per applicable tax rate			-	46,069,000
Reduction in tax rate			-	-
<b>Factors affecting the tax charge for current year:</b>				
Tax on reduced tax rates for dividend income			24,774,163	-
Tax on reduced tax rates for capital gain			217,732,244	-
Additional tax charge for minimum tax under section 163			-	79,098,444
Changes in estimates related to prior year			-	-
			<b><u>242,506,406</u></b>	<b><u>125,167,444</u></b>
*As there was business loss for tax charge for the year ended 31 December 2023, LankaBangla Finance PLC provided for current tax expense as per Section 163 of the Finance Act 2023.				
**The Group's tax charge is the accumulation of tax charged separately in individual financial statements of the Group companies.				
<b>35 Earnings Per Share (EPS)</b>				
See accounting policy in note (2.41)				
Earning attributable to ordinary shareholders	377,512,436	649,812,556	169,947,529	178,489,067
Weighted number of shares outstanding (Note- 35.1)	538,838,623	538,838,623	538,838,623	538,838,623
<b>Basic earnings per share</b>	<b><u>0.70</u></b>	<b><u>1.21</u></b>	<b><u>0.32</u></b>	<b><u>0.33</u></b>
<b>35.1 Outstanding number of shares for the year ended 31 December 2023</b>				
Weighted number of shares outstanding	538,838,623	538,838,623	538,838,623	538,838,623
	<b><u>538,838,623</u></b>	<b><u>538,838,623</u></b>	<b><u>538,838,623</u></b>	<b><u>538,838,623</u></b>
<b>36 Net asset value per share- (NAV)</b>				
Net asset value	10,138,882,800	10,787,714,540	9,499,836,877	11,168,525,945
Weighted number of shares outstanding (Note- 35.1)	538,838,623	538,838,623	538,838,623	538,838,623
	<b><u>18.82</u></b>	<b><u>20.02</u></b>	<b><u>17.63</u></b>	<b><u>20.73</u></b>
<b>37 Net Operating Cash Flows Per Share - (NOCFPS)</b>				
Net cash flows/(used in) from operating activities	653,246,821	(6,784,882,678)	(374,489,876)	(6,160,619,242)
Weighted number of shares outstanding (Note- 35.1)	538,838,623	538,838,623	538,838,623	538,838,623
	<b><u>1.21</u></b>	<b><u>(12.59)</u></b>	<b><u>(0.69)</u></b>	<b><u>(11.43)</u></b>
<b>37.1 Reconciliation of net profit before tax with net cash flows from operating activities</b>				
The following reconciliation has been provided as per No. BSEC/CMRRCD/2006-158/208/Admin/81 Dated : 20 June 2018				
<b>Profit before tax</b>	<b>752,126,080</b>	<b>946,573,655</b>	<b>412,453,936</b>	<b>303,656,511</b>
Adjustments:				
Depreciation and amortization	313,320,769	287,588,471	192,773,675	173,191,150
(Gain)/Loss on sale of fixed assets	(649,705,648)	(5,049,306)	(649,820,396)	198,837
Provision for loans, leases and advances & investments	813,251,643	696,095,883	836,378,130	654,828,254
Interest Income from Treasury bill and Bond	(119,929,127)	(19,312,328)	(117,394,825)	(19,312,328)
Revaluation gain/(loss) from Investment property	-	-	-	-
Foreign exchange (gain)/loss	(15,245)	(18,847)	(15,245)	(18,847)
	<b><u>1,109,048,471</u></b>	<b><u>1,905,877,528</u></b>	<b><u>674,375,275</u></b>	<b><u>1,112,543,577</u></b>
<b>Increase/(decrease) in operating assets &amp; liabilities</b>				
Loans and advances to customers	(787,593,329)	(2,381,936,835)	(714,831,556)	(2,724,292,644)
Other assets	(158,495,882)	59,522,154	(138,689,065)	121,980,566
Deposits from customers and others	(685,352,624)	(4,768,874,252)	(1,214,948,505)	(4,524,553,923)
Other liabilities	1,550,178,466	(1,119,244,299)	1,265,387,186	138,811,654
	<b><u>1,027,785,103</u></b>	<b><u>(6,304,655,704)</u></b>	<b><u>(128,706,664)</u></b>	<b><u>(5,875,510,771)</u></b>
Income tax paid	(374,538,281)	(480,226,974)	(245,783,212)	(285,108,471)
<b>Net Cash flows from/(used in) Operating Activities</b>	<b><u>653,246,821</u></b>	<b><u>(6,784,882,678)</u></b>	<b><u>(374,489,876)</u></b>	<b><u>(6,160,619,242)</u></b>

## 38. Segment report

### 38.1. Basis for segmentation

The Group has the following four strategic divisions, which are reportable segments. These divisions offer different products and services, and are managed separately based on the Group's management and internal reporting structure.

Reportable Segments	Operations
Core Financing Business	Fees based services include Credit Card Membership Fees, Loan processing fees etc. Fund based services include Lease Finance, Term Finance, Real Estate Finance, Hire Purchase, Credit Card Operation, CMSME, Auto loan, Personal Loan, Emerging and Commercial, Syndication Finance, Revolving Credit, Loan against Deposit, and Staff Loan etc.
Brokerage Business	Act as a member of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited to carry on the business of brokers or dealers in stocks, shares and securities, commercial papers, bonds, debentures, debentures stocks, foreign currencies, treasury bills and/or any financial instruments.
Investment Business	Trading, margin loan and corporate finance activities
Asset Management Business	Fund management activities

The Group's Management Committee reviews internal management reports from each segment at least monthly.

### 38.2 Information about reportable segments

Information related to each reportable segment is set out below. Segment profit before tax, as included in internal management reports reviewed by the Group's management committee, is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to the other entities that operate within the same industries. Inter-segment pricing is determined on an arm's length basis.

Amount in  
Taka

Particulars	For the year ended 31 December 2023				
	Core Financing Business	Brokerage Business	Investment Business	Asset Management Business	Consolidated
<b>Revenue from external customers</b>					
Interest revenue	6,485,415,940	447,441,320	37,696,624	1,274,224	6,971,828,107
Revenue from investment	758,081,022	99,692,060	59,661,649.02	20,289,344	937,724,076
Commission, exchange and brokerage income	-	480,021,880	4,781,790	-	484,803,670
Other operational income	1,171,750,466	239,550,265	15,749,093	19,541,309	1,446,591,133
<b>Total revenue from external customers</b>	<b>8,415,247,428</b>	<b>1,266,705,525</b>	<b>117,889,156</b>	<b>41,104,877</b>	<b>9,840,946,986</b>
<b>Revenues from transactions with other operating segments of the same entity :</b>					
Interest revenue	-	-	21,594,539	5,559,896	27,154,435
Revenue from investment	-	-	8,932,257	11,704,470	8,932,257
Other operational income	-	-	-	5,000,000	5,000,000
<b>Total revenues from transactions with other operating segments of the same entity</b>	<b>-</b>	<b>-</b>	<b>30,526,796</b>	<b>22,264,366</b>	<b>41,086,692</b>
<b>Total segment revenue</b>	<b>8,415,247,428</b>	<b>1,266,705,525</b>	<b>148,415,952</b>	<b>63,369,243</b>	<b>9,882,033,678</b>
<b>Interest expenses</b>					
Segment interest expenses	5,378,192,808	195,672,972	752,619	687,581	5,575,305,982
Expenses from transactions with other operating segments of the same entity	59,702,907	-	-	-	59,353,613
<b>Total segment interest expenses</b>	<b>5,437,895,715</b>	<b>195,672,972</b>	<b>752,619</b>	<b>687,581</b>	<b>5,634,659,595</b>
<b>Operating expenses</b>					
Segment operating expenses	1,662,463,266	833,568,481	60,926,078	33,524,214	2,590,482,039
Expenses from transactions with other operating segments of the same entity	-	-	-	5,000,000	5,000,000
<b>Total segment operating expenses</b>	<b>1,662,463,266</b>	<b>833,568,481</b>	<b>60,926,078</b>	<b>38,524,214</b>	<b>2,595,482,039</b>
<b>Depreciation and amortization</b>	<b>66,056,380</b>	<b>19,651,367</b>	<b>239,400</b>	<b>567,176</b>	<b>86,514,323</b>
<b>Net operating income</b>	<b>1,248,832,066</b>	<b>217,812,705</b>	<b>86,497,855</b>	<b>23,590,272</b>	<b>1,565,377,722</b>
<b>Material non-cash items other than depreciation and amortisation</b>					
Provisions for loans, investments and other assets	806,043,821	-1,888,145	3,500,000	5,595,968	813,251,643
<b>Profit before tax and reserve</b>	<b>442,788,246</b>	<b>219,700,850</b>	<b>82,997,855</b>	<b>17,994,304</b>	<b>752,126,079</b>

Provision for tax made during the year	242,506,407	101,955,548	8,476,102	4,505,344	357,443,402
Deferred tax (expense)/ Income	-	2,857,628	(1,207,195.72)	269,797	1,920,229
	<b>242,506,407</b>	<b>104,813,176</b>	<b>7,268,907</b>	<b>4,775,141</b>	<b>359,363,631</b>
<b>Net profit after tax</b>	<b>200,281,839</b>	<b>114,887,674</b>	<b>75,728,948</b>	<b>13,219,163</b>	<b>392,762,448</b>
Total segment assets	87,476,193,456	11,869,211,016	2,834,334,612	1,187,540,732	103,367,279,816
Inter segmental assets	1,034,905,695	-	6,902,913	14,469	1,041,823,076
<b>Net segment assets</b>	<b>86,441,287,761</b>	<b>11,869,211,016</b>	<b>2,827,431,700</b>	<b>1,187,526,263</b>	<b>102,325,456,740</b>
Amount of addition to non-current fixed assets	636,340,651	301,910,853	12,518,742.26	12,207,100.39	962,977,347
Segment capital employed	9,499,836,876	5,742,294,945	1,040,963,040	602,829,339	16,885,924,200
Segment liability	74,656,356,577	5,087,807,465	1,793,371,574	584,711,393	82,122,247,009
Inter segmental liabilities	3,320,000,000	1,039,108,607	-	-	4,359,108,607
<b>Total segmental liability</b>	<b>87,476,193,453</b>	<b>11,869,211,017</b>	<b>2,834,334,613</b>	<b>1,187,540,732</b>	<b>103,367,279,816</b>

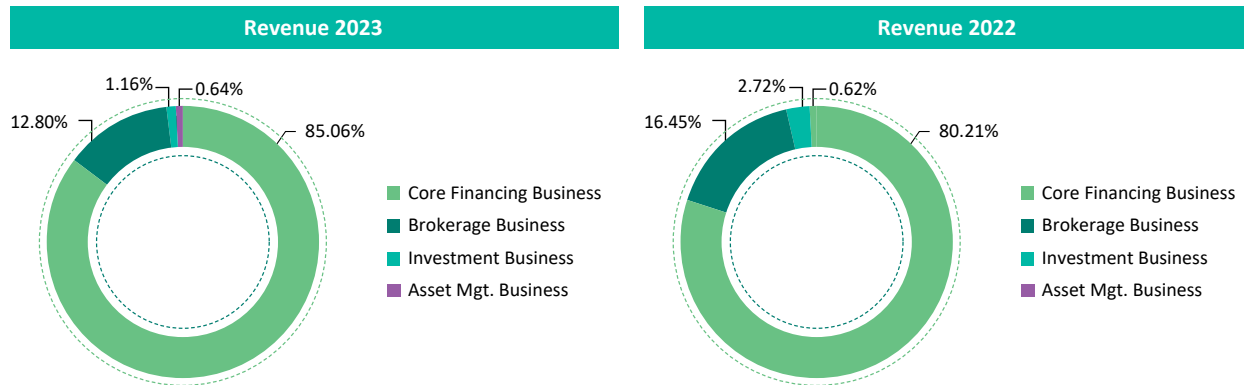
Amount in Taka

Particulars	For the year ended 31 December 2022				Consolidated
	Core Financing Business	Brokerage Business	Investment Business	Asset Management Business	
<b>Revenue from external customers</b>					
Interest revenue	6,709,751,727	432,646,310	54,028,461	1,051,395	7,197,477,894
Revenue from investment	281,421,185	126,160,751	125,922,645	17,397,018	550,901,600
Commission, exchange and brokerage income	-	766,479,431	10,894,976	-	777,374,407
Other operational income	541,103,190	214,957,736	20,417,336	22,206,035	798,684,297
<b>Total revenue from external customers</b>	<b>7,532,276,102</b>	<b>1,540,244,228</b>	<b>211,263,419</b>	<b>40,654,449</b>	<b>9,324,438,198</b>
<b>Revenues from transactions with other operating segments of the same entity :</b>					
Interest revenue	1,803,468	-	32,833,316	15,702,639	50,339,423
Revenue from investment	-	-	11,166,667	-	11,166,667
Other operational income	-	4,620,000	-	2,200,000	6,820,000
<b>Total revenues from transactions with other operating segments of the same entity</b>	<b>1,803,468</b>	<b>4,620,000</b>	<b>43,999,983</b>	<b>17,902,639</b>	<b>68,326,090</b>
<b>Total segment revenue</b>	<b>7,534,079,570</b>	<b>1,544,864,228</b>	<b>255,263,401</b>	<b>58,557,088</b>	<b>9,392,764,288</b>
<b>Interest expenses</b>					
Segment interest expenses	4,830,883,629	181,433,213	842,031	593,380	5,013,752,253
Revenues from transactions with other operating segments of the same entity	60,679,269	1,803,468	-	-	61,610,008
<b>Total segment interest expenses</b>	<b>4,891,562,899</b>	<b>183,236,681</b>	<b>842,031</b>	<b>593,380</b>	<b>5,075,362,262</b>
<b>Operating expenses</b>					
Segment operating expenses	1,624,581,416	864,763,655	74,709,917	35,883,910	2,599,938,898
Inter segment operation expenses	-	-	-	2,200,000	2,200,000
<b>Total segment operation expenses</b>	<b>1,624,581,416</b>	<b>864,763,655</b>	<b>74,709,917</b>	<b>38,083,910</b>	<b>2,602,138,898</b>
<b>Depreciation and amortization</b>	<b>59,450,491</b>	<b>11,879,202</b>	<b>288,200</b>	<b>975,698</b>	<b>72,593,591</b>
<b>Net operating income</b>	<b>958,484,765</b>	<b>484,984,690</b>	<b>179,423,252</b>	<b>18,904,100</b>	<b>1,642,669,538</b>
<b>Material non-cash items other than depreciation and amortisation</b>					
Provision for leases, loans and advances / investments	654,828,254	-	28,646,399	12,621,230	696,095,883
<b>Profit before tax and reserve</b>	<b>303,656,511</b>	<b>484,984,690</b>	<b>150,776,854</b>	<b>6,282,870</b>	<b>946,573,655</b>
Provision for tax made during the year	125,167,444	144,842,516	9,803,338	2,851,615	282,664,913
Deferred tax (expense)/ Income	-	1,779,517	607,576	145,660.95	2,532,753
	<b>125,167,444</b>	<b>146,622,033</b>	<b>10,410,914</b>	<b>2,997,276</b>	<b>285,197,666</b>
<b>Net profit after tax</b>	<b>178,489,067</b>	<b>338,362,658</b>	<b>140,365,940</b>	<b>3,285,594</b>	<b>661,375,989</b>
Total segment assets	85,934,092,812	11,337,739,848	2,833,966,097	1,064,995,756	101,170,794,513
Inter segmental assets	8,813,958,232	-	658,514,876	851,589,187	10,324,062,296
<b>Net segment assets</b>	<b>77,120,134,580</b>	<b>11,337,739,848</b>	<b>2,175,451,221</b>	<b>213,406,568</b>	<b>90,846,732,218</b>
Amount of addition to non-current assets	396,762,722	148,412,229	1,789,418	14,717,900	561,682,270
Segment capital employed	11,168,525,945	5,722,863,471	965,234,091	991,770,472	18,848,393,979
Segment liability	73,878,611,373	5,608,319,333	292,064,857	73,225,284	79,852,220,847
Inter segmental liabilities	886,955,492	6,557,046	1,576,667,150	-	2,470,179,688
<b>Total segmental liability</b>	<b>85,934,092,810</b>	<b>11,337,739,849</b>	<b>2,833,966,098</b>	<b>1,064,995,756</b>	<b>101,170,794,514</b>

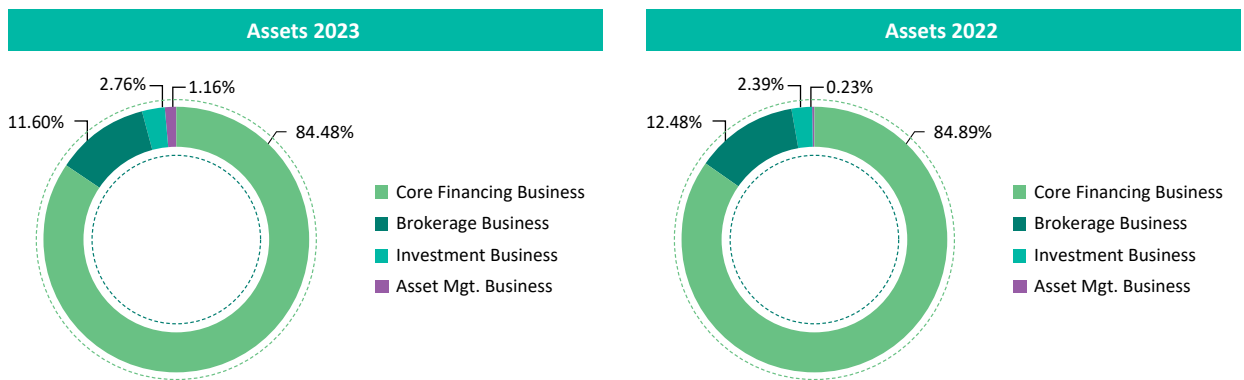


### 38.2 Information about reportable segments (continued)

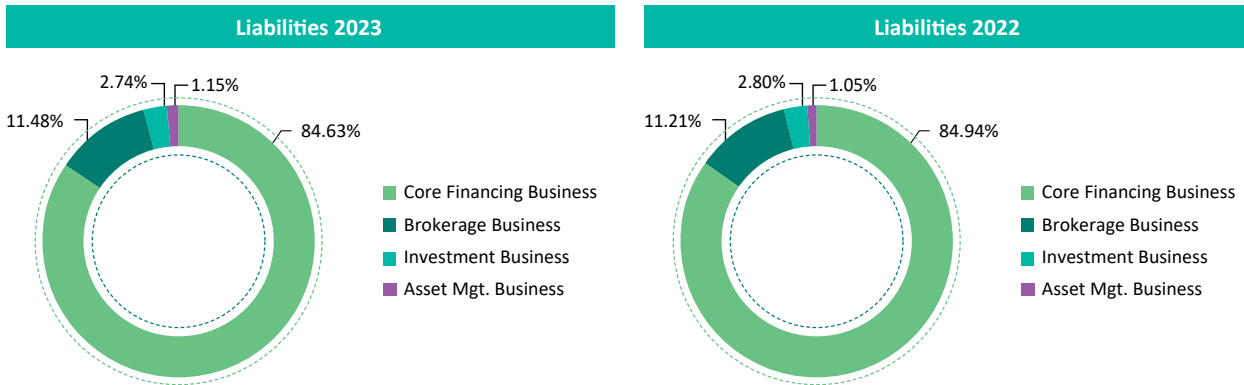
#### Revenue



#### Assets



#### Liabilities



### 39. Group subsidiaries

#### 39.1 List of significant subsidiaries

The table below provides details of the significant subsidiaries of the Group

Sl.	Name	Place of business	Ownership Interest
1	LankaBangla Securities Limited	Bangladesh	86.8893258%
2	LankaBangla Investments Limited	Bangladesh	99.9999975%
3	LankaBangla Asset Management Company Limited	Bangladesh	99.9998943%
4	LankaBangla Information System Limited	Bangladesh	86.7155471%
5	BizBangla Media Limited	Bangladesh	83.9571776%

#### 39.2 Financial support given to structured entities

All the transactions with or among the subsidiaries are arms length transactions and are properly disclosed in the related party disclosure (**Note-39**). Other than those no other financial support has been given to any of the subsidiaries during the period YTD December 2023.

#### 39.3 Significant restrictions

The Group does not have any significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory framework within which financial subsidiaries operate. The regulatory frameworks require financial organizations to keep certain level of regulatory capital and liquid assets, limit their exposure to other parts of the Group and comply with other ratios.

#### 39.4 Non-controlling interest (NCI) in subsidiaries

Name	% of NCI	Profit allocated to NCI	
		December 2023 Taka	December 2022 Taka
LankaBangla Securities Limited	13.111%	13,689,873	10,977,784
LankaBangla Investments Limited	0.000%	2	4
LankaBangla Asset Management Company Limited	0.000%	(411)	3
LankaBangla Information System Limited	13.284%	106,496	11,259
BizBangla Media Limited	16.043%	1,454,055	574,384
<b>Total</b>		<b>15,250,014</b>	<b>11,563,433</b>

**40. Related party disclosure**

i. Names of the Directors along with list of entities in which they have interest are stated below:

Sl. #	Name of Director	Status in LankaBangla Finance PLC	Name of the firms/companies having interest as proprietor, partner, director, managing agent, guarantor, employee etc.	
1	Mr. Mohammad Abdul Moyeen	Chairman	1	Tropica Garments Ltd.
			2	WAC Logistics Limited
			3	Wings Ocean Freight Limited
			4	Standard Paper Products Limited
			5	Swift Logistics Services Limited
			6	The M & M Limited
			7	STS Capital Limited
			8	SG Logistics (Pvt.) Limited
			9	Wings Tours and Travels Limited
			10	CLS Logistics Limited
			11	Cross Freight Lines Limited
			12	Orchid Aviation Limited
			13	STS Holdings Limited
			14	Global Aviation Services Limited
			15	Global Ground Services
			16	Wings Express Limited
			17	Origin Solutions Limited
			18	Freight Options Limited
			19	BizBangla Media Limited
			20	Bengal Meat Processing Industries Limited
			21	Datafort Limited
			22	Wings Aviation Limited
			23	APS Logistics International Limited
			24	Innoweb Limited
			25	First Forwarding Limited
			26	ANYESHAN Limited
			27	Expo Holdings (BD) Limited
			28	AVS Cargo Management Services Ltd.
			29	ZENOV BPO Ltd.
			30	Rajshai Agro Fisheries Complex (Pvt.) Ltd
			31	LankaBangla Information System Limited
			32	Aeroness International Ltd.
			33	Meat Products Limited
			34	Bangal Meat Distribution Limited
			35	Bengal Cattle Breeding & Fattening Farms Limited
			36	Bengal Goat Breeding Farms Limited
			37	LankaBangla Asset Management Company Limited
			38	Uniwold Logistics Limited
			39	Air Line Cargo Resources Ltd.
			40	LankaBangla Investments Limited
			41	LankaBangla Securities Limited
			42	Air Lines Services Ltd.
			43	Allied Aviation Bangladesh Limited
			44	Arrow Aviation Limited
			45	Cargo Center Limited
			46	Colloid Enterprises Limited

Sl. #	Name of Director	Status in LankaBangla Finance PLC	Name of the firms/companies having interest as proprietor, partner, director, managing agent, guarantor, employee etc.	
			47	Expo Express Services Limited
			48	Expo Freight Limited
			49	InfoSapex Limited
			50	Joules Power Limited
			51	Technaf Solartech Energy Limited
			52	Voytech Limited
			53	Wings Spence Aviation Limited
			54	Wings Travels Limited
			55	Forseti Logistics Ltd.
			56	Sigma Powertech Ltd.
<b>2</b>	<b>Mr. Nanda Fernando</b> (Representing Sampath Bank PLC)	<b>Director</b>	1	Lanka Financial Services Bureau Limited
			2	Lanka Clear (Pvt.) Limited
<b>3</b>	<b>Mr. Mahbul Anam</b>	<b>Director</b>	1	Expolanka Bangladesh Limited
			2	Allied Aviation (BD) Limited
			3	BizBangla Media Limited
			4	Bengal Meat Processing Industries Limited
			5	Expo Freight Limited
			6	Freight Care Aviation Services Limited
			7	Global Aviation Services Limited
			8	LankaBangla Securities Limited
			9	Standard Paper Products Limited
			10	STS Capitals Limited
			11	SG Logistics (Pvt.) Limited
			12	STS Holdings Limited
			13	Bollere Logistics (BD) Limited
			14	The M & M Limited
			15	Tropica Garments Limited
			16	Voyager Aviation Services Limited
			17	WAC Logistics Limited
			18	Wings Ocean Freight Limited
			19	Wings Spence Aviation Limited
			20	Aramex Dhaka Limited
			21	Rajshai Agro Fisheries Complex (Pvt.) Ltd
			22	Cross Freight Limited
			23	Cargo Center Limited
			24	Innoweb Limited
			25	ANYESHAN Limited
			26	Expo Holdings (BD) Limited
			27	Aristeus Agriculture Limited
			28	Masco International Limited
			29	Orchid Aviation Limited
			30	Arrow Aviation Limited
			31	Schenker Logistics Bangladesh Limited
			32	LankaBangla Investments Limited
			33	LankaBangla Information System Limited
			34	Good Alliances Services Ltd.
			35	Aeroness International

Sl. #	Name of Director	Status in LankaBangla Finance PLC	Name of the firms/companies having interest as proprietor, partner, director, managing agent, guarantor, employee etc.	
			36	Freight Concept Bangladesh Ltd.
			37	LankaBangla Asset Management Company Limited
			38	Air Line Cargo Resources Ltd.
			39	Air Lines Services Ltd.
			40	Bay Cargo Centre Limited
			41	Colloid Enterprises Limited
			42	Cross Freight Lines Limited
			43	Expo Express Services Ltd.
			44	Joules Power Limited
			45	Technaf Solartech Energy Limited.
			46	Voytech Limited
			47	Wings Travels Limited
			48	Wings Express Limited
			49	InfoSapex Limited
4	<b>Mrs. Aneesha Mahial Kundanmal</b>	<b>Director</b>	1	Royal Park Residence Hotel
5	<b>Mr. Tahsinul Huque</b>	<b>Director</b>	N/A	
6	<b>Mr. M. Fakhru Alam</b>	<b>Independent Director</b>	N/A	
7	<b>Mr. Ahmad Ahsanul Munir</b>	<b>Independent Director</b>	N/A	

ii)	Significant contracts where Company is a party and wherein Directors have interest during the year 2023	NIL
-----	---	-----

iii)	Shares issued to Directors and Executives without consideration or exercisable at a discount	NIL
------	--	-----

**iv) Related party transactions**

The company in normal course of business has entered into transactions with other individuals/entities that fall within definition of related party contained in International Accounting Standards-24 (Related Party Disclosures) as noted below:

SL No.	Name of Related Party	Relationship	% of Holding	Outstanding 01.01.2023	Amount of transaction during the year 2023		Outstanding 31.12.2023	Nature of Transaction	Outstanding balance present in note
					Debit	Credit			
1	Colloid Enterprises Limited	Concern related to Directors	-	15,096,160	295,050	1,180,467	15,981,578	TDR	11.1
2	Global Aviation Services Limited	Concern related to Directors	-	16,000,000	1,342,000	1,342,000	16,000,000	TDR	11.1
3	WAC Logistics Limited.	Concern related to Directors	-	53,197,500	185,667,714	184,170,214	51,700,000	TDR	11.1
4	Wings Tours and Travels Limited	Concern related to Directors	-	7,339,105	2,498,127	565,634	5,406,612	TDR	11.1
5	One Bank Limited	Concern related to Directors	-	1,321,604,167	901,215,473	781,165,473	1,201,554,167	TDR	11.1
6	LankaBangla Investment Limited	Subsidiary Company	99.99	519,297,758	413,671,079	52,296,447	157,923,125	TDR	11.1
7	LankaBangla Asset Management Limited	Subsidiary Company	99.99	270,405,000	247,928,265	39,302,015	61,778,751	TDR	11.1
8	LankaBangla Finance Limited-PF	Provident Fund of LBFL	-	318,711,999	164,027,686	162,490,531	317,174,844	TDR	11.1
9	LankaBangla Finance Limited-GF	Gratuity Fund of LBFL	-	85,866,252	375,532	6,010,638	91,501,358	TDR	11.1
10	One Bank Limited	Concern related to Directors	-	605,067,391	36,824,572,590	36,796,524,100	633,115,881	Interest, Non-interest bearing bank balance	5.1 & 5.2
11	One Bank Limited	Concern related to Directors	-	456,075,000	17,491,101	365,596,717	107,969,384	FDR	5.3
12	One Bank Limited	Concern related to Directors	-	-	-	-	-	Bond	6
13	LankaBangla Investment Limited	Subsidiary Company	99.99	120,933,333	39,196,609	8,997,617	90,734,341	Subordinate bond	10.1.6
14	LankaBangla Investment Limited	Subsidiary Company	99.99	145,592,720	28,000,000	9,656,262	127,248,983	Zero coupon bond	10.1.5
15	LankaBangla Asset Management Company Limited	Subsidiary Company	99.99	197,590,120	38,000,000	13,104,928	172,695,048	Zero coupon bond	10.1.5
16	LankaBangla Securities Limited	Subsidiary Company	86.89	15,000	-	15,000	-	Term loan	7.1.1
17	LankaBangla Investment Limited	Subsidiary Company	99.99	1,576,665,450	50,000	60,000,000	1,516,715,450	Term loan	7.1.1
18	LankaBangla Securities Limited	Subsidiary Company	86.89	1,749,237,023	4,147,607	189,475,776	1,563,908,853	Equity Investment at cost	9 & 15A
19	LankaBangla Asset Management Company Limited	Subsidiary Company	99.99	945,950,000	-	-	945,950,000	Equity Investment at cost	9 & 15A
20	LankaBangla Investment Limited	Subsidiary Company	99.99	2,404,999,940	-	-	2,404,999,940	Equity Investment at cost	9 & 15A
21	LankaBangla Securities Limited	Subsidiary Company	86.89	-	4,735,500	4,735,500	-	Lease of office premises	8.1.4.2, 10.1 & 23
22	BizBangla Media Limited	Sub-Subsidiary Company	83.96	1,525,200	5,554,825	4,697,625	668,000	Advertisement	26

v) Disclosure of transaction regarding Directors and their related concerns Disclosed above (iv)

vi) Lease agreement made with the Ex-Sponsor Director and Existing Depositor Director NIL

vii) Investment in the Securities of Directors and their related concern NIL

#### 41. Audit committee disclosures

As per clause number 3 (Ka) of Bangladesh Bank DFIM Circular No. 13 dated October 26, 2011 and clause number 2.2(b) of "Corporate Governance Code" Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 of Bangladesh Securities and Exchange Commission (BSEC) Audit Committee of LankaBangla Finance PLC (LBFPLC) was re-constituted through Board Circular No. 04/2023 dated 7 July 2023.

Sl. #	Name of Member	Status in the Organization	Status in the Committee	Educational Qualification
1	Mr. Ahmad Ahsanul Munir	Independent Director	Chairman	MBA from Indiana University, Fort Wayne, USA.
2	Mr. Nanda Fernando	Director	Member	MBA degree specializing in Marketing from Sikkim Manipal University, India.
3	Mr. Mahbubul Anam	Director	Member	B. Sc. In Mechanical Engineering from BUET
4	Mr. M. Fakhrul Alam	Independent Director	Member	MBA from Institute of Business Administration (IBA) of Dhaka University

The Company Secretary acts as Secretary of the Audit committee of the Board.

During the year 2023, the Audit Committee conducted 5 (five) meetings in which, among other things, the following issues were reviewed/discussed:

- The integrity of the financial statements of LBFPLC and its subsidiaries;
- The Company's external auditors' qualifications and independence,
- Performance and effectiveness of the Company's internal and external audits,
- Internal controls and the measurement of operational risk,
- Compliance by the Company with legal and regulatory requirements.
- Examine any matter relating to the financial and other connected issues to the Company.
- Monitor all internal and external audit and Bangladesh Bank's inspection program.
- Review the efficiency of internal control systems and procedures, in place.
- Review the quality of accounting policies and their adherence to statutory and regulatory compliance.
- Review the Company's annual report and accounts and interim financial statements prepared for disclosure, before submission to the Board.
- Ensure that a well-managed sound financial reporting system is in place to provide timely reliable information to the Board of Directors, regulatory authorities, management and all other stakeholders.
- Ensure Company's policies are firmly committed to the highest standards of good corporate governance practices and operations conform to the highest ethical standards and in the best interests of all stakeholders.

#### 42. Impact of inflation and changing prices

Financial Institutions are affected differently by inflation than those of industrial ventures. While industrial and manufacturing companies generally have significant investments in inventories and fixed assets, financial institutions ordinarily do not have such investment. As a result, financial institutions are generally in a better position than industrial ventures to respond to inflationary trends by monitoring the spread between interest cost and interest income yields through adjustments of maturities and interest rates of assets and liabilities.

Financial statements presented herein have been prepared in accordance with International Accounting Standards and International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), which required the measurement of the financial position and operating results in terms of historical costs. However, in some cases, particular IAS/IFRS specifically suggests to measure some assets/liabilities at fair value. Such as IFRS 9 requires equity investments to be measured at fair value.

#### 43. Others Disclosure

##### a) Reasons for significant variances in Net Profit after Tax

Consolidated Net Profit after tax for the year 2023 was BDT 392.76 million which was 41% lower than that of 2022 (BDT 661.38 million). Reasons for the changes in profitability are as follows:

Name of the Company	YTD Dec 2023	YTD Dec 2022	Y-O-Y Growth		Major factors for variances in net profit after tax.
			Amount	%	
LankaBangla Finance PLC (LBF PLC)	169,947,530	178,489,067	(8,541,537)	(5%)	<p>Due to higher cost of fund and higher dollar rate total interest expense including foreign loan increased by BDT 546,332,816 in the year 2023 compared to 2022 whereas interest income reduced BDT 226,139,256 in the same compared year due to reduce of interest margin in extreme competitive market.</p> <p>Income from investment has increased by BDT 476,659,837 during 2023 compared to 2022. Out of which capital gain realized BDT 399,381,341 from the sale of shares of the subsidiary (LBSL). Other operational income has increased by BDT 630,647,276 in 2023 compared to the previous year. Here the primary reason behind this variance is the gain from sale of land and building.</p> <p>Total operating expenses of LBFPLC increased by BDT 44,751,279 during 2023 compared to 2022. The reason behind this variance is the increase of repairs, maintenance and depreciation of fixed asset and business promotional expenses. Provision for current tax is increased by BDT 117,338,963 in 2023 compared to the previous year due to increase taxable income.</p> <p>Provisions for loans, investments and other assets of LBFPLC increased by BDT 253,219,109 during the year 2023 compared to 2022. On the other hand, provision for diminution in value of investments reduced by BDT 76,238,727 in the year 2023 compared to 2022 due to floor price, provision for MTM loss against quoted securities in 2023 has decreased. On the contrary in 2022 provision was significantly higher for significant decrease of DSEX index.</p>



Name of the Company	YTD Dec 2023	YTD Dec 2022	Y-O-Y Growth		Major factors for variances in net profit after tax.
			Amount	%	
LankaBangla Securities Limited (LBSL)	114,887,675	338,362,658	(223,474,983)	(66%)	<p>As overall daily turnover in stock exchanges decreased, LBSL's main source of income "Brokerage Commission" decreased by BDT 286,457,551 in 2023 compared to 2022.</p> <p>Net interest income of LBSL increased by BDT 2,358,718 during 2023 in comparison to 2022 where debit balance of share trading clients contributed vastly.</p> <p>Income from investment of LBSL decreased by BDT 26,468,691 in 2023 compared to 2022. Alongside revenue from the print media business contributed positively to an increase in other operational income of BDT 19,972,529 in 2023 compared to 2022.</p> <p>In the year 2023, operating expenses slightly decreased BDT 23,423,009 due to adjustment of inflation. As income is decreased, relevant income tax expense has been decreased by BDT 41,808,857 in 2023 compared to 2022.</p>
LankaBangla Investment Limited (LBIL)	75,728,948	140,365,940	(64,636,992)	(46%)	<p>Net interest income of LBIL decreased by BDT 27,481,202 in the year 2023 compared to the year 2022 due to decreasing margin loans on low demand.</p> <p>As bearish capital market, income from the investment of LBIL decreased by BDT 68,495,406. Alongside, Commission, Exchange and Brokerage Income decreased by BDT 10,781,430 and other related operational income also decreased by BDT 4,668,243 during 2023 compared to 2022 with major contributions from Portfolio and issue management fees and Brokerage and Underwriting commission.</p> <p>Operational expenses decreased by BDT 13,832,640 during 2023 compared to 2022. As income is decreased, relevant income tax expense has been decreased by BDT 3,142,007 in 2023 compared to 2022.</p> <p>Provision of diminution value of investment decreased by BDT 26,340,167 during 2023 compared to 2022.</p>

Name of the Company	YTD Dec 2023	YTD Dec 2022	Y-O-Y Growth		Major factors for variances in net profit after tax.
			Amount	%	
LankaBangla Assets Management Company Limited (LBAMCL)	(388,941,132)	3,285,594	(392,226,727)	(11938%)	With the bearish capital market, net income from investment decreased by BDT 380,538,237. On the other hand, there was a increase in other operational income by BDT 135,274 during 2023 compared to 2022. Net interest income decreased by BDT 10,014,116 due to the encashment of TDR Tax expenses increased by BDT 1,777,866 due to increased dividend income in the year 2023 compared to 2022.
Intra Company Dividend	(11,704,470)	-	(11,704,470)	(100%)	In 2023 LBAMCL earned a cash dividend of BDT 11,704,470 from one of its subsidiaries/group companies (LankaBangla Securities Limited) which eliminated in consolidation but in 2022 there was no dividend from subsidiaries.
Intra Company provision elimination	432,494,604	-	432,494,604	100%	Elimination of provision in inter group investment in shares and loan.
Effect of Intra-Company Right of Use Asset & Lease Liability	349,293	872,730	(523,436)	(60%)	Effect of Intra-Group elimination for IFRS 16
<b>Consolidated Net Profit After Tax</b>	<b>392,762,448</b>	<b>661,375,989</b>	<b>(268,613,541)</b>	<b>(41%)</b>	<b>Overall, consolidated net profit after tax for the year ended 31 December 2023 was 41% lower compared to the year ended December 2022.</b>

**b) Variances in other parameters-Consolidated**

<b>Earnings per share</b>	0.70	1.21	(0.51)	(42%)	EPS reduced by BDT 0.51 from BDT 1.21 in 2022 to BDT 0.70 in 2023, due to: I. Decreased income from share investments, and fee, exchange, and brokerage income. II. Reduction of interest income caused by the imposition of rate cap by regulators that was not imposed during the year and slightly deteriorated assets quality due to post COVID-19 impact and Russia-Ukraine war. III. Increase of interest expenses because of realized foreign exchange loss.
<b>Net Operating Cash Flows Per Share - (NOCFPS)</b>	1.21	(12.59)	13.80	110%	The main reason, among others, is relatively less loan disbursement resulting in lower cash outflows than the previous year, resulting in Net Operating Cash Flows Per Share (NOCFPS) rising from (12.59) in 2022 to 1.21 in 2023.

<b>Net asset value per share- (NAV)</b>	18.82	20.02	(1.20)	(6%)	Due to the sale of shares of subsidiaries and disbursement of dividends, NAV decreased by 6% at the end of 2023.
---	-------	-------	--------	------	--

**c) Board meeting and directors' remuneration**

Each director is entitled to receive Tk. 8,000 for attending each Board Meeting. No other remuneration or special payment was made to the directors for attending the Board Meetings or otherwise during the year 2023. Nothing is due from any director of the Company as on the date of closing the accounts. During year under audit seven meetings of Board of Directors were held. Details are as under:

Sl. No.	Meeting No.	Date of Meeting	Number of presences
1	142 <sup>nd</sup> Board meeting	27 April 2023	6
2	143 <sup>rd</sup> Board meeting	15 May 2023	6
3	144 <sup>th</sup> Board meeting	26 July 2023	6
4	145 <sup>th</sup> Board meeting	15 October 2023	6
5	146 <sup>th</sup> Board meeting	29 October 2023	6
6	147 <sup>th</sup> Board meeting	17 December 2023	6
7	148 <sup>th</sup> Board meeting	28 December 2023	7

**Notes:**

- Directors who could not attend meetings were granted leave of absence by the Board.

**d) Meeting and directors' remuneration**

i) Executive Committee (EC) meeting and directors' remuneration

Each director is entitled to receive Tk. 8,000 for attending each meeting of the Executive Committee. No other remuneration or special payment was made to the directors for attending the meetings or otherwise during the year 2023. During the year under audit nine meetings of the Executive Committee were held. Details are as under:

Sl. No.	Meeting No.	Date of Meeting	Number of presences
1	108 <sup>th</sup> EC meeting	16 March 2023	4
2	109 <sup>th</sup> EC meeting	5 April 2023	4
3	110 <sup>th</sup> EC meeting	17 April 2023	4
4	111 <sup>th</sup> EC meeting	22 June 2023	3
5	112 <sup>th</sup> EC meeting	27 July 2023	3
6	113 <sup>th</sup> EC meeting	24 August 2023	3
7	114 <sup>th</sup> EC meeting	15 October 2023	3
8	115 <sup>th</sup> EC meeting	23 November 2023	4
9	116 <sup>th</sup> EC meeting	14 December 2023	4

**Notes:**

- Directors who could not attend meetings were granted leave of absence.

ii) Audit Committee meeting and directors' remuneration

Each director is entitled to receive Tk. 8,000 for attending each meeting of the Audit Committee. No other remuneration or special payment was made to the directors for attending the meetings or otherwise during the year 2023. During the year under audit five meetings of Audit Committee were held. Details are as under:

Sl. No.	Meeting No.	Date of Meeting	Number of presences
1	72 <sup>nd</sup> Audit Committee meeting	18 April 2023	3
2	73 <sup>rd</sup> Audit Committee meeting	10 May 2023	3
3	74 <sup>th</sup> Audit Committee meeting	24 July 2023	4
4	75 <sup>th</sup> Audit Committee meeting	14 September 2023	4
5	76 <sup>th</sup> Audit Committee meeting	29 October 2023	4

**Notes:**

- Directors who could not attend meetings were granted leave of absence.

#### e) Dividend Distribution Policy

This Dividend Distribution Policy has been prepared in line with the company's medium and long-term strategies, investment and financial plans, the state of the country's economy and the industry keeping the balance between the expectations of the shareholders and the needs of the Company into consideration. The Board of Directors of LankaBangla Finance PLC understands the importance of shareholders' confidence and trust in the Company. In order to preserve the same with transparency and to ensure that there is no conflict of interest or any apprehension in the minds of its shareholders, the Board of the Company, has adopted the Dividend Distribution Policy in accordance with directive no. BSEC/CMRRCD/2021-386/03 dated 14 January 2021 issued by Bangladesh Securities & Exchange Commission (BSEC).

#### Authority

This Policy has been adopted by the Board of LankaBangla Finance PLC in its 128th meeting held on March 10, 2021. The Policy will be reviewed by the Board as and when required.

#### Dividend Distribution

LBFPLC will distribute the approved dividend complying with guidelines of Bangladesh Securities Exchange Commission dated 14 January 2021 and any other guideline issued by the relevant regulator(s).

- LBFPLC shall pay dividend to the shareholders within 30 days of approval;
- LBFPLC shall pay cash dividend to the shareholders through bank accounts or through stock broker or merchant bank in case of margin clients or through security custodian in case of non-resident shareholders;
- After payment of dividend and issuance of tax certificate, all shareholders will be notified through SMS or email regarding payment of dividend;
- LBFPLC shall maintain detailed information of unpaid or unclaimed dividend and to disclose the summary in the annual report. A separate line item named "Unclaimed Dividend" will be inserted in the quarterly/ annual financial statements;
- LBFPLC shall publish in its website annual summary of unpaid or unclaimed dividend. Any unpaid or unclaimed dividend (including interest thereon after adjusting relevant bank charges) shall be transferred to a separate bank account within 1 year of approval of the dividend;
- LBFPLC shall credit stock dividend directly to the BO account within 30 days of approval. LBFPLC shall maintain a Suspense BO account for unclaimed stock dividend and send at least 3 reminders to shareholders, where applicable;
- Any unpaid or unclaimed dividend (including interest thereon after adjusting relevant bank charges) for a period of 3 years from approval shall be transferred to the Fund as may be prescribed by BSEC;
- If any stock dividend remains unclaimed or unsettled for 3 years from approval, such shares shall be transferred in dematerialized form to the BO account of the Fund to be established by BSEC; and
- After transferring of unclaimed cash or stock dividend to the Fund, if any claim arises from any shareholders, LBFPLC shall within 15 days of receiving such claim inform the Fund Manager about such claim after making necessary verification.

#### Review of the policy:

This policy will be reviewed by the Board as and when required to ensure that it meets the objectives of the relevant regulation and needs of the Company and remains effective.

#### Summary of unpaid/unclaimed dividend

In compliance with directive no. BSEC/CMRRCD/2021-386/03 dated 14 January 2021 of Bangladesh Securities & Exchange Commission (BSEC) clause no. 3(vii) summary of unpaid/unclaimed cash & stock dividend as on 31 December 2023 is given below:

Dividend year	Particulars	Cash	Stock	Remarks
2020-2022	Up to 3 years	39,936,804.10	0	-
2018-2019	Up to 2 years	-	-	BDT 6,397,373.04 and 922 stocks have been transferred to Capital Market Stabilization Fund as on 22 June 2023
2006-2017	More than 5 years & above	-	-	BDT 19,144,615 and 6,075 stocks have been transferred to Capital Market Stabilization Fund as on 23 September 2021

#### f) Event after the Reporting Period

##### a) Dividend Information

The Board of Director in its 152nd Meeting held on 12 August 2024 has recommended to the shareholders @10% of Cash Dividend for the year ended 31 December 2023. This will be considered for approval of shareholders at 27<sup>th</sup> Annual General Meeting (AGM) of the Company scheduled to be held on 29 September 2024. As per BB NOC No BFIM (S)/ 1055/30/2024-2144 dated 03 July 2024, The Company is restricted to distribute dividend from income of 445 loan IDs which is included in the retained earnings.

**b) Capital expenditure commitment**

There was no other material capital expenditure authorized by the Board but not contracted for as on 31 December 2023.

**c) Claim against company not acknowledged as debt**

There were no claims against the Company which required to be acknowledged as debt at 31 December 2023.

**d) Capital expenditure commitment**

There was no other material capital expenditure authorized by the Board but not contracted for as on 31 December 2023.

**e) Claim against company not acknowledged as debt**

There were no claims against the Company which required to be acknowledged as debt at 31 December 2023.

**f) Foreign remittances**

During the year 2023, the company remitted **USD 203,732.19, AUD 773.00 (Total in BDT 22,194,654.62)** against Various Technical Service Fees, Foreign Shareholders and services provider.

Sl #	Purpose	Paid to	USD*	AUD*	BDT
01.	Dividend Payment	Sampath Bank PLC	141,770.61	-	15,384,947.20
02.	Dividend Payment	Mr. Tahsinul Huque, USA	61,961.58	-	6,724,070.35
03.	Membership Renewal Fee	APNIC Pty Ltd.	-	773.00	85,637.07
<b>Total</b>			<b>203,732.19</b>	<b>773.00</b>	<b>22,194,654.62</b>

\*USD=United States Dollar

\*AUD=Austrian Dollar

**g) Number of Employees**

The number of employees including contractual engaged for the whole year or part there of who received a total yearly remuneration of tk. 36,000 or above were 810 which was 724 on 31 December 2022.

**h) Financial highlights**

Key financial highlights of the Company are annexed as "Annexure-D".

**i) Interim financial statements**

LankaBangla Finance PLC published its quarterly interim financial statements as requirement of the Bangladesh Securities and Exchange Commission and as per IAS 34 "Interim Financial Reporting".

Interim Reporting Period	Publication Date
January to March (1st quarter)	16 May 2023
January to June (Half Year ended)	27 July 2023
January to September (3rd quarter ended)	30 October 2023

**j) Change in and disagreement with Auditors**

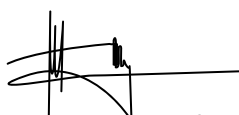
There were no changes and disagreement with the Auditors on accounting and financial disclosures.

**k) Numerical presentation**

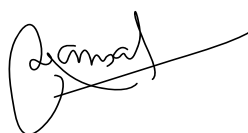
Figures shown in the accounts have been rounded off to the nearest Taka. Previous year figures have been re-arranged where necessary to conform to current year's presentation.

**l) General**

- All shares have been fully called up and paid up.
- Company Balances shown in the accounts are duly reconciled.
- No amount was spent by the Company for compensating any members of the board for special services rendered during the year.



Director



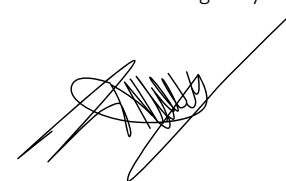
Company Secretary



Director



Chief Financial Officer



Acting Managing Director

Dhaka,  
12 August 2024

LankaBangla Finance PLC and its Subsidiaries  
**Consolidated Fixed Assets Schedule**

As at 31 December 2023

Amount in Taka

Particulars	COST			DEPRECIATION			Written down value as at 31.12.2023	
	Balance as at 01.01.2023	Addition during the year	Sales/Transfer/Adjustment during the year	Balance as at 31.12.2023	Rate %	Charged during the year		Adjustment during the year
<b>I. Freeholds assets</b>								
Land	-	-	-	-	-	-	-	-
Building	724,305,707	-	-	724,305,707	2.5	8,571,347	-	71,572,789
Furniture and Fittings	253,252,272	4,876,213	872,440	257,256,045	20	16,277,311	841,527	228,036,722
Office Equipment	235,793,333	18,011,474	7,167,662	246,637,144	20	16,867,462	6,983,161	198,614,703
IT Equipment	376,972,207	295,255,524	22,528,799	649,698,932	33.33	81,488,654	22,529,709	332,522,217
Office Renovation	118,628,986	16,923,809	-	135,552,795	20	12,528,894	-	96,787,102
Motor Vehicles	44,740,057	3,000,000	1,150,000	46,590,057	20	4,650,233	1,150,000	31,081,313
	<b>1,753,692,561</b>	<b>338,067,019</b>	<b>31,718,901</b>	<b>2,060,040,679</b>		<b>140,383,900</b>	<b>31,504,397</b>	<b>958,614,845</b>
<b>II. Intangible assets</b>								
Goodwill	-	-	-	-	-	-	-	-
System Software	576,911,884	55,820,129	4,362,500	628,369,513	25	63,309,445	4,362,500	432,978,399
	<b>576,911,884</b>	<b>55,820,129</b>	<b>4,362,500</b>	<b>628,369,513</b>		<b>63,309,445</b>	<b>4,362,500</b>	<b>432,978,399</b>
<b>III. Capital Work In Progress</b>								
Tangible Assets	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>IV. Right of Use Assets</b>								
Motor Vehicle	37,529,908	-	-	37,529,908	20	1,572,642	-	32,947,047
Office premises	485,617,205	20,552,817	54,330,443	451,839,579	Equal Monthly Lease period	108,054,781	53,874,450	257,337,134
	<b>523,147,113</b>	<b>20,552,817</b>	<b>54,330,443</b>	<b>489,369,487</b>		<b>109,627,423</b>	<b>53,874,450</b>	<b>290,284,181</b>
<b>Total</b>	<b>2,853,751,558</b>	<b>414,439,965</b>	<b>90,411,844</b>	<b>3,177,779,679</b>		<b>313,320,769</b>	<b>89,741,346</b>	<b>1,681,877,425</b>
								<b>199,085,306</b>
								<b>1,495,902,256</b>

As at 31 December 2022

Particulars	COST				DEPRECIATION				Written down value as at 31.12.2022	
	Balance as at 01.01.2022	Addition during	Sales/Transfer/Adjustment during the year	Balance as at 31.12.2022	Rate %	Balance as at 01.01.2022	Charged during the year	Adjustment during the year		Balance as at 31.12.2022
<b>I. Freeholds assets</b>										
Land	787,519,083	-	787,519,083	724,305,707	-	54,457,388	-	-	63,001,442	661,304,266
Building	724,305,707	-	-	253,252,272	2.5	191,664,248	8,544,054	-	212,600,938	40,651,334
Furniture and Fittings	250,602,398	3,446,472	796,598	235,793,333	20	176,014,147	21,580,899	644,210	188,730,402	47,062,931
Office Equipment	217,858,015	23,417,379	5,482,061	376,972,207	20	254,498,904	17,837,539	5,121,284	273,563,272	103,408,935
IT Equipment	307,151,060	95,617,627	25,796,480	118,628,986	33.33	81,224,189	44,833,414	25,769,046	84,258,208	34,370,778
Office Renovation	110,893,094	16,539,055	8,803,163	44,740,057	20	24,448,690	11,061,866	8,027,847	27,581,080	17,158,976
Motor Vehicles	30,547,614	16,064,500	1,872,057	1,753,692,561	20	782,307,566	4,603,890	1,471,500	849,735,341	903,957,220
<b>II. Intangible assets</b>	<b>2,428,876,970</b>	<b>155,085,032</b>	<b>830,269,442</b>	<b>1,753,692,561</b>		<b>782,307,566</b>	<b>108,461,662</b>	<b>41,033,887</b>	<b>849,735,341</b>	
Goodwill	-	-	-	-	-	-	-	-	-	-
System Software	487,767,949	89,143,935	-	576,911,884	25	313,217,740	60,813,713	-	374,031,454	202,880,431
	<b>487,767,949</b>	<b>89,143,935</b>	<b>-</b>	<b>576,911,884</b>		<b>313,217,740</b>	<b>60,813,713</b>	<b>-</b>	<b>374,031,454</b>	<b>202,880,431</b>
<b>III. Capital Work In Progress</b>										
Tangible Assets	460,399,404	515,186,844	975,586,249	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
<b>IV. Right of Use Assets</b>	<b>460,399,404</b>	<b>515,186,844</b>	<b>975,586,249</b>	<b>-</b>						
Motor Vehicle	54,352,908	3,244,000	20,067,000	37,529,908	20	49,368,844	2,072,561	20,067,000	31,374,405	6,155,503
Office premises	465,486,075	97,994,286	77,863,156	485,617,205	Equal Monthly Lease period	157,183,098	116,240,535	70,266,830	203,156,803	282,460,403
<b>Total</b>	<b>519,838,983</b>	<b>101,238,286</b>	<b>97,930,156</b>	<b>523,147,113</b>		<b>206,551,942</b>	<b>118,313,096</b>	<b>90,333,830</b>	<b>234,531,208</b>	<b>288,615,906</b>
	<b>3,896,883,307</b>	<b>860,654,098</b>	<b>1,903,785,847</b>	<b>2,853,751,558</b>		<b>1,302,077,248</b>	<b>287,588,471</b>	<b>131,367,717</b>	<b>1,458,298,003</b>	<b>1,395,453,557</b>

Gains or losses on sale of fixed assets have been disclosed in the Note. 21 & Note. 31.

LankaBangla Finance PLC  
**Schedule of Fixed Assets**  
 As at 31 December 2023

Amount in Taka

Particulars	COST			DEPRECIATION				Written down value as at 31.12.2023		
	Balance as at 01.01.2023	Addition during the year	Sales/Transfer/Adjustment during the year	Balance as at 31.12.2023	Rate%	Balance as at 01.01.2023	Charged/impaird during the year		Adjustment during the year	Balance as at 31.12.2023
<b>I. Freeholds assets</b>										
Land	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	217,818,523	1,192,921	730,959	218,280,485	20	191,329,989	13,067,271	730,027	203,667,233	14,613,251
Office Equipment	93,457,581	1,241,484	3,575,302	91,123,763	20	84,666,813	4,503,199	3,572,969	85,597,043	5,526,719
IT Equipment	374,085,422	292,676,641	22,528,799	644,233,264	33.33	271,346,790	80,799,976	22,529,709	329,617,057	314,616,207
Motor Vehicles	18,552,935	-	1,000,000	17,552,935	20	18,389,440	69,878	1,000,000	17,459,318	93,617
	<b>703,914,461</b>	<b>16,064,500</b>	<b>1,872,057</b>	<b>971,190,447</b>		<b>565,733,032</b>	<b>98,440,324</b>	<b>27,832,705</b>	<b>636,340,651</b>	<b>334,849,796</b>
<b>II. Intangible assets</b>										
Systems and Software	385,688,314	14,373,454	-	400,061,768	12.50-25.00	226,828,124	42,413,046	-	269,241,171	130,820,597
	<b>385,688,314</b>	<b>14,373,454</b>	<b>-</b>	<b>400,061,768</b>		<b>226,828,124</b>	<b>42,413,046</b>	<b>-</b>	<b>269,241,171</b>	<b>130,820,597</b>
<b>III. Capital Work In Progress</b>										
Tangible Assets	-	460,502,611	285,871,783	174,630,828		-	-	-	-	174,630,828
Intangible Assets	-	-	-	-		-	-	-	-	-
	<b>-</b>	<b>460,502,611</b>	<b>285,871,783</b>	<b>174,630,828</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>174,630,828</b>
<b>IV. Leaseholds assets</b>										
Motor Vehicles	28,101,000	-	-	28,101,000	20	24,089,196	1,143,902	-	25,233,098	2,867,902
Office premises	277,715,438	-	47,670,400	230,045,038	Equal Monthly Lease period	152,225,073	50,776,403	47,670,400	155,331,076	74,713,962
	<b>305,816,438</b>	<b>-</b>	<b>47,670,400</b>	<b>258,146,038</b>		<b>176,314,269</b>	<b>51,920,305</b>	<b>47,670,400</b>	<b>180,564,173</b>	<b>77,581,865</b>
<b>Total</b>	<b>1,395,419,213</b>	<b>490,940,564</b>	<b>335,414,240</b>	<b>1,804,029,080</b>		<b>968,875,425</b>	<b>192,773,675</b>	<b>75,503,104</b>	<b>1,086,145,995</b>	<b>717,883,085</b>



Particulars	COST			DEPRECIATION				Written down value as at 31.12.2022		
	Balance as at 01.01.2022	Addition during the year	Sales/Transfer/Adjustment during the year	Balance as at 31.12.2022	Rate %	Balance as at 01.01.2022	Charged/Impaired during the year		Adjustment during the year	Balance as at 31.12.2022
<b>I. Freeholds assets</b>										
Land	787,519,083	-	787,519,083	-	-	-	-	-	-	-
Furniture & Fittings	217,080,788	1,075,092	337,357	217,818,523	20	173,944,142	17,719,352	333,505	191,329,989	26,488,534
Office Equipment	93,134,937	1,527,168	1,204,523	93,457,581	20	78,979,068	6,886,576	1,198,831	84,666,813	8,790,768
IT Equipment	304,701,474	94,708,342	25,324,394	374,085,422	33.33	252,135,824	44,507,925	25,296,960	271,346,790	102,738,632
Motor Vehicles	18,552,935	-	-	18,552,935	20	18,319,562	69,878	-	18,389,440	163,495
	<b>1,420,989,216</b>	<b>97,310,602</b>	<b>814,385,357</b>	<b>703,914,461</b>		<b>523,378,596</b>	<b>69,183,731</b>	<b>26,829,296</b>	<b>565,733,032</b>	<b>138,181,429</b>
<b>II. Intangible assets</b>										
Systems and Software	309,508,660	76,179,654	-	385,688,314	25	187,876,377	38,951,747	-	226,828,124	158,860,190
	<b>309,508,660</b>	<b>76,179,654</b>	<b>-</b>	<b>385,688,314</b>		<b>187,876,377</b>	<b>38,951,747</b>	<b>-</b>	<b>226,828,124</b>	<b>158,860,190</b>
<b>III. Capital Work In Progress</b>										
Tangible Assets	460,399,404	515,186,844	975,586,248	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
	<b>460,399,404</b>	<b>515,186,844</b>	<b>975,586,248</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IV. Leaseholds assets</b>										
Motor Vehicles	24,857,000	3,244,000	-	28,101,000	20	23,076,759	1,012,437	-	24,089,196	4,011,804
Office premises	305,609,312	3,813,450	31,707,323	277,715,438		117,820,047	64,043,234	29,638,209	152,225,073	125,490,365
	<b>330,466,312</b>	<b>7,057,450</b>	<b>31,707,323</b>	<b>305,816,438</b>		<b>140,896,806</b>	<b>65,055,671</b>	<b>29,638,209</b>	<b>176,314,269</b>	<b>129,502,170</b>
<b>Total</b>	<b>2,521,363,592</b>	<b>695,734,550</b>	<b>1,821,678,928</b>	<b>1,395,419,213</b>		<b>852,151,780</b>	<b>173,191,149</b>	<b>56,467,505</b>	<b>968,875,425</b>	<b>426,543,789</b>

Gains or losses on sale of fixed assets have been disclosed in the Note. 21 & Note. 31.

## Highlights

As per Bangladesh Bank guidelines

Amount in taka (million)

SI #	Key indicators	LankaBangla Group		LankaBangla Finance PLC	
		2023	2022	2023	2022
1	Paid-up capital	5,388.39	5,388.39	5,388.39	5,388.39
2	Total capital	10,138.88	10,787.71	9,499.84	11,168.53
3	Capital surplus	4,792.10	5,406.61	3,595.12	4,096.82
2	Total assets	94,855.44	90,765.01	87,476.19	85,934.09
3	Total deposits	42,222.06	42,907.41	42,441.76	43,656.71
4	Total loans, advances and leases	65,353.46	65,085.80	61,719.19	61,331.19
5	Total contingent liabilities and commitments	40.50	33.15	40.50	33.15
6	Credit deposit ratio	1.55	1.52	1.45	1.40
7	Percentage of classified loans against total loans, advances and leases	7.00%	6.80%	7.41%	7.22%
8	Profit after tax and provision	392.76	661.38	169.95	178.49
9	Amount of classified loans during current period	4,575.95	4,427.82	4,575.95	4,427.82
10	Provisions kept against classified loans	2,098.45	2,204.96	2,098.45	2,204.96
11	Provision surplus against classified loan	-	-	-	-
12	Cost of fund	8.63%	7.40%	8.63%	7.40%
13	Interest earnings assets	77,474	76,786	71,713	71,358
14	Non-interest earnings assets	17,381.53	13,978.58	15,763.06	14,575.76
14	Return on investment (ROI)	0.46%	0.79%	0.21%	0.22%
15	Return on assets (ROA)	0.42%	0.74%	0.20%	0.21%
16	Income from investment	914.68	550.90	758.08	281.42
17	Earnings Per Share (EPS)	0.70	1.21	0.32	0.33
18	Net income per share	0.70	1.21	0.32	0.33
19	Market price per share	26.00	26.00	26.00	26.00
20	Price earnings (PE) ratio	37.11	21.56	82.44	78.49

---

# COMMUNICATION TO SHAREHOLDERS

LankaBangla Finance PLC is listed in both the bourses of the country. Investors can monitor the ticker in the name of LANKABAFIN in both DSE and CSE. Any price sensitive information is disseminated timely. Annual Report of the company summarizes the company's financial performance and provides an overview of the company's major activities. The annual report is duly submitted to Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange & Chittagong Stock Exchange in timely manner. Each stockholder is sent copy of the report before AGM. Annual Report, Quarterly Reports and Supplements to the reports are available on the company's website, [www.lankabangla.com](http://www.lankabangla.com) or copies are available with the Board Secretariat at LankaBangla Finance PLC.

On top of the above information, the company makes available each material information or achievement to the shareholders through the company's web portal. For additional information about the subsidiary companies and the financials, the investors can visit our web portals, [www.lankabangla.com](http://www.lankabangla.com).

## **Redressal of Investors' complaint**

Investor Relations Department of LankaBangla Finance PLC always gives extreme priority in mitigating investors' complaints (if any) regarding any inconvenience. Investors can approach to Investor Relations Department with a complaint or can make an email at company's designated e-mail id for investor relations at [ir@lankabangla.com](mailto:ir@lankabangla.com). An Investor can make a written complaint to LankaBangla Finance PLC also. Upon receipt of the complaint, designated cell at LankaBangla takes immediate steps to resolve the complaint.



## **ADDITIONAL INFORMATION**

[Financial Highlights](#)

[Financial Reports](#)

[Price Sensitive Information](#)

[Notice For Shareholder](#)

[Share Trading Information](#)



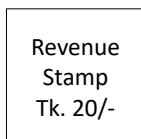
Safura Tower (Level-11), 20, Kemal Ataturk Avenue Banani,  
 Dhaka-1213. Phone: (880-2) 222283701-10  
 Fax: (880-2) 58810998, E-mail: info@lankabangla.com

## Proxy Form

I/ We .....  
 of .....  
 being a shareholders of LankaBangla Finance PLC do hereby appointment Mr./Mrs.....  
 of .....  
 (or failing) Mr./ Mrs. ....  
 of .....  
 and vote on my/our behalf at the 27th Annual General Meeting of the Shareholders of LankaBangla Finance PLC to be held on September 29, 2024 at 11:00 a.m. using digital platform meeting link (<https://lankabanglafinance.bdvirtualagm.com>) at any adjournment thereof or any ballot to be taken in consequence there of.

Signed this ..... day of September, 2024

\_\_\_\_\_  
 (Signature of the proxy)



\_\_\_\_\_  
 Signature of shareholder (s)

BO ID No. ....

No. of shares being held .....

### Note

- The "Proxy Form", duly filled, signed and stamped at BDT 20.00 must be sent through email at share.lbfl@lankabangla.com not later than 48:00 hours before commencement of the AGM.
- Signature of the Shareholders should agree with the Specimen signature registered with the Company.



**Corporate Head Office**

Safura Tower (Level 11)

20 Kemal Ataturk Avenue, Banani, Dhaka-1213

Phone: (880-2) 222283701-10

Email: [info@lankabangla.com](mailto:info@lankabangla.com)

[www.lankabangla.com](http://www.lankabangla.com)