Annual Integrated Report 2023

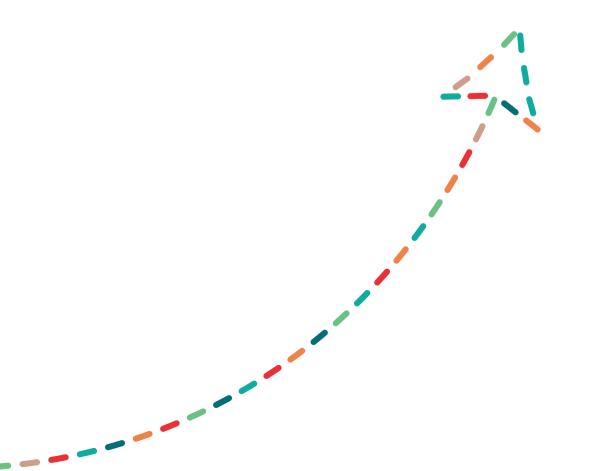




Growing Together...

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 Integrated Report-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

GRI: 102-53

Scan the QR Code by following these simple steps:



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



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



Get access to Lanka Bangla's website



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

ABOUT THE REPORT

Our Reporting Suites



Prologue on Annual Integrated Reporting

Annual integrated report for 2023 has been prepared to display both financial and non-financial aspects of the Company's performance to provide a holistic view of the Company's ability to create sustainable shared value in the short, medium and long term. The report aims to highlight how LankaBangla, as a growing organization, has effectively managed its business to deliver consistent value to its stakeholders. It incorporates 'efforts' the company has undertaken to contribute towards economic prosperity, environmental sustainability, and social well-being for a brighter future. **GRI: 102-12,102-54**

impacts

stakeholders

Reporting Frameworks			
Financial Reporting	Governance, Compliance & Risk Reporting	Integrated Reporting	Sustainability Reporting
 International Financial Reporting Standards (IFRSs) Relevant rules & regulations of Bangladesh Bank (The Central Bank) Companies Act 1994 Financial Institutions Act 1993 Securities and Exchange Rules 1987 The Income Tax Ordinance 1984 And other applicable laws and regulations of the land 	 Revised Corporate Governance Guidelines (CGG) issued by Bangladesh Securities and Exchange Commission (BSEC) Prudential Guidelines of Bangladesh Bank Companies Act 1994 Financial Institutions Act 1993 Listing Rules of the Dhaka Stock Exchange (DSE) & Chittagong Stock Exchange (CSE) 	 International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC) 	 Global Reporting Initiative (GRI) Standards: Core Option, issued by Global Sustainability Standards Board (GSSB) United Nations Sustainable Development Goals (SDGs)

Scope and Boundary

GRI: 102-46

Our 2023 annual integrated report covers the period between 1st January 2023 and 31 December 2023. All materials that matter, up to the group board of directors (Board) approval on 12 August 2024, are included here. The annual integrated report reflects LankaBangla Finance PLC's (LBF PLC) operations and its subsidiaries. Unless indicated otherwise, all data pertains to the group, including our financial processes and subsidiaries.

Our Annual Integrated Reporting Boundary					
Value Creation Structure	Business Model & Strategy	Govern	ance	Risk Analysis & Management	Material Topics & ESG Goals
Our Financial Reporting Boundary					
LBF PLC's Business Activities and Performance Subsidiaries' Business Activities & Performance					

Materiality

Our annual integrated report aims to present a balanced and concise analysis of our strategy, performance, governance and prospects. In determining the content to be included in this report, we considered the issues that are material to maintain the commercial viability and social relevance required to achieve our vision in the medium term.

We show the process of determining material issues as a business tool that facilitates integrated thinking. The materiality determination process undertaken in 2023 complemented our day-to-day stakeholder engagements, going beyond these and emphasizing aspects that are likely to influence the social, economic, and physical environments in which we operate. Our material issues have been revised and are outlined on pages 196 to 197 of this report.

Based on our leadership engagement, governance processes, and our formal and informal stakeholder engagement initiatives, particularly with investors, we are confident that all material matters have been identified and disclosed in this report. Management of group functions and the business units approved the relevant content in the annual integrated report.

Six Capitals

The sustainability of LBF PLC in future depends on its ability to mobilize capital (inputs) to create value (outputs) for the Company and outcomes for stakeholders. To exhibit how this is achieved, this report contains a section detailing how the Company uses the various forms of capital to achieve its performance expectations in the short, medium, and long term objectives within the context of stakeholder expectations.

GRI: 102-56

External Assurance

SI.	Assurance on	External Assurer			
1	Consolidated and Separate Financial Statements of LankaBangla Finance PLC	M. J. Abedin & Co. Chartered Accountants			
2	Consolidated and Separate Financial Statements of LankaBangla Securities Limited	M. J. Abedin & Co. Chartered Accountants			
3	Financial Statements of LankaBangla Investments Limited	M. J. Abedin & Co. Chartered Accountants			
4	Financial Statements of LankaBangla Asset Management Company Limited	M. J. Abedin & Co. Chartered Accountants			
5	Corporate Governance	M/s. Ahsan Manzur & Co. Chartered Accountants			
6	BizBangla Media Limited	Ahmed Zaker & Co. Chartered Accountants			
7	LankaBangla Information System Limited	Syful Shamsul Alam & Co. Chartered Accountants			

How to navigate through this Report

Material Topics for Stakeholders	Look Out	Page Reference (Page Start from)
Who we are and What we do	Organizational overview Product Portfolio of LBF PLC Supplementary Information	12 14 330
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Our approach toward governance and risk management	Corporate Structure Report & Statement on Corporate Governance Report & Statement on Risk Management	55 71 109
What are our ways to achieve our Vision	Business Model How We Create Value Delivering Value Through Our Business Drivers Guiding Our Strategies Strategic Focus area	172 176 178 195 198
How we deliver on our strategy	Capital Management Report Business Reports Performance Of Subsidiaries	202 232 239
Our commitment toward Social, Economic and Environmental (SEE) impacts and toward Environment, Social & Governance (ESG) goals	Approach Towards Sustainability Material Topics Corporate Social Responsibility ESG Goals And Actions	134 137 143 151
Measuring our successes	Audited Financial Statements of LBF PLC	251

Responsibility of the Annual Integrated Report

Managing Director of LankaBangla Finance PLC acknowledges the responsibility to ensure the integrity of the disclosure contained in the Integrated Report presented herewith that comprises the discussion and analysis, disclosures pertaining to stewardship, which should be read in conjunction with the audited financial statements. In his opinion, the integrated report, incorporated in this annual report has been prepared in accordance with the IIRC's international integrated reporting framework and addresses all material issues and fairly presents the group's integrated performance.

Humaira Azam Managing Director



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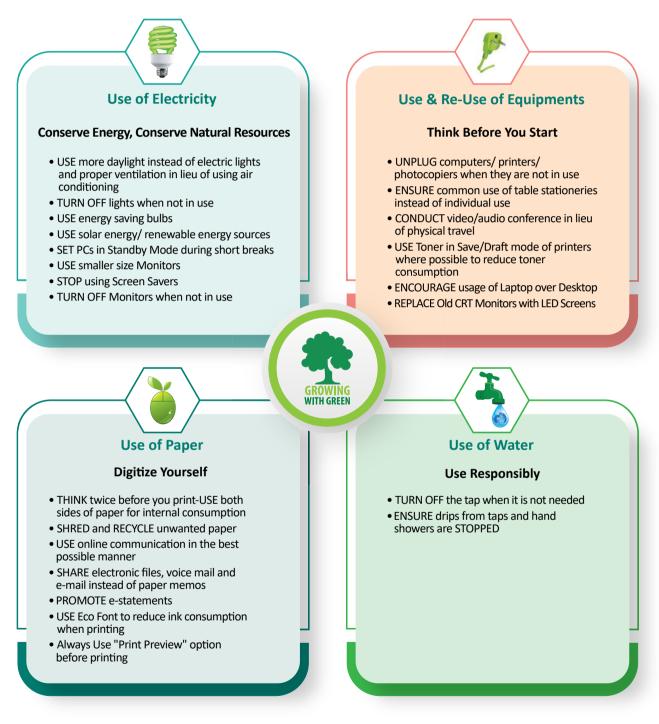
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GREEN OFFICE GUIDE

A Set of Tips to Make Our Workplace More Energy Efficient and Greener

Sustainable Economic Growth | Better Environment To Live In | Green Office For Employees



Ensure efficient use of all natural resources like daylight, water, air and electricity to develop green environment at all office premises.

Green Banking Towards Socially Responsible Banking in Bangladesh



LankaBangla Finance PLC started its journey in 1997 as a joint venture financial institution having International collaboration with the license from Bangladesh Bank under Financial Institution Act - 1993. LankaBangla Finance PLC is owned by group of highly successful and renowned entrepreneurs of Bangladesh, Sampath Bank Limited of SriLanka, One Bank Limited of Bangladesh the general public. LankaBangla Finance celebrated 25 years of it's glorious journey, staying by its people side today, tomorrow and forever. Aspiring to live in an ecosystem that encourages to grow better, together.

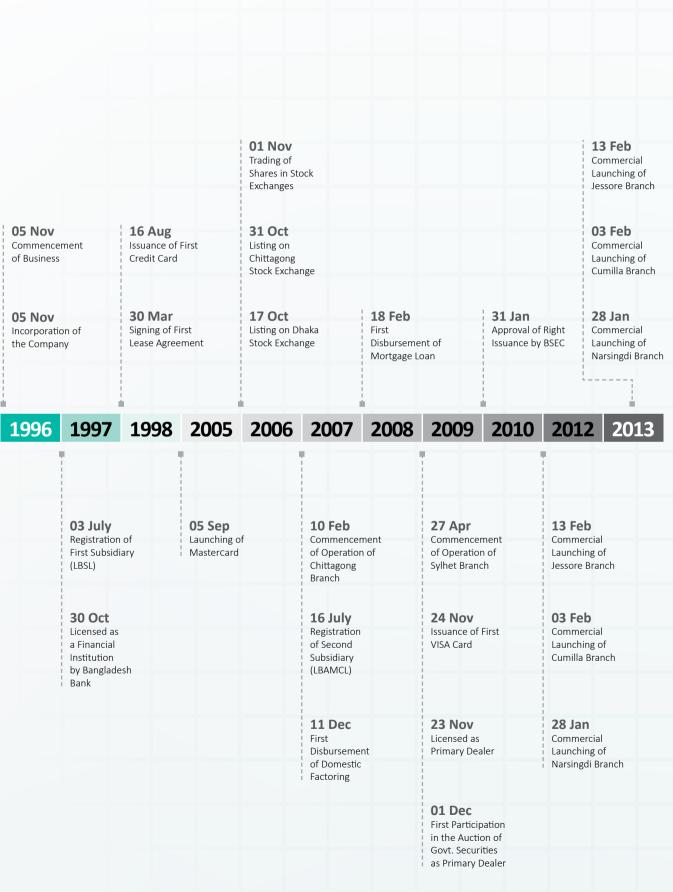
Today LankaBangla Finance is one of the leading integrated financial conglomerate that is active in both financial sector as well as capital market. Over the decades, LankaBangla has developed a portfolio of products specifically designed to meet the diverse need of its Retail, CMSME and Corporate customers. Under the widest umbrella of products and services, LankaBangla offers Retail Financial Services, Corporate Financial Services, CMSME Financial Services, Liability Management, Stockbroking, Corporate Advisory and Wealth Management Services. LankaBangla is the only organisations of its kind in Bangladesh to issue Mastercard and VISA credit card.

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MILESTONES

Our journey so far

26 years of achieving and sustaining excellence



21 Jan Launching of Contact Center

03 Mar Commercial Launching of Uttara Branch

25 May Commercial Launching of CDA Branch, Chittagong

15 Dec Issuance of Zero Coupon Bond

23 Dec Commercial Launching of Motijheel Branch

	31 Mar Commercial Launching of Keraniganj			
r	27 Apr Commercial Launching of Board Bazar- Gazipur Branch	29 Mar		
	04 May Commercial Launching of	launching of Gulshan Branch		
	Dinajpur Branch 18 May Commercial Launching of Faridpur Branch	06 Dec Tranzware software for credit card		
	25 May Commercial Launching of Savar Branch	23 Dec Issuance of 1st subordinate bond	01 June Introducing Shikha Credit Crad	
	31 Oct Approval of Right Issuance by BSEC 26 Dec Issuance of Zero Coupon Bond	26 Dec Commercial Iaunching of Habiganj Branch	23 Nov Received the ISO/ IEC 27001:2013 certification	30 Oct Celebrated 25 years of its glorious journey

2014 2015 2016 2017 2018 2019

29 Jan Commercial Launching of Mirpur Branch

24 May Commercial Launching of Bogra Branch

24 June Commercial launch of Barisal Branch **09 Mar** Commercial launching of Mymensingh Branch

14 Mar Commercial launching of Khulna Branch

21 Mar Commercial launching of Rajshahi Branch

31 July Commercial launching of Narayanganj Branch

31 July Commercial launching of Chowmuhani Branch

24 Oct Increase of Authorized Capital to BDT 10,000 million 10 Jan Commercial launching of Kushtia Branch 13 Jan

Received USD 20 million foreign fund from ICD

07 Mar Shikha Platform Launch

03 Sep Launching of Contactless Mastercard

17 Sep Launching of Contactless Visa Credit Card **25 May** Received USD 15 million foreign fund from BlueOrchard

2022

2021

2020

BlueOrchard 30 Jun Received PCI DSS

Certificate 21 Sep Received USD 5

Received USD 5 million foreign fund from Healthier Lives

24 Nov Received USD 16 million foreign fund from responsibility Investments

27 Nov Received Bangladesh FinTech Award for Shikha Chatbot **14 April** Launched Bengali Website

2023

27 April Full subscription of a BDT 3,000 million zero-coupon bond issue.

20 June Launching of Smart

27 August LankaBangla Finance PLC changes to LankaBangla Finance PLC.

20 December Launching of PaySmart- to facilitate QR based

payment

ORGANIZATIONAL OVERVIEW Growing Together...

Two decades back LankaBangla Finance PLC started its journey in 1997 as a joint-venture financial institution in multinational collaboration with a license from Bangladesh Bank under Financial Institution Act-1993. Today, LankaBangla is the country's leading integrated financial services provider that include Corporate Financial Services, Retail Financial Services, CMSME Financial Services, Liability Management, Stockbroking, Corporate Advisory and Wealth Management Services.

LankaBangla has implemented business process re-engineering to build capacity for its clients' superior service experience. The company now operates from a centralized administrative framework through cutting edge technological environment. LankaBangla is fueling a wide operational periphery covering major business hubs of the country.

Under a wide umbrella of products and services, LankaBangla is the only financial institution to operate credit card (Master and VISA). LankaBangla is the market leader in the capital market services and has been giving an all-out effort to develop an efficient, vibrant and transparent capital market in Bangladesh. Its subsidiary, LankaBangla Securities Limited is providing top-notch brokerage services and leading the industry with cutting edge trading, top rated research information, and customer service. The group has another subsidiary, LankaBangla Investments Limited. It is a premier investment bank in the country providing corporate advisory, issue management, and portfolio management services. LankaBangla Asset Management Company Limited is providing professional wealth management services to some of its customers. In quest of

GRI: 102-1, 102-2

sustainable business, LankaBangla is positioning itself to provide enduring value to the people, customers, shareholders and the communities. There are other key divisions involved in setting up strategic priorities and upholding the living standard of our community. These divisions are involved among many others in prudent balance sheet management operation and maintenance of a strong IT infrastructure and recruiting as well as nurturing topnotch human resources.

LankaBangla Finance is the recipient of National Award for Best Published Accounts and Reports for the past few years announced by the Institute of Chartered Accountants of Bangladesh (ICAB). It also received "Best Presented Annual Report" for consecutive seven years (2014-2021) from South Asian Federation of Accountants (SAFA) (an Apex body of SAARC). This is undoubtedly an igniting accomplishment and it is a reflection of ethical practices, right compliance and a great team work.

LankaBangla practices participatory management and adheres to industry's best practices in all its endeavors. Increasing stakeholders' value is a natural driving force for the people at LankaBangla.

Our long-standing sustainability efforts are creating environmental and social value while we move forward. By embracing high ethical standards, governance, and transparency, LankaBangla dreams to go further and grow bigger. Its ethos is simple. The company envisions its success lies in becoming the growth partner of its enterprising clients. LankaBangla is committed to empowering lives and inspire changes in community.

CODE OF CONDUCT GUIDING PRINCIPLES

GRI: 102-16

LankaBangla is a value driven organization with strict adherence to principles even if the situation sometimes provides temporary benefit to the company. The guiding principles are set with the objective of upholding the company's reputation and dignity and treating them as absolutely priceless. The company's affairs get the utmost priority of all the employees.

Our reputation not only affects whether or not someone will be our customer, it also determines whether we are proud to be associated with this organization.

The Code of Conduct is designed to guide the employees of the company to observe, comply with the prudential norms of conduct, manner and behavior. It is in alignment with the Company's Vision and Values to achieve the Mission and Objectives, and aims at enhancing the ethical and transparent process in managing the affairs of the Company. It also applies to every employee of LankaBangla and may be furnished to others for discharging the responsibilities. In addition to the ethical guidelines included in the code, there are many laws and regulations that affect each of the business that we do. Complying with law is mandatory for everyone and is not subject to business priorities or individual decision.

Personal Responsibilities

- Be an ethical role model by maintaining integrity and devotion to work
- Protect and enhance company's interest, dignity and reputation
- Act in accordance with the highest standards, professionalism and excellence in quality output
- Adherence to the company's policies, rules and regulations that obviously apply to the job
- Always act and behave like an ambassador of the company

FORWARD LOOKING STATEMENT

As LankaBangla moves forward, building on over two and half decades of success, our commitment to innovation and resilience remains steadfast. In 2023, we continue to drive fresh ideas and adopt cutting-edge solutions to strengthen our financial framework. Our focus remains on adaptability and strategic adjustments, while upholding our core values, to deliver a revitalized and dependable system for our customers.

As the nation adapts to new economic realities and a rapidly evolving global landscape, we foresee significant transformations ahead. Bangladesh's financial climate is undergoing major shifts, and LankaBangla is poised to navigate these changes by implementing well-conceived strategies aimed at sustainable growth.

- Maximizing Growth in Asset Portfolios: We will continue to prioritize the expansion of our asset portfolios, with a strong emphasis on the CMSME business, to generate substantial yields. Our efforts will be aligned with the evolving needs of our clients, ensuring we deliver value across all segments.
- Advancing Technology and Analytics: LankaBangla is committed to leveraging the expertise of specialists in business domains, data analytics, artificial intelligence (AI), cloud technology, and machine learning. By integrating these technologies, we aim to enhance our decision-making processes and drive superior outcomes.
- Embracing Fintech Innovation: As we transition towards becoming a Fintech leader, our focus is on fully digitizing our operations. From enhancing customer experience through digital channels to executing and monitoring digital programs for retail and CMSME, we are rolling out strategic initiatives like the hub-and-spokes model and various automated schemes.
- Optimizing Operational Efficiency: Utilizing cutting-edge technology and tools, we aim to improve operational efficiency, reduce turnaround times, and enhance customer engagement. Faster information dissemination to loan and liability clients will also result in cost savings.
- Enhancing Human Resource Productivity: To achieve our digital transformation goals, we are optimizing our human resources by implementing improved performance metrics and a new evaluation system. This will drive higher employee productivity and align our workforce with our strategic objectives.
- **Expanding Geographic Reach:** The launch of the hub-andspokes model is a key initiative in expanding our geographic reach, particularly in the CMSME sector. By establishing more hubs to support the spokes, we will better serve our clients across the country.

- Managing NPLs and Strengthening Collection Strategies: Maintaining a strong grip on our Non-Performing Loans (NPLs) is critical. We will continue to align our collection strategies with external regulations to ensure that NPLs remain within manageable limits, despite challenges posed by regulatory changes.
- Commitment to Compliance and Governance: As we pursue our growth objectives, we will adhere strictly to regulatory norms and governance standards. Our focus remains on ensuring long-term sustainability through responsible and ethical business practices, fostering growth in collaboration with our stakeholders, and prioritizing ecological balance.

PRODUCT PORTFOLIO OF LANKABANGLA FINANCE

Retail Deposit Schemes

- Classic TDR
- Shohoj Sanchoy
- Periodic Return
- Agroj (Senior Citizen)
- Quick Sanchoy
- Earn First
- Double Money
- Triple Money
- Money Builder
- Flexi Deposit
- Swasti Deposit
- Protiva Deposit



- Auto Loan
- Home & Mortgage Loan
- Personal Loan (unsecured)
- Short Term (secured Loan)



Credit Cards

- VISA Platinum
- Mastercard Titanium
- VISA Gold
- Mastercard Gold
- VISA Classic
- Mastercard Classic

RETAIL FINANCIAL SERVICE

PRODUCT PORTFOLIO

CMSME FINANCIAL SERVICE



CMSME Deposit Schemes

- (CMSME Shaccholota)
- (CMSME Classic TDR)
- (CMSME Sommridhi)
- (Money Builder)
- (CMSME Shacchando)
- (Periodic TDR)
- (CMSME Agroj)
- (Senior Citizen)
- Digun Munafa
- Tingun Munafa
- (CMSME Moner Moto Sanchaoy)



Small Business

- Ahona (Un Secured Loan)
- Swarnali (Agro Processing Industry Finance)
- Abash (Loan for Construction of Mess rent)
- Bishwas (Partially Secured Loan)
- Astha (Total Secured Loan)
- Anonnya (Woman Entrepreneur Loan)
- Durbar (Commercial Vehicle Finance)Somporko (Combination of Capital &
- Entrepreneurship)
- Soroll (Cash Secured Loan)
- Ejara (Equipment & Machineries)

Medium & Emerging Business

- Term Loan Financing
- Lease/Asset Backed Financing
- Working Capital Solutions

GRI: 102-2, 102-7



Large Corporate

- Lease Finance
- Term Finance
- Short Term Finance
- Revolving Finance
- Loan Against TDR
- Work Order Finance
- Club Finance
- Bridge Finance

Emerging Corporate

- Term Finance
- Short Term Finance
- Revolving Finance
- Lease Finance
- Loan Against TDR
- Work Order Finance
- Club Finance
- Bridge Finance



Project Structured & Sustainable Finance

- Project Finance
- Alternative Modes of
- Capital Raising
- Offshore/DFI/low cost structured solutions
- Green/Sustainable Finance
- Islamic Sharih Compliant Financing Solutions
- Corporate Advisory Services

CORPORATE FINANCIAL SERVICE

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Supply Chain Finance

- Factoring Finance
- Distributor Finance
- Reverse Finance



Corporate Liability

- Actual Days Deposit
- Corporate Classic TDR
- Shahoj Sanchay
- Earn First
- Periodic Return
- Double Money Deposit
- Triple Money Deposit
- Money Builder

SHIKHA FINANCIAL SERVICE



Shikha Retail Deposit Schemes

- Shikha Icche
- Shikha Obiroto
- Shikha Sonchoy
- Shikha Projjolon



Shikha Credit Cards

- Shikha Titanium Mastercard
- Shikha Gold Mastercard
- Shikha Classic Mastercard

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Shikha CMSME Deposit

- Shikha CMSME Shaccholota
- Shikha CMSME Moner Moto Sonchoy
- Shikha CMSME Shachhando
- Shikha CMSME Sommriddhi
- Shikha Digun Munafa
- Shikha Tingun Munafa



• Shikha Anonnya



Our commitment to well-planned initiatives and timely execution has been the foundation of our current success. The importance we place on planning and securing our future success ensures our concentration and commitment to reaching new heights. As a sensible Company, we want all of its stakeholders including shareholders to know both its key financial and non-financial information at a glance. This will help stakeholders to know details of the Company's contemporary performance in the shortest possible time and will help them decide accordingly.

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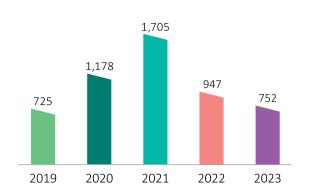
FINANCIAL HIGHLIGHTS OF LANKABANGLA GROUP

GRI: 102-7

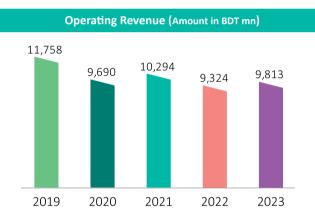
All figures in BDT million except (%)

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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%
Operational Performance							
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%
Financial Ratios	· · · · ·						
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%
Equity Parameters	0.5570	1.10/0	1.5570	0.7 470	0.4270	42.3170	0.0570
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)

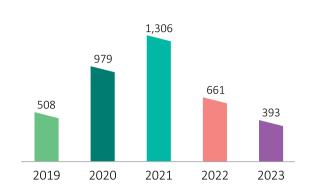


Net Profit before Tax (NPBT) decreased by 20.54% in 2023 compared to 2022.This is because excessive operating costs & inadequate revenue.



Operating Revenue has been increased in 2023.Operating revenue incressed 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.

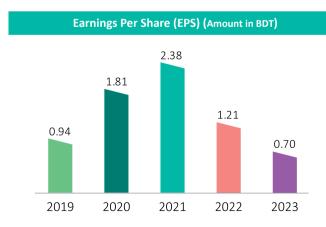
Net Profit After Tax (Amount in BDT mn)



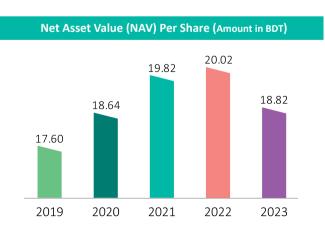
Net Profit after Tax (NPAT) decreased by 40.61% in 2023 compared to 2022. This is because the growth of net income disproportionate to sales growth.



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



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

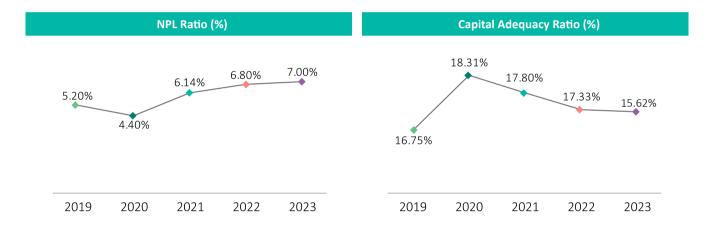


NAV decreased to 18.82 in 2023 from 20.02 in 2022. decrease of the value of the securities decreased.



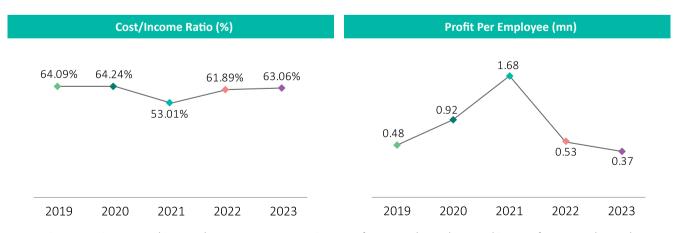
percentage points due to decrease in net profit after tax (NPAT) Profit after Tax during the year compared to ROE 39.08% in 2022. during the year.

Return on Assets (ROA) also registered a decrease in 2023 by 0.42 Return on Equity (ROE) decreased in 2023 due to decrease in Net



to 2022, effective and continuous effort has been deployed to management in the future.

Though NPL increased by 16.23 percentage points compared 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 mange the credit risks exposed by the Company for a resultant risk in order to be compliant and risk free. Continuous monitoring of capital adequacy is undertaken.



due to increase in operating expenses during the year while the operating income decrease in 2023.

Costs to income ratio Increased in 2023 by 1.89 percentage points Profit per employee decreased in 2023 from 2022 due to decrease in net profit after tax (NAPT) compared to 2023.

FINANCIAL HIGHLIGHTS OF LANKABANGLA FINANCIAL PLC

All figures in BDT million except (%) 5 Year Growth of CAGR (%)/ **Financial Position** 2019 2020 2021 2022 2023 2023 over Average 2022 2023 Total Assets 79.181 76.813 82.535 85.934 87.476 1.79% 2.52% 77,976 4.29% 3.04% Total Liabilities 69,163 66,317 71,461 74,766 43,770 **Business Disbursement** 33,666 22,007 34,269 42,287 -3.39% 5.87% -25.49% **Property Plant and Equipment** 1,762 1,718 1,669 1,891 543 -71.27% 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% **Operational Performance** 10,334 8,277 11.70% -5.00% **Operating Revenue** 7,579 7,534 8,415 1,646 **Operating Expenses** 1,729 1,897 1,629 1,684 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% -4.79% Net Profit After Tax 736 826 609 178 170 -30.68% EBITDA 7,957 5,368 6,043 12.57% 7,971 5,599 -6.69% **Financial Ratios 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% 16.40% 18.76% 16.89% 15.78% 14.15% -10.33% -3.63% **Capital Adequacy Ratio** Gross Non performing assets to gross advances/Non 5.59% 4.70% 6.57% 7.22% 7.41% 2.69% 7.34% performing loans (assets) to total loans (assets) 58.06% Cost to Income Ratio 54.33% 64.24% 56.63% 63.73% -8.90% 1.67% 6.00 19.47% 3.59% **Debt Equity Ratio** 6.23 5.73 5.80 7.17 1.20 Financial Expense Coverage Ratio 1.23 1.16 1.27 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% **Equity Parameters** 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% 10,448 9,500 -14.94% -1.32% Shareholders' Equity 10,018 11,074 11,169 0.00% 1.23% No. of Share Outstanding 513.18 538.84 538.84 538.84 538.84 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% 31.40 0.00% Market Price Per Share (Closing) 18.00 37.30 26.00 26.00 9.63% 20.49 33.00 78.49 82.44 5.03% Price Earnings Ratio (Times) 13.18 58.15% 5% B Dividend Payment (C-cash & B- bonus) 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% -4.79% Dividend Coverage (Times) 1.95 1.28 1.13 0.33 0.32 -36.59% 3.85% Dividend Yield (%) 3.89% 3.82% 2.68% 3.85% 0.00% -0.28% Profit Per Employee (mn) 0.80 1.08 0.78 0.14 0.21 46.35% -28.38%

AA3

ST-2

AA3

ST-2

Long Term

Short Term

AA3

ST-2

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"Credit Ratings"

Total Assets (Amount in BDT mn)

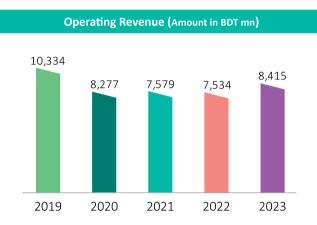


an average growth of 2.52% over the last 5 years.

Total Investment Portfolio (Amount in BDT mn)

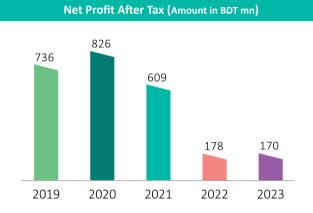


In 2023 Total Assets Incresed by 1.79% compared to 2022 maintaining Total Investment portfolio incresed by 2.19% in 2023 from that of 2022 registering an average growth of 2.32% in last 5 years. Effective



revenue has incresed the investment which higher interest income.

Investment policy contribute in this increased amount.



Operating revenue increased 11.70% in 2023 over 2022. Operating Net Profit after Tax (NPAT) registered a negative growth of 30.68% in 2023.



Decrease in net profit after tax (NPAT) during 2023 triggered EPS maintaining an average growth of -2.52% over the 5-year period. during 2023.

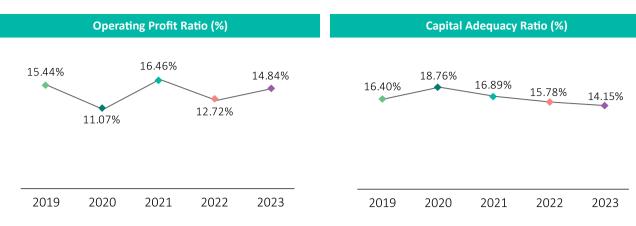
EPS decreased to BDT .32 in 2023 compared to BDT .33 in 2022. NAV slightly decreased to 17.73 in 2023 compared to 20.73 in 2022

2022

20.73

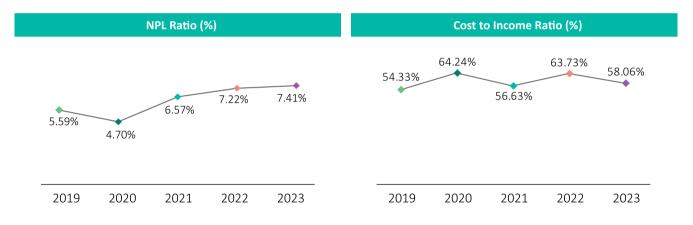
17.63

2023



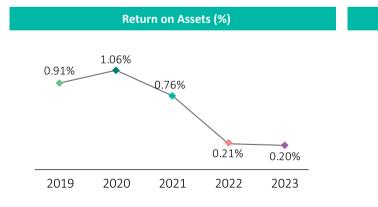
Operating margin increased by 16.67 percentage in compared with 2022. This is because of incressed in other operational income during 2023

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



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

Though NPL Incresed by 2.69% percentage points compared Costs to income ratio decreased to 63.73% in 2022 from 58.06% in 2023. to 2023, effective and continuous effort has been deployed to

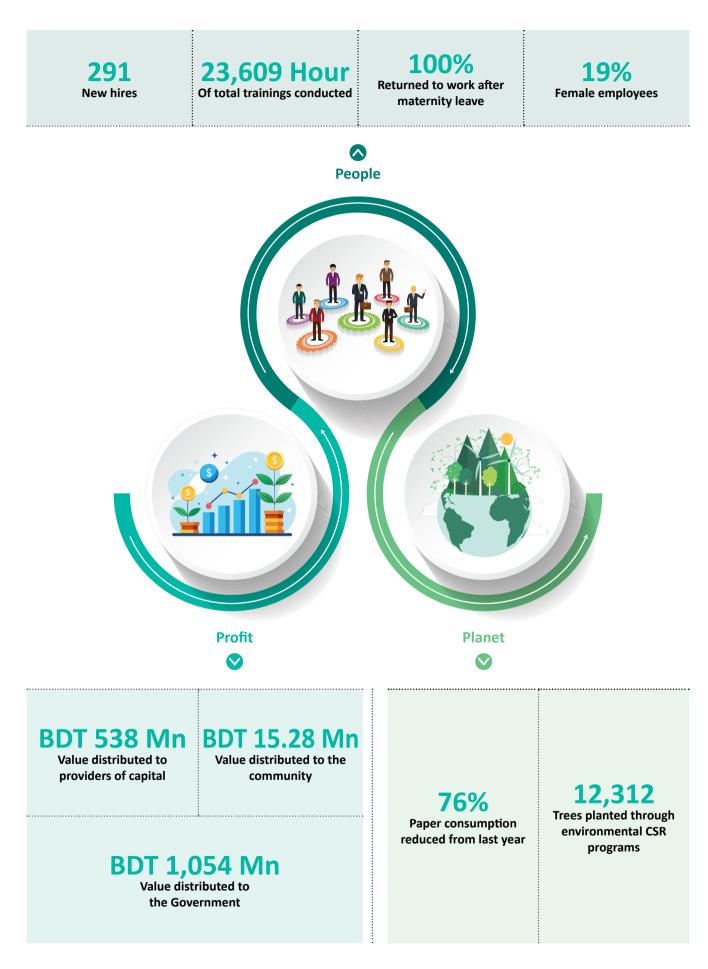




Return on Average Assets decreased to .20% at the end of 2023 which was .21% in 2022. Decrease in ROA is triggered by the decrease in net profit after tax (NPAT) during 2023.

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 decressed in ROE.

NON-FINANCIAL HIGHLIGHTS



GRI: 102-7

					GRI: 102-7
Category	Key Indicators		Measurement	2023	2022
	Call center	Dispute calls solved	%	98.55	98.23
	performance	Total no. of customers served	No.	8,20,080	4,54,686
Manufactured	Customer satisfactio	Customer satisfaction score		91	94
Capital	Investment in property, plant and equipment		BDT Mn	860.65	860.65

Category	Key Indicators		Measurement	2023	2022
	PR valuation		BDT	16,128,000	70,000,000
-`\$	Total prospect generated through website		No.	10,711	9,479
Intellectual	Total online	Applied	No.	3,877	7,076
Capital	application	Submitted	No.	7,835	3,590

Category	Key Indicators	Measurement	2023	2022
<u>م</u> م	Total employees	No.	1,117	1,235
ŴŴ	Annual no. of trainings	No.	58	60
Human Capital	New Hires	No.	291	365
numan capitar	Total training hour	Hours	23,609	15,273
	Training hour per employee	Hours	21.14	18
	Returned to work after maternity leave	Ratio	100	89
	Industrial disputes	No.	Nil	Nil
	Employees receiving performance appraisal	No.	575	610
	Gender diversity ratio (Male: Female)	Ratio	81:19	80:20

Category	Key Indicators	Measurement	2023	2022
2.90	Contribution to govt. exchequer	BDT Mn	1,054	1,247
මදීම්	CMSME disbursed of total asset disbursement	%	25	22
Social &	Shikha CMSME liability portfolio	BDT	800	946
Relationship Capital				

Category	Key Indicators	Measurement	2023	2022
	Electricity consumption in Head Office	kWh	455,927	545,360
6	Sustainable finance of total loan disbursed	%	15.50	10.99
Natural Capital				

HORIZONTAL ANALYSIS

For the last 5 years

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	2023	2022	2021	2020	2019
Operating Income					
Interest income	69%	79%	97%	144%	180%
Less : Interest expenses on deposits & borrowings	77%	76%	101%	151%	184%
Net interest income	48%	88%	90%	128%	171%
Income from investment	268%	127%	133%	65%	70%
Commission, exchange and brokerage income	107%	110%	113%	88%	81%
Other operational income	182%	97%	105%	122%	132%
Total operating income	95%	97%	105%	111%	134%
Operating Expenses					
Salary and allowances	84%	100%	106%	129%	152%
Rent, taxes, insurance, electricity etc.	111%	22%	17%	23%	34%
Legal and professional fees	156%	174%	92%	104%	131%
Postage, stamp, telecommunication etc.	84%	98%	80%	113%	139%
Stationery, printing, advertisement	130%	109%	62%	67%	101%
Managing director's salary and allowance	90%	102%	160%	89%	89%
Director fees and expenses	111%	128%	150%	90%	102%
Audit fees	121%	111%	102%	91%	89%
Changes on loan losses	-	-	-	-	-
Repairs, maintenance and depreciation	96%	171%	317%	317%	334%
Other expenses	103%	91%	92%	99%	130%
Total operating expenses	93%	96%	108%	119%	144%
Net Operating Income	97%	97%	103%	99%	120%
Provisions for loans/ investments	92%	71%	407%	38%	224%
Provisions for leases and loans	130%	147%	232%	61%	295%
Provision for margin loan Provision for diminution in value of investments	-2% 27%	-1% 47%	798% 51%	54% -20%	37% 255%
Provision for Off-Balance Sheet Exposure	2770	47%	100%	-20%	255%
General provision for other assets	100%	-12%	-424%	100%	0%
	100%	-1278	-42476	100%	078
Profit before tax and reserve	104%	133%	75%	124%	77%
Provision for tax	166%	108%	118%	132%	143%
Provision for tax made during the year	167%	109%	118%	135%	144%
Deferred tax expense or (Income)	84%	47%	-9%	96%	15%
Net profit after tax	77%	149%	68%	123%	64%
Earnings Day Share (EDS)		1429/		730/	200/
Earnings Per Share (EPS)	71%	142%	57%	72%	39%

HORIZONTAL ANALYSIS For the last 5 years

CONSOLIDATED BALANCE SHEET

	2023	2022	2021	2020	2019
PROPERTY AND ASSETS					
Cash	73%	53%	56%	90%	125%
Cash in hand	187%	123%	376%	171%	99%
Balance with Bangladesh Bank	73%	53%	55%	90%	125%
Balance with other banks and financial institutions	135%	124%	140%	269%	192%
Inside Bangladesh	135%	124%	140%	269%	192%
Outside Bangladesh	0%	0%	0%	0%	0%
Money at call and short notice					
Investment	202%	155%	142%	124%	107%
Government securities	0%	0%	0%	0%	0%
Other investments	152%	142%	142%	120%	107%
Leases, loans and advances Lease portfolio, term finance, short term loan, etc.	100%	95%	95%	114%	127%
Fixed assets including land, building, furniture and fixtures	52%	119%	144%	194%	200%
Other assets	294%	179%	165%	154%	138%
TOTAL PROPERTY AND ASSETS	112%	103%	104%	128%	132%
LIABILITY AND SHAREHOLDERS' EQUITY Liabilities Borrowings from Bangladesh Bank, other banks and financial institutions	149%	157%	100%	136%	172%
Deposits and other accounts	90%	80%	92%	117%	117%
Term deposits	90%	80%	92%	117%	117%
Other deposit	130%	115%	143%	159%	125%
Other liabilities	151%	136%	175%	155%	146%
TOTAL LIABILITIES	112%	102%	101%	125%	130%
Shareholders' Equity	107%	110%	128%	150%	142%
Paid up capital	105%	105%	169%	195%	185%
Share money deposit for right issue	-	0%	0%	0%	0%
Share premium	100%	100%	100%	100%	100%
Statutory reserve	120%	129%	139%	160%	147%
General reserve	0%	90%	100%	97%	107%
Capital reserve	100%	100%	100%	100%	
Fair value measurement reserve					
Retained earnings	99%	108%	88%	101%	92%
Non controlling interest	471%	187%	192%	209%	204%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	112%	103%	104%	128%	132%

VERTICAL ANALYSIS

For the last 5 years

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	2023	2022	2021	2020	2019
Interest income					
Less : Interest expenses on deposits & borrowings	71.05%	77.19%	66.95%	84.07%	86.52%
Net interest income	56.81%	53.77%	47.34%	61.63%	61.88%
Income from investment	14.23%	23.42%	19.61%	22.44%	24.64%
Commission, exchange and brokerage income	9.32%	5.91%	11.83%	3.26%	2.90%
Other operational income	4.94%	8.34%	12.48%	5.12%	3.85%
Total operating income	14.69%	8.57%	8.74%	7.55%	6.73%
Total operating income	43.19%	46.23%	52.66%	38.37%	38.12%
Operating Expenses					
Salary and allowances	12.84%	14.59%	13.44%	13.16%	12.80%
Rent, taxes, insurance, electricity etc.	0.73%	0.58%	0.36%	0.44%	0.55%
Legal and professional fees	0.62%	0.52%	0.30%	0.32%	0.33%
Postage, stamp, telecommunication etc.	0.25%	0.28%	0.22%	0.24%	0.24%
Stationery, printing, advertisement	0.64%	0.61%	0.39%	0.33%	0.41%
Managing director's salary and allowance	0.14%	0.17%	0.17%	0.16%	0.13%
Director fees and expenses	0.03%	0.03%	0.03%	0.02%	0.02%
Audit fees	0.01%	0.01%	0.01%	0.01%	0.01%
Changes on loan losses	-	-	-	-	-
Repairs, maintenance and depreciation	4.05%	3.84%	5.65%	4.03%	3.51%
Other expenses	7.92%	7.98%	7.34%	5.93%	6.43%
Total operating expenses	27.23%	28.61%	27.92%	24.65%	24.43%
Net Operating Income	15.95%	17.62%	24.74%	13.72%	13.69%
Provisions for loans/ investments	8.29%	7.47%	8.18%	1.56%	7.53%
Provisions for leases and loans	7.78%	5.80%	5.59%	1.25%	4.99%
Provision for margin loan	-0.02%	-0.02%	2.85%	1.74%	0.99%
Provision for diminution in value of investments	0.51%	1.71%	-0.37%	-1.45%	1.55%
Provisions for Off-Balance Sheet Exposure	_	-	_	-	-
General provision for other assets	0.02%	-0.01%	0.09%	0.02%	0.00%
Profit before tax and reserve	7.66%	10.15%	16.57%	12.16%	6.16%
Provision for tax	3.66%	3.06%	3.88%	2.06%	1.84%
Provision for tax made during the year	3.64%	3.03%	3.85%	2.06%	1.82%
Deferred tax expense or (Income)	0.02%	0.03%	0.03%	0.00%	0.02%
Earnings Per Share (EPS)	4.00%	7.09%	12.69%	10.10%	4.32%

VERTICAL ANALYSIS

For the last 5 years

CONSOLIDATED BALANCE SHEET

	2023	2022	2021	2020	2019
PROPERTY AND ASSETS					
Cash	0.67%	0.59%	0.72%	0.77%	1.04%
Cash in hand	0.00%	0.00%	0.00%	0.00%	0.00%
Balance with Bangladesh Bank	0.67%	0.58%	0.72%	0.77%	1.04%
Balance with other banks and financial institutions	11.82%	11.53%	13.93%	14.30%	9.88%
Inside Bangladesh	11.82%	11.53%	13.93%	14.30%	9.88%
Outside Bangladesh	0%	0%	0%	0%	0%
Money at call and short notice					
Investment	11.51%	9.76%	8.75%	7.65%	6.39%
Government securities	2.90%	0.81%	0.03%	0.28%	0.00%
Other investments	8.61%	8.94%	8.71%	7.37%	6.39%
Leases, loans and advances Lease portfolio, term finance, short term loan, etc.	68.90%	71.71%	70.72%	71.45%	77.19%
Fixed assets including land, building, furniture and fixtures	1.58%	3.15%	2.92%	3.39%	3.39%
Other assets	5.52%	3.27%	2.96%	2.43%	2.11%
TOTAL PROPERTY AND ASSETS	100.00%	100.00%	100.00%	100.00%	100.00%
LIABILITY AND SHAREHOLDERS' EQUITY Liabilities Borrowings from Bangladesh Bank, other banks and financial institutions	29.35%	27.97%	20.81%	18.10%	22.13%
	44 540/	47.270/	52 649/	F7 F00/	FF F00/
Deposits and other accounts Term deposits	44.51%	47.27% 47.05%	53.61%	57.59% 57.37%	55.59% 55.42%
Other deposit	0.20%	0.22%	0.20%	0.22%	0.17%
Other liabilities	14.59%	12.64%	13.35%	11.81%	10.83%
TOTAL LIABILITIES	88.45%	87.89%	87.77%	87.51%	88.56%
Shareholders' Equity	10.69%	11.89%	12.01%	12.28%	11.24%
Paid up capital	5.68%	5.94%	6.06%	6.58%	6.08%
Share money deposit for right issue	0.00%	0.00%	0.00%	0.00%	0.00%
Share premium	1.15%	1.20%	1.23%	1.33%	1.29%
Statutory reserve	2.23%	2.30%	2.30%	2.36%	2.09%
General reserve	0.00%	0.05%	0.06%	0.06%	0.06%
Capital reserve	100%	100%	100%	0.00%	0.00%
Fair value measurement reserve					
Retained earnings	1.51%	2.30%	2.34%	1.95%	1.72%
Non controlling interest	0.86%	0.23%	0.22%	0.22%	0.20%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	100.00%	100.00%	100.00%	100.00%	100.00%

TRIPLE BOTTOM LINE HIGHLIGHTS

GRI: 102-7

Results for the year	2023	2022	Change
	BDT Mn	BDT Mn	%
Gross Income	8,415	7,534	11.70%
Interest Income	6,485	6,712	-3.37%
Interest Expenses	5,438	4,892	11.17%
Profit before Tax	412	304	35.83%
Provision for Taxation	243	125	93.75%
Profit after Tax	170	178	-4.79%

Financial Position at the year end	2023 BDT Mn	2022 BDT Mn	Change %
Shareholders' Fund (Stated Capital and Reserves)	9,500	11,169	-14.94%
Deposits from Customers	42,442	43,657	-2.78%
Lease, Loans & Advances	61,719	61,331	0.63%
Total Investment	6,209	4,750	30.71%
Fund Under Management (FUM)	161,184	161,008	0.11%
Total Assets	87,476	85,934	1.79%

Investors	2023	2022	Change
Gross Dividend (mn)	539	539	0.00%
Earnings per Share (BDT)	0.32	0.33	-4.79%
Dividends per Share (BDT)	1.00	1.00	0.00%
Net Assets per Share (BDT)	17.63	20.73	-14.94%

Ratios	2023	2022	Change
Return on Shareholders' Funds (%)	1.64%	1.60%	2.47%
Return on Average Assets (%)	0.20%	0.21%	-7.50%
Year on Year Growth in Dividends on Ordinary Shares (%)	539	539	0.03%
Interest Cover (Times)	1.23	1.20	2.82%
Equity : Assets (%)	10.86%	13.00%	-16.44%
Debt : Equity (Times)	7.17	5.98	19.83%
P/E Ratio (Times)	82.44	78.49	5.03%
Non-Performing Loans Ratio (%)	7.41%	7.22%	2.70%
Advance Growth (%)	0.41%	4.35%	-89.72%
Deposit Growth (%)	-1.58%	-9.39%	-83.21%

Statutory Ratios	2023	2022	Change
Capital Adequacy Ratio (CAR) - Min. Req. 10%	14.15%	15.78%	-10.33%
Core Capital to RWA - Minimum Required 5%	12.13%	12.74%	-4.08%
Supplementary Capital to RWA	2.02%	3.04%	-33.50%
Cash Reserve Ratio (CRR) - Minimum Required 1.5%	1.97%	1.70%	16.23%
Statutory Liquidity Reserve - Minimum Required 5%	14.41%	5.07%	184.33%

KEY HIGHLIGHTS / TRIPLE BOTTOM LINE HIGHLIGHTS

Francis Custoire billtu	2023	2022
Economic Sustainability	BDT M	BDT Mn
Economic Value Available for distribution	2,330	2,880
Economic Value Addition	570	147
Number of new branches launched	0	0

Environment Sustainability	2023	2022
Electricity Consumption in value (mn)	15.6	15.22
Fuel Cost (mn)	0.77	2.47
Water Consumption in value (mn)	1.1	1.97
Paper consumption in value (mn)	3.58	14.8
Significant environment fines	Nil	Nil
Environment protection expenditure	0	0
Number of environmental grievances	Nil	Nil

Labor Sustainability	2023	2022
Total Workforce in number	1,117	1,245
Recruitments in number	291	365
Attrition rate	23.96%	27%
Retention rate after maternity leave	100%	89%
Number of injuries	Nill	Nil
Total Training Hours	23,609	15,273
Average Training hours per employee	21.14	12
Employee performance appraisal as a percentage of total workforce	100%	100%

Human Rights Sustainability	2023	2022
Incidents of discriminations	Nil	Nil
Incidents of child labor (below 18 years)	Nil	Nil
Incidents of forced labor	Nil	Nil
Human rights incidents reported and resolved	Nil	Nil

QUARTERLY STATISTICS

								BDT in mn
Statement of Financial Position		20	23		2022			
(As at)	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Total Assets	94,855	93,815	94,086	92,815	90,765	91,702	92,450	92,879
Financial Assets-loans & advances	65,353	65,314	65 <i>,</i> 350	64,826	65 <i>,</i> 086	67 <i>,</i> 345	65,352	62,453
Financial liabilities (deposits and borrowings)	70,064	70,176	70,040	69 <i>,</i> 032	68,298	68,431	69,660	69,151
Total Equity	10,139	10,018	9,983	10,456	10,788	10,601	10,451	10,909

BDT in mn

Statement of Profit or Loss		20	23		2022			
(For the quarter ended)	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Net interest income	(76)	636	384	453	482	638	534	529
Income from investment	185	94	131	504	161	142	99	148
Commission, exchange and brokerage income	106	139	147	92	143	250	150	235
Other operational income	821	211	222	187	190	202	180	226
Net operating income	1,037	1,080	884	1,236	977	1,232	963	1,139
Less: Total operating expense	750	620	653	649	727	642	668	630
Less: Provisions for loans & investments	(9)	373	24	425	(21)	358	157	202
Less: Provision for tax	120	50	107	83	81	78	55	72
Profit for the period	176	37	100	79	190	154	83	235

Market price per share (Taka)	2023				2022			
(For the quarter ended)	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Highest	24.5	28.20	26.30	17.90	26.00	26.00	28.70	32.50
Lowest	24.2	27.70	26.00	17.10	26.00	26.00	28.10	32.00
Closing	24.4	28.00	26.30	17.80	26.00	26.00	28.50	32.30

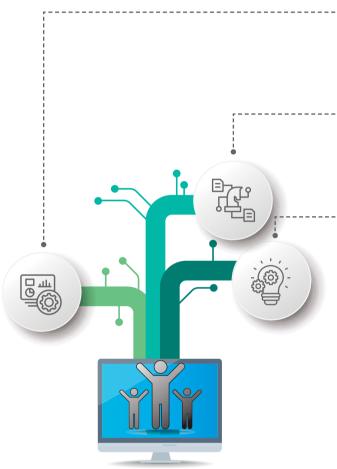
		20	23		2022			
Profitability (As at)	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Net Interest margin (%)	-5.39%	30.35%	20.95%	27.71%	26.83%	37.98%	26.81%	30.64%
Return on assets (%)	0.42%	0.31%	0.39%	0.34%	0.72%	0.69%	0.69%	1.03%
Return on equity (%)	3.82%	2.80%	3.45%	2.98%	6.19%	5.89%	5.94%	8.69%
Regulatory Capital								
Capital Adequacy Ratio to total RWA (Minimum requirement: Higher of minimum 10% or % of Core capital to total RWA)	15.62%	17.28%	17.02%	17.55%	17.33%	17.44%	17.17%	17.61%
Core Capital to total RWA	14.08%	14.97%	14.73%	14.91%	14.91%	14.63%	14.42%	14.57%
Supplementary Capital to total RWA (%)	1.54%	2.32%	2.29%	2.65%	2.42%	2.80%	2.75%	3.04%
RWA=Risk Weighted Assets								
Assets Quality								
*Gross NPL ratio (%)	7.41%	9.19%	8.98%	8.34%	6.80%	6.92%	6.66%	6.88%
**Net NPL ratio (%)	3.06%	3.99%	3.89%	2.95%	2.34%	2.29%	2.42%	2.58%
Regulatory Liquidity								
Cash Reserve Reserve (CRR)								
Held	1.97%	1.70%	1.70%	1.70%	1.70%	1.55%	1.64%	1.58%
Required	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Surplus	0.47%	0.20%	0.20%	0.20%	0.20%	0.05%	0.14%	0.08%
Statutory Liquidity Reserve (SLR)								
Held	14.41%	5.07%	5.07%	5.07%	5.07%	5.05%	5.02%	5.04%
Required	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Surplus	9.41%	0.07%	0.07%	0.07%	0.07%	0.05%	0.02%	0.04%
*Classified loans/Total loans. **Classified loans minus	provision and	d suspense a	qainst classi	fied loans/To	tal loans.			

*Classified loans/Total loans. **Classified loans minus provision and suspense against classified loans/Total loans.

DIGITALIZATION

Our commitment to digital transformation remains steadfast as we continue to integrate cutting-edge technologies, advanced digital tools, and data analytics to elevate the customer experience. We are driving transformation across all aspects of our business, operations, and communications, embracing innovation to better serve our customers and stakeholders.

IN 2023, OUR DIGITALIZATION FOCUS WAS ON:



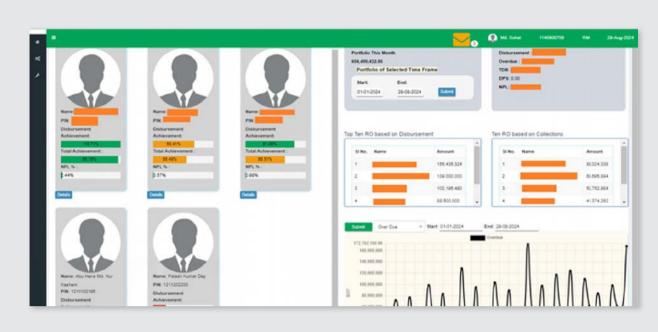
- Data-Driven Decision Making: Leveraging digital tools to enhance customer engagement, we utilized data analytics to extract actionable insights, enabling us to make informed, data-driven decisions. This approach has strengthened our competitive position, allowing us to anticipate market trends and adapt proactively.
 - Strategic Alignment and Cultural Shift: We focused on deepening relationships with new and existing customers to ensure loyalty and advocacy for our brand. To achieve this, we expanded our digital ecosystem by integrating new platforms, services, products, and channels, ensuring a seamless customer experience.
 - **Process Innovation:** We continued to innovate our processes to increase customer engagement and enhance brand visibility. By offering multiple secure online and offline channels, we provided customers with flexible options to interact with us, thereby creating a more engaging and accessible service environment.

IN 2024, OUR PRIORITIES ARE TO...

• Advance Digital Transformation: We aim to further streamline our operations and enhance the customer experience through online applications, allowing customers to access a wide range of financial services anytime, anywhere, without the need for physical branch visits. This initiative has empowered our customers to self-manage their accounts, track application statuses, and monitor transactions in real time, fostering a more transparent and user-friendly experience.

As we move forward, our focus will remain on digital innovation, leveraging technology to create a more responsive and adaptive business environment that meets the evolving needs of our customers.

CMSME Dashboard



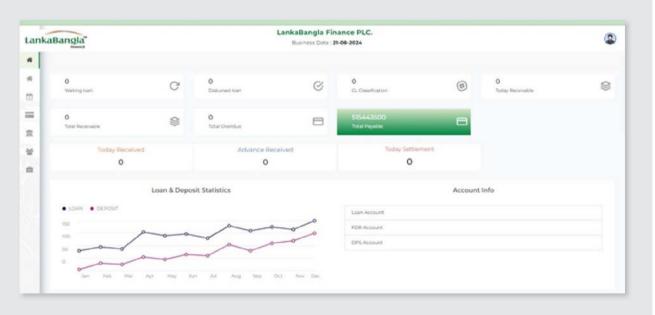


The CMSME Dashboard enhances portfolio visibility by providing Relationship Managers (RMs) with a comprehensive, real-time view of their loan portfolio. This allows RMs to track loan performance, monitor client segments, and assess portfolio health at a glance. The dashboard's data-driven insights enable timely decision-making, helping RMs to identify opportunities, manage risks, and improve overall performance. By offering a streamlined and organized interface, the dashboard supports better client management and more efficient operations.

DANA App dana 20)) 494 v Dana Works -+ Credit Score Tour + No recent update A 0 LankaBangla Loan 8NPL Credit Card DPS Secure Your Future b 15,000 With Dana DPS Offers Credit card limit up to BDT 1 lac >> Simple Setup · 3-5 working days delivery . 100% free for the first year >> Secure Transactions 12 03 **BUILD SCORE** 33 Personalized & GET LOAN b 5,075 Experience b 450 b 150 >> 24/7 Support Next Skip . .

LankaBangla Finance PLC. has launched its Digital Financial Services (DFS) through the innovative Dana App, enabling customers to access a range of financial products seamlessly. Through the Dana platform, users can apply for DFS products based on credit scoring system, ensuring a more personalized and efficient financial experience.

OPUS Dashboard (Mini CBS)



All Digital Financial Services (DFS) products of LankaBangla Finance PLC will be integrated into the OPUS Middleware platform. Authorized personnel will have the capability to design, monitor, and create new DFS products directly through this platform, ensuring streamlined operations and enhanced product management. This centralized system will facilitate better oversight and agility in product development, enabling efficient deployment and customization of financial services to meet customer needs.



LankaBangla Finance PLC. introduced Convenient BEFTN Services for its credit card members to pay credit card bill in association with The Premier Bank PLC.

Through this partnership LankaBangla credit card members can now conveniently pay their card bills using any bank account in the country, leveraging the Bangladesh Electronic Fund Transfer Network (BEFTN) via The Premier Bank's BEFTN services.

This collaboration aims to provide a digital payment facility that offers unparalleled convenience, reliability, and security to our valued customers. With BEFTN services, LankaBangla credit card members can enjoy hassle-free bill payments, enhancing their digital banking experience.

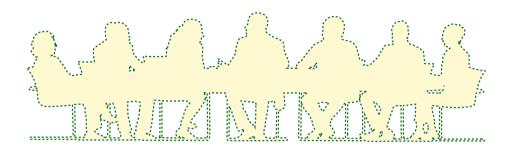


LankaBangla has launched called Earned Wages Access (EWA) by Wagely. This service allows our employees to access a portion of their earned salary in advance from the 5th to the 18th of each month, marking a significant step in our ongoing digitization efforts.

In today's digital age, managing unexpected expenses and bills is crucial. The introduction of the EWA service underscores our dedication to supporting our colleague's financial freedom and well-being, particularly during challenging times and emergencies. We're committed to ensuring that no unforeseen financial obstacles hinder our employees.

10.20	DPS	 ▲ 10 20 ← 	DPS
General		General	
Select Amount	Select Maturity Period	Select Amount	Select Maturity Period
n g. % 600. 🔹 💌	e.g.D.Yours 👻	b 1000	▼ 3 Years ▼
Deposit Frequency	Select Purpose of Savings	Deposit Frequency	Select Purpose of Savings
e.g. Manttily	estactor ·	House .	Education
	eg manor	Monthly	Lucium
		Marriery	Lucium .

LankaBangla has partnered with Trust Axiata Pay (TAP), a fully-owned subsidiary of Trust Bank and a leading mobile financial service provider, to launch a Micro Savings initiative. This convenient deposit scheme is specially designed for TAP's defense customer segment, providing them with a secure and accessible way to build their savings. Through this strategic collaboration, we are committed to delivering tailored financial solutions that address the unique needs of our customers, promoting financial inclusion and empowering them to achieve greater financial security.



Leadership

At LBF PLC, we are proud to have strong corporate governance led by a wellconversant and expert board of directors who has strong business acumen. In this segment, the leaders have articulated details of the Company's recent performance along with challenges and how these performances are gauged against the Company's Vision, Mission, Goals and Objectives. Moreover, they have also highlighted the major steps that will be taken in the next year to accelerate Company's performance.

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MESSAGE FROM THE CHAIRMAN

MOHAMMAD ABDUL MOYEEN

CHAIRMAN

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

\<u>\</u>

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 customercentric 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 consolited 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 on 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

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 Company, 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. 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.

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.

Principal Business Activities 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 Ioan, 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: 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. Float, administer and manage any mutual fund, growth fund or any other allotted scheme approved by the Government for the time being. 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.
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.

These results validate that our strategic direction remains sound,

4. Economic Review of 2023

4.1. World Economy

World economic outlook is provided on from pages 153 to 155

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 nonperforming 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 38), the Managing Director's Review (page 51), and the CFO's Reviews (page 160). 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 38), the Managing Director's Review (page 51), and the CFO's Reviews (page 160). 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 are given on pages from 251 which form an integral part of this Annual Report.

9. Directors' Responsibility for Financial Reporting

The Directors are responsible for the preparation of Financial Statements of LBF PLC and it's subsidiaries to reflect a true and fair view of its state of affairs. The Directors are of the view that these Financial Statements appearing on pages from 98 have been prepared in conformity with the requirements of the Bangladesh Financial Reporting Standards, Companies Act 1994, Finance Company Act 2023 and amendments thereto, the Listing Regulations of Dhaka Stock Exchange and Chittagong Stock Exchange, Bangladesh Bank's Guidelines and the Corporate Governance Code. The Statement of Directors' Responsibility for Financial Reporting is given on page 98 and forms an integral part of the report of the Board of Directors.

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 245.

11. Significant Accounting Policies

Significant accounting policies adopted in the preparation of the Financial Statements are given on pages from 263 to 283 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.

Core Business Review 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. SME 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%. An analysis of the revenue is given in pages from 160 of the annual report.

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	Consol	idated	LBF	
Particulars	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
Тах	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 262 of this report.

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

16. Reserves

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

Figures in million (BD					
	Consolidated		LBF		
Particulars	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	-	47.49	-	-	
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	5,399.33	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 17 to 20.

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 LBF PLC 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 Financial Statements.

20. Capital Commitments

Capital expenditures approved and contracted for, as at the reporting date is given in note number 40 (g) 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 PLC 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 17 to 20. 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.

The shareholding pattern as per Clause 2(k) of SEC Notification No. SEC/CMRRCD /2006-158/Admin/02-08 dated February 20, 2006 is shown in Annexure-iii, page 96.

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 96) and their brief profiles are given on pages 57 to 60 of the Annual Report.

29. Appointment of 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.

Position Chairman Director Independent Director Director

Director

Director

Chairman Director

Independent Director

Independent Director Director Director

30. List of Directors of the Subsidiaries

Names of the Directors of	the Directors of Subsidiary companies are as follows:	
Particulars	Name of Director	
LankaBangla Securities	1) Mr. Mahbubul Anam	_
Limited	2) Mr. B. W. Kundanmal	
	3) Mr. Md. Fakhrul Alam	
	4) Mr. Mohammed Nasir Uddin Chowdhury (Nominated by LankaBangla Finance PLC)	
	5) Mr. S. A. R. Md. Muinul Islam (Nominated by LankaBangla Finance PLC)	
	6) Mr. Khandoker Saffat Reza (Nominated by LankaBangla Finance PLC)	
LankaBangla	1) Mr. Mahbubul Anam	
Investments Limited	2) Mr. B. W. Kundanmal (Nominated by LankaBangla Finance PLC)	
	3) Mr. Al-Mamoon Md. Sanaul Huq	
	4) Mr. Md. Fakhrul Alam	
	5) Mr. Abdullah Al Karim	
	6) Mr. Mohammed Nasir Uddin Chowdhury (Nominated by LankaBangla Finance PLC)	
LankaBangla Asset	Mr. Md. Fakhrul Alam	
Management Company Limited	2) Mr. Al-Mamoon Md. Sanaul Huq (Nominated by LankaBangla Finance PLC)	
	3) Mr. Abul Kalam Mohammad Kamruzzaman	

Names of the Directors of Subsidiary companies are as follows:

	(Nominated by LankaBangla Finance PLC)	
LankaBangla Asset	Mr. Md. Fakhrul Alam	Chairman
Management Company Limited	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	1) Mr. Mohammad Abdul Moyeen	Chairman
Information System Limited	2) Mr. Mahbubul Anam	Director
	3) Mr. S. A. R. Md. Muinul Islam (Nominated by LankaBangla Securities Limited)	Director
BizBangla Media	1) Mr. Mohammad Abdul Moyeen	Chairman
Limited	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.

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 Report on pages 96 to 97 of the Annual Integrated Report.

33. Related Party Transactions

Directors have also disclosed transactions, that could be classified as Related Party Transections 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 37 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:

SI.	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. Mahbubul Anam	23,998,741	23,998,741
7	Mr. Tahsinul Huque	20,973,565	20,973,565
8	Mr. Md. Fakhrul 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 55 of this report.

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

	LankaBangla Securities Limited				
sı.	Name of Director	Position	Shares held on 31-Dec- 2023	Shares held on 31-Dec- 2022	
1	Mr. Mahbubul Anam	Chairman	119,841	119,841	
2	Mr. Mohammad Abdul Moyeen	Shareholder	122,290	122,290	
	LankaBangla In	vestments Lin	nited		
sı.	Name of Director	Position	Shares held on 31-Dec- 2023	Shares held on 31-Dec 2022	
1	Mr. Mahbubul Anam	Chairman	1	1	
2	Mr. Mohammad Abdul Moyeen	Shareholder	1	1	

	LankaBangla Information System Limited			
SI.	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. Mahbubul Anam	Director	100	100

	LankaBangla Asset Management Company Limited				
SI.	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. Mahbubul Anam	Shareholder	90	90	
	BizBangla I	Media Limite	d		
SI.			Shares held on	Shares held on	
51.	Name of Director	Position	31-Dec 2023	31-Dec 2022	
5 .	Mame of Director	Position Chairman	31-Dec	31-Dec	

37. Directors' Remuneration

Details of directors' emoluments paid during the year are given in note number 28 to the financial statements.

38. Management discussion and analysis

Management discussion & analysis has been highlighted in the Managing Director's statement (page 51) & in Directors' Report.

39. Declaration by the MD and the CFO

Declaration by the Managing Director and Chief Financial Officer has been given on page 79.

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.

Details discloser related to human resource are given pages 204 to 213 of this report which form an integral part of the Annual Report of the Board of Directors.

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.

Details about contribution to government exchequer is given in page 150 of this Annual Report.

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 2.38 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 40 (e) 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. Details about going concern assessment of LankaBangla is presented in Statement of Going Concern in page 132 of the Annual Report.

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 on pages 109 to 118. 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. Details about risk management is given in Risk management report on pages 109 to 118 of this Annual Report.

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 71 to 78.

Pursuant to Clause 9.00 of BSEC Notification No. BSEC/ CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 the Company's compliance status is shown in Annexure-iii page 80.

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 conclusion of 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.

Details about auditors of subsidiaries and auditor for other audit services are given in page number 4 of the annual integrated 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 356 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 heartfelt 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 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

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."



Dear Shareholders,

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 nonreturning 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



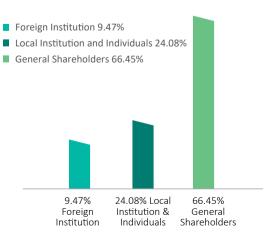
Our practice to remain within the guideline for strategic and steady journey towards progress is being governed by our percipient leaders harmonized by our Board of Directors and the Chairman. This practice ensures transparent and winning corporate governance for LankaBangla.

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SHAREHOLDING STRUCTURE AS on 31 December 2023

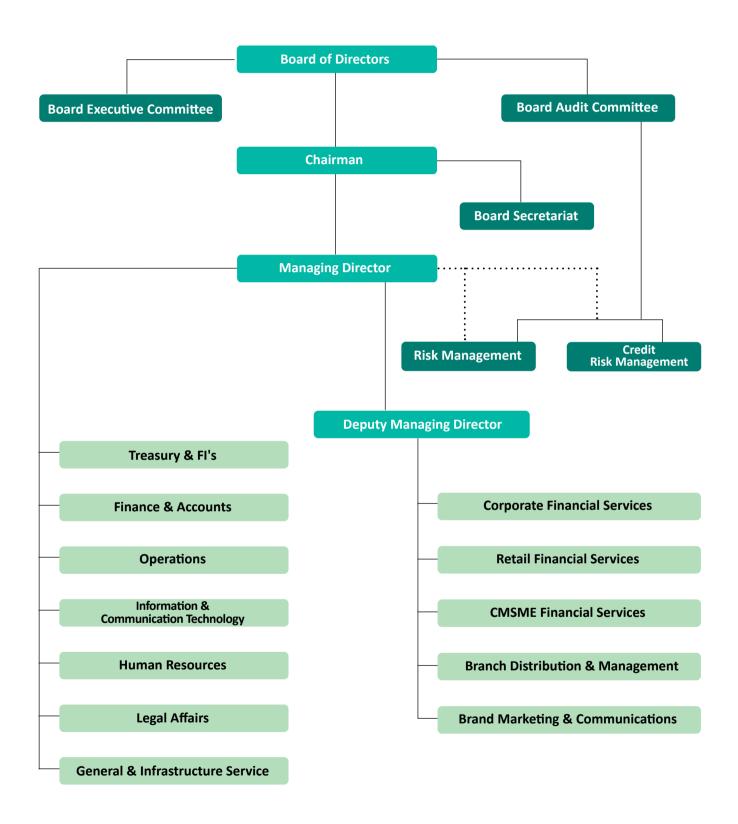
Authorised Capital:	No. of Share	BDT
(Ordinary Shares of TK. 10.00 each)	1,000,000,000	10,000,000,000
Issued, Subscribed and Paid up Capital:	No. of Share	BDT
(Ordinary Shares of TK. 10.00 each)	538,838,623	5,388,386,230
Details of shareholding structure are as under:		
Sponsor and/or Director	Total Holding (No. of Share)	% of Shareholding
a) Foreign Institution:		
Sampath Bank PLC (Sri Lanka)	51,036,605	9.47%
Sub-Total	51,036,605	9.47%
b) Local Institution:		
ONE Bank PLC	20,362,737	3.78%
Sub-Total	20,362,737	3.78%
c) Individuals:		
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%
Sub-Total	109,396,579	20.30%
Sponsor/Director Local	129,759,316	24.08%
Sponsor/Director Total	180,795,921	33.55%
General Shareholders	358,042,702	66.45%
Grand Total	538,838,623	100.00%

Shareholding Structure



ORGANOGRAM OF LANKABANGLA FINANCE

GRI: 102-18



PROFILES OF THE DIRECTORS OF THE BOARD



66



MR. NANDA FERNANDO Director (Representing Sampath Bank PLC)

Nationality:	
Board Committee(s):	Member of Board Audit Committee
Academic / Professional Qualification(s):	Associate member and a Senior Fellow member of Institute of Bankers of Sri Lanka and holds Masters of Business Administration degree specializing in Marketing from Sikkim Manipal University, India



MR. MAHBUBUL ANAM Director

Nationality:
Board
Committee(s):
Academic /
Professional
Oualification(s):

66

Member of Board Executive Committee and Board Audit Committee

B.Sc. in Mechanical Engineering from Bangladesh University of Engineering and Technology.



MR. TAHSINUL HUQUE Director

Nationality:	British (Original Nationality-Bangladeshi)
Board Committee(s):	
Academic / Professional Qualification(s):	Graduated from Williams College, Massachusetts, USA with major in Economics and Political Science



MRS. ANEESHA MAHIAL KUNDANMAL Director

"

"

Nationality:		Bangladeshi	
	Board Committee(s):		
	Academic / Professional Qualification(s):	B.A. (Honors) in Public Administration from Universit Dhaka	



MR. MD. MONZUR MOFIZ Director (Representing ONE Bank PLC)

Nationality:	Bangladeshi
Board Committee(s):	Member of Board Executive Committee
Academic / Professional Qualification(s):	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.



MR. M. FAKHRUL ALAM Independent Director

Nationality:
Board Committee(s):
Academic /
Professional Qualification(s):

66

ember of Board Executive Committee, Board Audit mmittee

MBA from the Institute of Business Administration (IBA), University of Dhaka



MR. AHMAD AHSANUL MUNIR Independent Director

Nationality:	Bangladeshi
Board Committee(s):	Chairman of Board Audit Committee & Me Executive Committee
Academic / Professional Qualification(s):	MBA from Indiana University, Fort Wayne, U

PROFILES OF THE MANAGEMENT TEAM



HUMAIRA AZAM Managing Director

Humaira Azam, has joined as the Managing Director of LankaBangla Finance PLC. on August 2024. Humaira Azam, a distinguished leader with 34 years of experience in the financial industry, is known for her exceptional ability to drive business turnarounds and deliver outstanding leadership in challenging and multicultural environments. Humaira Azam is the first female Managing Director (MD) and Chief Executive Officer (CEO) of any bank and NBFI in Bangladesh namely Trust Bank Limited and IPDC Finance PLC. Her vast expertise spans corporate and commercial banking, foreign trade, treasury, retail banking, special assets, branch banking, Islamic banking, credit management, capital management, financial institutions and securities.

Humaira Azam's illustrious career began in 1990 as a Management Trainee at ANZ Grindlays Bank, where she quickly grew through the ranks to take on various leadership roles. Over the years, she has played a pivotal role in the success of three multinational banks, a financial institution, and two local private banks. Her tenure at HSBC Bangladesh, Standard Chartered Bank, and IPDC Finance PLC, among others, has been marked her ability to develop strong frameworks, expand businesses, and implement successful strategies.

Most recently, Humaira Azam served as the Managing Director & CEO of Trust Bank Limited, where she led the bank to significant growth in operating profit, deposit base, and foreign remittance. Her leadership was instrumental in Trust Bank achieving several milestones, including becoming a principal member of VISA, improving its capital base, and earning recognition for its Islamic banking division. Under her outstanding leadership, Trust Bank Limited has been recognized twice as one of the seven banks in the "Sustainability Rating" in the year 2022 and 2023.

Humaira Azam is known for her strong leadership qualities, analytical skills, and commitment to excellence. She has been recognized by Oxford as one of the top-tier leaders globally at an advance leadership programme. Additionally, she has completed an advanced leadership program at INSEAD. She was also featured in the top seven most influential women in Islamic business and finance in the WOMANi 2021 and 2022 reports by Cambridge IFA and has received numerous awards, including the "Women of Inspiration Award" by JCI and the "Top Women Bankers Award" by BRAC Bank Limited. She has mentored many of today's top executives in the financial industry. Her career is guided by three core philosophies: hard work, courage to speak the truth, and a commitment to serving clients with honesty, humanity and humility. Humaira Azam holds both a Bachelor's and a Master's degree in International Relations from the University of Dhaka. Her professional development includes extensive participation in various training programs, workshops, and seminars, both within her home country and internationally.



A. K. M. KAMRUZZAMAN FCMA Head of Operations

Mr. A. K. M. KamruzZaman, FCMA, is working as the Senior Executive Vice President & Head of Operations Division, with the responsibility to supervise and oversee Asset Operations, Card Operations, Liability Operations, Treasury Operations, Asset Accounts Maintenance, Closing & Clearance, Information, Documents & Insurance Management, Transactions Management, MIS & Regulatory Reporting and Special Asset Management (SAM). During his long twenty one and half years' tenure with LankaBangla, he has got the rare opportunity to work in almost all the functional areas of the company in different capacities as Head of Operations, Head of Credit & Investment, Head of Business, Head of Credit Administration, Head of Accounts, Head of Administration & Company Secretary.

Mr. KamruzZaman is a Nominated Director in the Board of LankaBangla Asset Management Company Limited and earlier was a Nominated Director in the Board of MIDAS Financing Limited. Prior to LankaBangla, he served Opex Group, Prime Group, Babylon Group and some other leading companies in manufacturing and service industries. He also served time to time as part- time and guest faculty in the Institute of Cost & Management Accountants of Bangladesh (ICMAB), the Institute of Business Administration (IBA), University of Dhaka, and as a guest trainer in Bangladesh Institute of Bank Management (BIBM) and Bangladesh Leasing & Finance Companies' Association (BLFCA).

Mr. KamruzZaman was an elected Member of the National Council during 2020-2022 and Secretary and Treasurer in 2022 and 2021 respectively of the Institute of Cost & Management accountants of Bangladesh (ICMAB). Earlier, he served as the Chairman of Dhaka Branch Council (DBC) of ICMAB. He was also a Member of the International Transparency & Governance (ITAG) Committee of the South Asian Federation of Accountants (SAFA). He has presented many keynotes in various local and international seminars and conferences.

Mr. Kamruzzaman is a post graduate in Accounting from the University of Dhaka. He is also an MBA from the IBA, University of Dhaka and a Fellow Member (FCMA) of ICMAB. For personal and professional development, he has travelled India, SriLanka, Thailand, Malaysia, Indonesia, Singapore, Germany, France, Switzerland & Italy and attended a good number of trainings, workshops and seminars home and abroad.



KHURSHED ALAM Head of Retail Financial Services

Khurshed Alam, Senior Executive Vice President, joined the then Vanik Bangladesh Limited in July 1998. He is currently looking after the Retail Financial Services Division. As a long- term serving employee, Mr. Khurshed worked in various departments in LankaBangla, including Finance, Administration, Human Resource, Credit Card, Home Loan, CMSME Finance, Auto Loan, Personal Loan, and Retail Liability. As a technological enthusiast, he is also looking after the Digital Transformation Department at LBF PLC.

Mr. Khurshed started his career in 1992 as Probationary Officer-Finance & Accounts in Rupali General Insurance Company Limited. He obtained his Honors and Masters in Management from the University of Dhaka. He also got his Post Graduate Diploma in Personnel Management (DPM)from Bangladesh Institute of Management (BIM), Marketing Strategies for Retail Banking from National Institute of Bank Management (Pune, India), and on The Corporate Management for Bangladesh (BCDM) in HIDA, Japan. He is also successfully completed training on Crafting Innovative Business Strategy under the Management Development Program (MDP) from IBA, University of Dhaka, and Digital Transformation: Platform Strategies for Success from MIT Sloan School of Management, USA. He has attended a considerable number of training, workshop, and seminar at home and abroad.



QUAMRUL ISLAM Head of Treasury & FI

Quamrul Islam, Senior Executive Vice President joined erstwhile Vanik Bangladesh Limited on October 7, 1997 which was later renamed as LankaBangla Finance Limited. He has been able to engage himself in the formation of the company under different stages. During his tenure of office, he held different positions and looked after the functions of Finance and Treasury. Mr. Quamrul eventually went on to assume the role of Chief Financial Officer of the company for the period from 2007 to 2012.

Currently he is discharging the responsibility as Head of Treasury & Financial Institutions by proving his forte in the areas of money market, balance sheet management, capital market and relationship management with global & local financial institutions including DFIs. He has done an extensive work to implement the integrated treasury management solution for the company.

Mr. Quamrul obtained his graduation with Honors and postgraduation in Accounting from the Faculty of Business Studies of Dhaka University. He started his career with "PRAN Group" one of the largest conglomerates of the country as a Management Trainee Officer. Mr. Quamrul is the Vice President of the Bangladesh Money Market Dealers' Association (BAMDA). He attended a good number of professional trainings, workshops and seminars at home and abroad.



MOSTAFA KAMAL, FCA Group Company Secretary

Mostafa Kamal, Senior Executive Vice President, joined LankaBangla in February 2009. Currently, he is working as the Group Company Secretary and Head of Regulatory Affairs of LankaBangla Finance PLC and its subsidiaries. Mr. Kamal has been assigned with the role of Chief Anti Money Laundering and Compliance Officer (CAMLCO) LankaBangla Finance PLC. In addition to his current role, he also worked in the company as Head of HR and Administration. Mr. Kamal completed his B.Com. (Hons.) and M.Com. in Accounting from University of Dhaka. He is a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB). Prior to joining in LankaBangla he was the Head of ICC of IPDC Finance PLC and also served Rahman Rahman Huq, Chartered Accountants, (Member Firm of KPMG International) as Manager, Audit and Advisory Services from September 2003 to June 2006.

Mr. Kamal held the position of the Chairman of Dhaka Regional Committee of ICAB for the year 2010-2011. He was a Council Member of ICAB for the term 2016-2018. He held the position of the Vice President (Education & Training) of ICAB for the year 2017. Mr. Kamal is the concept developer and project manager of Digital Identification of Audit Reports (DIAR) which is currently known as Document Verification System (DVS). He played a very vital role in opening Bangladesh Chapter of Information System Audit and Control Association (ISACA) of USA. He is the Founder Director, Communication and Ex-Director, Academic Relations of ISACA Bangladesh Chapter. Mr. Kamal is also a Founder Member and the General Secretary of Vision Care Foundation (a non-profit organization). He is the Executive Director and a member of Policy Advisory Committee of Bashundhara Eye Hospital and Research Institute, a non-profit and most modern Eye Hospital in Bangladesh. During the years 2017-2020, Mr. Kamal was a Government nominated Board Member in two state owned organizations namely Bangladesh Cable Shilpa Limited and Telephone Shilpa Sangstha Limited.



MOHAMMAD SHOAIB Head of Corporate Financial Services

Mohammad Shoaib, Executive Vice President, joined LankaBangla Finance as Assistant Vice President in May 2007. He is currently working as the Head of Corporate Financial Services Division looking after the Corporate Asset & Liability Portfolio. Mr. Shoaib has around 21 years of financial services experience and held various senior management positions in credit & investment, corporate finance, retail finance, CMSME finance, credit administration and corporate liability. Prior to joining LankaBangla, he was the Branch In-charge of Chittagong Branch of Prime Finance & Investment Limited.

He is a Bachelor in Business Administration with Honors in Accounting and a Master's in Business Administration in Accounting & Information Systems from the University of Dhaka.

Mr. Shoaib is Associate Member of Institute of Financial Accountants (IFA), UK and Member of Institute of Public Accountants (IPA), Australia.

He has attended a good number of trainings, seminars and workshops both in home and abroad.



SHAMIM AL MAMUN, FCA Chief Financial Officer

Shamim Al Mamun, FCA has worked at a variety of institutions for the past 14 years. Since April 2013, he has been working as Lankabangla Finance's Chief Financial Officer (CFO). He was the CFO and Company Secretary of Fareast Stocks & Bonds Limited prior to joining this Company. He is a Fellow of the Bangladesh Institute of Chartered Accountants (ICAB). Mr. Shamim is also one of the directors of LankaBangla Asset Management Company Limited (LBAMCL).

He graduated from American International University of Bangladesh with a Bachelor of Science in Computer Science (AIUB). He is also an ex-cadet, having completed his secondary education at Sylhet Cadet College. Mr. Shamim has ample expertise and experience in Strategic Planning and Forecasting, Process Design and Productivity Improvement, Financial Governance and Modelling, Financial Reporting, and Financial Management. He is also an ICAB resource person with the proficiency of providing student training and educational development.



MD. KAMRUZZAMAN KHAN Executive Vice President

Md. Kamruzzaman Khan, Executive Vice President at LankaBangla Finance PLC, brings over 21 years of distinguished experience in Banking and Financial Services. Since joining LankaBangla Finance in 2013, he has led the CMSME Financial Services Division, where his strategic vision and deep expertise have been instrumental in driving growth and innovation.

Before his tenure at LankaBangla, Mr. Khan made significant contributions at BRAC Bank Limited, where he served in the SME Division in various leadership roles, including Manager and Senior Manager. His work there laid the foundation for his deep understanding of SME financing, positioning him as a key player in the sector.

Mr. Khan holds a Master's degree in Commerce (M.Com) with a focus on Accounting and an MBA in Finance & Banking from the State University of Bangladesh. His commitment to continuous learning is reflected in his participation in advanced training programs, including a specialized course on SME Financing at the National Institute of Bank Management (NIBM) in Pune, India, conducted in partnership with the Frankfurt School of Finance & Management, Germany. He also attended a Strategic Planning & Thinking program at the Singapore Institute of Management (SIM). Currently, Mr. Khan is further enhancing his strategic acumen by pursuing a professional certificate in Strategic Management from the Wharton School at the University of Pennsylvania. His broad expertise spans business development, risk governance, organizational transformation, and sustainable business growth, making him a pivotal force in the ongoing success of LankaBangla Finance PLC.



MOHAMMAD HAFIZ AL AHAD Head of Human Resources

Mohammad Hafiz Al Ahad, Executive Vice President & Head of Human Resources, is accountable for leading people & culture philosophy and strategy of LankaBangla Finance in alignment with business strategy.

Mr. Hafiz, a results-driven HR professional for almost two decades, started his career with the American Express Bank and subsequently worked as Lead HR for NOKIA (Networks), Head of HR for Philip Morris International (PMI) Bangladesh & Pakistan, Head of HR for The Coca-Cola Company (IBPL), Director-CSO, University of Liberal Arts Bangladesh (ULAB) and Head of HR, Rahimafrooz Bangladesh Limited (Agora) and has obtained local and international exposure in the field of Human Capital Management. For a short tenure, he also served as Chief People Officer (CPO) of Unique Group, one of the largest conglomerates of Bangladesh. Mr. Hafiz is a strategic and innovative HR professional who translates business strategy into HR actions that improve individual performance, organizational profitability, growth, and employee engagement. An empowering professional who supports companies and the Senior Leadership Team (SLT) with a unique perspective that human capital is the greatest asset of the organization. A passionate influencer who thrives on challenges and converts visions and strategies that are actionable and value-added goals. In addition to leading the People & Culture of the organization, Mr. Hafiz plays a pivotal role as a member of MANCOM, Integrity Committee, ICT Steering Committee, and Corporate Social Responsibility Committee (CSR).

Mr. Hafiz obtained his MBA from Oxford Brookes University, Oxford, UK, and Professional Certificate from London School of Economics and Political Science (LSE) on 'Digital Transformation in HR', in addition to his Bachelor's and Masters from the University of Dhaka.



MOHAMMAD NAZMUL HASAN TIPU, CFA Chief Credit Officer

Mohammad Nazmul Hasan Tipu, Executive Vice President & Chief Credit Officer is responsible for Credit Risk Management Division of LankaBangla Finance PLC. He joined LankaBangla Finance PLC as AVP at Credit Risk Management Division in May 2013 with around 9 years of banking experience with exposure in loans and advances both at Branch (Relationship Management) and Head Office level (Industrial Credit Division). He successfully served around 5 years as Unit Head, Corporate Credit, CRM and eventually he has been promoted to the role of Chief Credit Officer in April 2018.

Since then he has been successfully leading a highly competent credit team with diverse skill sets in the area of Corporate, CMSME and Retail credit. Mr. Nazmul obtained B.Sc. in Chemical Engineering from Bangladesh University of Engineering and Technology (BUET) and Masters in Business Administration (MBA) from Institute of Business Administration (IBA), University of Dhaka. In 2018, he obtained coveted Chartered Financial Analyst (CFA) charter reflecting his commitment to harnessing enriched skill sets of international standard and thus demonstrating professional excellence in his area of expertise. He attended a number of trainings, seminars and workshops on Strategy, Leadership, Digital Transformation and Advanced Credit Analysis among others both in home and abroad.



SHEIK MOHAMMAD FUAD Head of ICT

Sheik Mohammad Fuad, Senior Vice President of LankaBangla Finance PLC, has been serving current role as Head of Information and Communication Technology (ICT) Division since 2011. He is responsible for the overall technology strategy and direction of the company. With over 24 years of experience in the technology industry, he has a proven track record of success in leading teams to develop and implement innovative solutions that drive business growth.

As the Head of the ICT Division, Mr. Fuad leads a team of engineers and developers in designing, developing, and implementing new technology solutions that meet the needs of the organization and its customers. He plays a key role in the organization's efforts to achieve ISO 27001:2013 and PCI DSS certifications.

Mr. Fuad holds a Bachelor's degree in Science from the National University of Bangladesh and an International Diploma in Computer Studies from NCC (UK) which he obtained in 1998. Additionally, he holds professional certifications such as CDCP, CPISI, COBIT®5, PRINCE2® & ITIL.



MUHAMMAD HABIB HAIDER Head of GIS

Muhammad Habib Haider, Head of GIS, is responsible for General & Infrastructure Services Division of LankaBangla Finance PLC. He has joined LankaBangla Finance in February 2015. Prior to joining LankaBangla Finance PLC, he served in BRAC Bank Limited under GIS Division in different roles. He has over 15 years' experiences in Banking and Financial Institution sector with exposer in supply chain management, General Administration, and Project Management. He obtained his Honors degree from University of Dhaka and MBA from Southeast University. He obtained Certified Supply Chain Manager (CSCM) certification from ISCEA, USA. He has attended a number of trainings and workshops both in home and abroad.

BOARD COMMITTEES

Executive Committee

SI. No.	Name	Status in the Organization	Status in the Committee
1	Mr. Mohammad Abdul Moyeen	Chairman	Chairman
2	Mr. Mahbubul Anam	Director	Member
3	Mr. Md. Monzur Mofiz (Representing ONE Bank PLC)	Director	Member
4	Mr. Md. Fakhrul Alam	Independent Director	Member
5	Mr. Ahmad Ahsanul Munir	Independent Director	Member

Audit Committee

SI. No.	Name	Status in the Organization	Status in the Committee
1	Mr. Ahmad Ahsanul Munir	Independent Director	Chairman
2	Mr. Mahbubul Anam	Director	Member
3	Mr. Md. Fakhrul Alam	Independent Director	Member

MANAGEMENT COMMITTEE (MANCOM)

Sl. No.	Name	Designation	Status in the Committee
1	Humaira Azam	Managing Director	Chairperson
2	A. K. M. Kamruzzaman	Head of Operations	Co-chairman
3	Khurshed Alam	Head of Retail Financial Services	Member
4	Quamrul Islam	Head of Treasury & Financial Institutions	Member
5	Mostafa Kamal	Group Company Secretary	Member Secretary
6	Mohammad Shoaib	Head of Corporate Financial Services	Member
7	Shamim Al Mamun	Chief Financial Officer	Member
8	Md. Kamruzzaman Khan	Head of CMSME Financial Services	Member
9	Mohammad Hafiz Al Ahad	Head of Human Resources	Member
10	Mohammad Nazmul Hasan Tipu	Chief Credit Officer	Member
11	Sheik Mohammad Fuad	Head of ICT	Member
12	Muhammad Habib Haider	Head of GIS	Member

VARIOUS COMMITTEE OF THE MANAGEMENT

1. Risk Management Forum

SI.	Name	Designation	Position in the Committee
1	Humaira Azam	Managing Director	Chairperson
2	A. K. M. Kamruzzaman	Head Of Operations	Co-chairman
3	Khurshed Alam	Head of Retail Financial Services	Member
4	Quamrul Islam	Head of Treasury & FIs	Member
5	Mostafa Kamal	Group Company Secretary	Member
6	Mohammad Shoaib	Head of Corporate Financial Services	Member
7	Md. Kamruzzaman Khan	Head of CMSME Financial Services	Member
8	Mohammad Nazmul Hasan Tipu	Chief Credit Officer	Member
9	Sheik Mohammad Fuad	Head of ICT	Member
10	Mohd. Shafiqul Islam	Acting Chief Risk Officer	Member Secretary

2. Management Credit Committee

cl	El Desimation Desimation		
SI.	Name	Designation	Position in the Committee
1	Humaira Azam	Managing Director	Chairperson
2	A. K. M. Kamruzzaman	Head of Operations	Co-Chairman
3	Khurshed Alam	Head of Retail Financial Services	Member
4	Quamrul Islam	Head of Treasury & Financial Institutions	Member
5	Mohammad Shoaib	Head of Corporate Financial Services	Member
6	Md. Kamruzzaman Khan	Head of CMSME Financial Services	Member
7	Mohammad Nazmul Hasan Tipu	Chief Credit Officer	Member Secretary

3. Asset Liability Management Committee

SI.	Name	Designation	Position in the Committee
1	Humaira Azam	Managing Director	Chairperson
2	A. K. M. Kamruzzaman	Head of Operations	Co-Chairman
3	Khurshed Alam	Head of Retail Financial Services	Member
4	Quamrul Islam	Head of Treasury & Financial Institutions	Member Secretary
5	Mohammed Shoaib	Head of Corporate Financial Services	Member
6	Shamim Al Mamun	Chief Financial Officer	Member
7	Md. Kamruzzaman Khan	Head of CMSME Financial Services	Member
8	Mohammad Nazmul Hasan Tipu	Chief Credit Officer	Member
9	Mohd. Shafiqul Islam	Acting Chief Risk Officer	Member
10	Nazimuddin Ahmed	Vice President, Treasury & Fls	Member

4. ICT Steering Committee

SI.	Name	Designation	Position in the Committee
1	Humaira Azam	Managing Director	Chairperson
2	A. K. M. Kamruzzaman	Head of Operations	Co-Chairman
3	Khurshed Alam	Head of Retail Financial Services	Member
4	Quamrul Islam	Head of Treasury & Financial Institutions	Member
5	Shamim Al Mamun	Chief Financial Officer	Member
6	Md. Kamruzzaman Khan	Head of CMSME Financial Services	Member
7	Mohammad Hafiz Al Ahad	Head of Human Resources	Member
8	Mohammad Nazmul Hasan Tipu	Chief Credit Officer	Member
9	Sheik Mohammad Fuad	Head of ICT	Member Secretary
10	Mohd. Shafiqul Islam	Acting Chief Risk Officer	Member

5. ICT Security Committee

SI.	Name	Designation	Position in the Committee
1	Humaira Azam	Managing Director	Chairperson
2	A. K. M. Kamruzzaman	Head of Operations	Co-Chairman
3	Khurshed Alam	Head of Retail Financial Services	Member
4	Mohammad Hafiz Al Ahad	Head of Human Resources	Member
5	Sheik Mohammad Fuad	Head of ICT	Member Secretary
6	Mohd. Shafiqul Islam	Acting Chief Risk Officer	Member

6. Human Resources Committee

SI.	Name	Designation	Position in the Committee
1	Humaira Azam	Managing Director	Chairperson
2	A.K.M. Kamruzzaman	Head of Operations	Co-Chairman
3	Khurshed Alam	Head of Retail Financial Services	Member
4	Quamrul Islam	Head of Treasury & FIs	Member

SI.	Name	Designation	Position in the Committee
5	Mostafa Kamal	Group Company Secretary	Member
6	Shamim Al Mamun	Chief Financial Officer	Member
7	Mohammad Hafiz Al Ahad	Head of Human Resources	Member Secretary
8	Mohammad Nazmul Hasan Tipu	Chief Credit Officer	Member

7. Management Committee Integrity Award

SI.	Name	Designation	Position in the Committee
1	Humaira Azam	Managing Director	Chairperson
2	A.K.M. Kamruzzaman	Head of Operations	Co-Chairman
3	Mostafa Kamal	Group Company Secretary	Member
4	Shamim Al Mamun	Chief Financial Officer	Member
5	Mohammad Hafiz Al Ahad	Head of Human Resources	Member Secretary

8. Internal Control and Compliance Committee

SI.	Name	Designation	Position in the Committee
1	Humaira Azam	Managing Director	Chairperson
2	A. K. M. Kamruzzaman	Head Of Operations	Co-Chairman
3	Khurshed Alam	Head of Retail Financial Services	Member
4	Quamrul Islam	Head of Treasury & FI	Member
5	Mostafa Kamal	Group Company Secretary	Member
6	Mohammad Shoaib	Head of Corporate Financial Services	Member
7	Shamim Al Mamun	Chief Financial Officer	Member
8	Md. Kamruzzaman Khan	Head of CMSME Financial Services	Member
9	Mohammad Nazmul Hasan Tipu	Chief Credit Officer	Member
10	Sheik Mohammad Fuad	Head of ICT	Member
11	Mohammad Hafiz Al Ahad	Head of Human Resources	Member
12	Mohd. Shafiqul Islam	Acting Chief Risk Officer	Member Secretary
13	Muhammad Habib Haider	Head of GIS	Member
14	Baha Uddin Ahmed	Acting Head of Legal Affairs	Member

9. Purchase Committee

SI.	Name	Designation	Position in the Committee
1	A.K.M. Kamruzzaman	Head of Operations	Chairman
2	Khurshed Alam	Head of Retail Financial Services	Co-Chairman
3	Mostafa Kamal	Group Company Secretary	Member
4	Shamim Al Mamun	Chief Financial Officer	Member
5	Sheik Mohammad Fuad	Head of ICT	Member
6	Muhammad Habib Haider	Head of GIS	Member Secretary

10. Capital Market Operations Committee

SI.	Name	Designation	Position in the Committee
1	Humaira Azam	Managing Director	Chairperson
2	A. K. M. Kamruzzaman	Head Of Operations	Co-Chairman
3	Quamrul Islam	Head of Treasury & Financial Institutions	Member Secretary
4	Shamim Al Mamun	Chief Financial Officer	Member
5	Mohammad Nazmul Hasan Tipu	Chief Credit Officer	Member

11. Sustainable Finance Committee

SI.	Name	Designation	Position in the Committee
1	Humaira Azam	Managing Director	Chairperson
2	A. K. M. Kamruzzaman	Head of Operations	Co-chairman
3	Khurshed Alam	Head of Retail Financial Services	Member
4	Mostafa Kamal	Group Company Secretary	Member
5	Mohammad Shoaib	Head of Corporate Financial Services	Member
6	Md. Kamruzzaman Khan	Head of CMSME Financial Services	Member
7	Mohammad Hafiz Al Ahad	Head of Human Resources	Member
8	Mohammad Nazmul Hasan Tipu	Chief Credit Officer	Member
9	Muhammad Habib Haider	Head of GIS	Member
10	Md. Raziuddin	Head of Brand Marketing & Communications	Member
11	Sk. Rafikuzzaman	Senior Manager, Project Structured & Sustainability Finance	Member Secretary

12. Sustainable Finance Unit

SI.	Name	Designation	Position in the Committee
1	Mohammad Nazmul Hasan Tipu	Chief Credit Officer	Head of SFU
2	Masum Ali	SVP, Board Secretariat	Member
3	Kazi Mohtasim Bellah Alom	Information & Communication Technology	Member
4	Md. Nurul Islam	Head of Small Business, CMSME	Member
5	Arif Hasan	Head of Retail Credit	Member
6	Md. Jahurul Islam	AVP, Finance & Accounts	Member
7	Reazul Haque	FAVP, HR Operations	Member
8	Md. Masud Al Mamun	FAVP, Home Loan	Member
9	Sk. Rafikuzzaman	Senior Manager, Project Structured & Sustainability Finance	Member
10	Ziaul Abedin	Senior Manager, Procurement	Member
11	Fahad Mahmud	Manager, Project Structured & Sustainability Finance	Member & Focal Point Official

13. Integrity Committee

SI.	Name	Designation	Position in the Committee
1	A.K.M. Kamruzzaman	Head of Operations	Chairman
2	Mohammad Shoaib	Head of Corporate Financial Services	Member
3	Md. Kamruzzaman Khan	Head of CMSME Financial Services	Member
4	Mohammad Hafiz Al Ahad	Head of Human Resources	Focal Point
5	Sheik Mohammad Fuad	Head of ICT	Member
6	Mohd. Shafiqul Islam	Acting Chief Risk Officer	Member
7	Arif Hasan	SAVP, Credit Risk Management	Member
8	A. B. M. Faruque Hossain	Head of Cards	Member
9	Khandakar Zakaria	Head of Retail Liability & Personal Loan	Member
10	Md. Toufiquer Rahman	SAVP, Credit Card	Member
11	Md. Moshiur Rahman	AVP, GIS	Member
12	Md. Raziuddin	Head of Brand Marketing And Communications	Member
13	Md. Jahurul Islam	AVP, Finance & Accounts	Member
14	Md Farhad Ul Alam	FAVP, Human Resources	Deputy Focal Point
15	SK Zahidur Rahman	SAVP, Branch Distribution And Management	Member

MANCOM MEMBERS

LankaBangla is a value driven organization with strict adherence to principles even if the situation sometimes provides temporary benefit to the company. The guiding principles are set with the objective of upholding the company's reputation and dignity and treating it as adsolutely priceless. The company's affairs get the utmost priority of all the employees





02

03

Humaira Azam Managing Director





Quamrul Islam Head of Treasury & Financial Institutions



04

Mostafa Kamal Group Company Secretary **Mohammad Shoaib** Head of Corporate Financial Services

Shamim Al Mamun Chief Financial Officer

Md. Kamruzzaman Khan Head of CMSME Financial Services

Mohammad Hafiz Al Ahad

Head of Human Resources



06

07

08





Mohammad Nazmul Hasan Tipu Chief Credit Officer



Sheik Mohammad Fuad Head of ICT

12

Head of GIS

Muhammad Habib Haider

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 PLC (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.

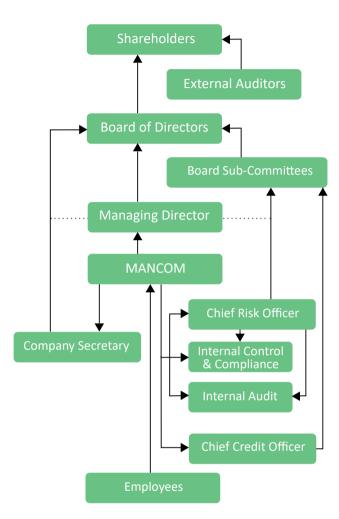
The following Acts, Regulations and Circulars have been used:

SI. 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:

SI. 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 98 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

6.7 Separation of the role of Chairman and the Managing Director

its responsibility as directors of the Company.

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 subcommittees 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 98 of this Annual Integrated Report.

6.15 IT Governance

Information Technology Governance forms an integral part of the NBFI'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. Statement on Ethics and Compliance is provided on page 107 of this Annual Integrated Report.

6.17 Human Capital

LankaBangla has always been very passionate about human capital management. Description about Human Resource policies and procedures are provided in Human Resource and Remuneration Committee Report on page 99. Quantifiable information about Human resources and Human Capital is portrayed in detail on page 206 Human Resource Accounting and page 201 Human Capital.

Organizational Chart is given on page 56.

6.18 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.

6.19 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.

6.19.1 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

6.19.2 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.

6.19.3 Communication through Digital Media

The company's website 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.

6.20 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. Details about Environmental and Social Obligation and Performance is portrayed on Sustainability Report pages from 134 to 151.

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 198 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

SI. 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. Mahbubul 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. Fakhrul 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.

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
- 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. 12, dated 26 October 2011 of the Bangladech

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.

Head of Internal Audit has direct access to the Audit Committee which can be ensured by our Corporate Organogram portrayed on page 56 of this Report.

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. Fakhrul 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. Details profile of Audit Committee members are provided on note _of the Financial Statements.

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

8.2.6 Board Audit Committee Report

Board Audit Committee Report is given in pages from 100.

8.3 Executive Committee

8.3.1 Members and 2023 Meeting Attendances

SI. 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. Fakhrul 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(h) of the Financial Statements

DECLARATION ON FINANCIAL STATEMENTS OF MD & CFO

Annexure-A [As per condition No. 1(5)(xxvi)]

20 August 2024

The Board of Directors LankaBangla Finance PLC. Safura Tower (Level-11), 20 Kemal Ataturk Avenue, Dhaka 1213.

Subject: Declaration on Financial Statements for the year ended on December 31, 2023

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated June 3, 2018 under section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of LankaBangla Finance PLC. for the year ended on December 31, 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concerns basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- (i) We have reviewed the financial statements for the year ended on December 31, 2023 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Humaira Azam Managing Director

Shamim Al Mamun, FCA Chief Financial Officer

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.

ahsanmangurle

Ahsan Manzur & Co. Chartered Accountants

Place: Dhaka Dated: 12 August 2024



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Annexure-C [(As per condition No. 1(5) (xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under the Section 2CC of the Securities and Exchange Ordinance, 1969:

Condition		Complia	nce Status		
Condition No.	Title	Complied	Not complied	Remarks	
1	Board of Directors				
1(1)	Board's size shall not be less than 5 and more than 20 (Twenty)	V			
1(2)	Independent Directors				
1(2) (a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	V			
1(2) (b)	Independent Director means				
1(2) (b) (i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	٧			
1(2) (b) (ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	V			
1(2) (b) (iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	٧			
1(2) (b) (iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	V			
1(2) (b) (v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange.	v			
1(2) (b) (vi)	Who is not a shareholder, director excepting independent director or officer of any member or the holder of stock exchange or an intermediary of the capital market;	V			
1(2) (b) (vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	V			
1(2) (b) (viii)	Who is not independent director in more than 5 (five) listed companies.	٧			
1(2) (b) (ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non-payment of any loan or advance or obligation to a bank or a financial institution; and	٧			
1(2) (b) (x)	Who has not been convicted for a criminal offence involving moral turpitude.	v			



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Condition		Compliance Status			
No.	Title	Complied	Not complied	Remarks	
1(2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM): Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	v			
1(2) (d)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days and	v			
1(2) (e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years which may be extended for 1 (one) tenure only.	V			
1(3)	Qualification of Independent Director :-				
1(3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	V			
1(3) (b)	Independent Director shall have following Qualification.				
1(3) (b) (i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or	v			
1(3) (b) (ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	v			
1(3) (b) (iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	v			
1(3) (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	v			
1(3) (b) (v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	v			
1(3) (c)	The Independent Director(s)shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	٧			
1(3) (d)	In special cases, the above qualification or experiences may be relaxed subject to prior approval of the commission.			N/A	



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		Compli	ance Status	
Condition No.	Title	Complied	Not complied	Remarks
1(4)	Duality of Chairperson of the Board of Directors and Manag	ing Director	or Chief Executiv	e Officer:-
1(4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	v		
1(4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	v		
1(4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	٧		
1(4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	v		
1(4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	v		
1(5)	The Directors' Report to Shareholders shall include:-			
1(5) (i)	An industry outlook and possible future developments in the industry;	v		
1(5) (ii)	The segment-wise or product-wise performance;	V		
1(5) (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	v		
1(5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	v		
1(5) (v)	Discussion on continuity of any extraordinary activities and their implications (gain or loss);			N/A
1(5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	V		
1(5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			N/A
1(5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			N/A
1(5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	v		
1(5) (x)	Remuneration paid to the directors including independent directors;	٧		
1(5) (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	v		
1(5) (xii)	Proper books of account of the issuer company have been maintained;	v		



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		Complia	ance Status	
Condition No.	Title	Complied	Not complied	Remarks
1(5) (xiii)	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;	V		
1(5) (xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	v		
1(5) (xv)	The system of internal control is sound in design and has been effectively implemented and monitored	٧		
1(5) (xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	V		
1(5) (xvii)	There is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	V		
1(5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	v		
1(5) (xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized;	٧		
1(5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year			N/A
1(5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	٧		
1(5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	٧		
1(5) (xxiii)	The pattern of shareholding disclosing the aggregate number of shares (along with name-wise details) held by:	٧		
1(5) (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name wise details);	٧		
1(5) (xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	v		
1(5) (xxiii)(c)	Executives (top 5 (five)) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance	V		
1(5) (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);			N/A
1(5) (xxiv)	In case of the appointment or re-appointment of a Director a Shareholders:	a disclosure	on the following	; information to the



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Condition		Compliance Status			
No.	Title	Complied	Not complied	Remarks	
1(5) (xxiv) (a)	Brief resume of the Director;	V			
1(5) (xxiv)(b)	Nature of his/her expertise in specific functional areas; and	v			
1(5) (xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	v			
1(5) (xxv)	A Management's Discussion and Analysis signed by CEO or MD and operations along with a brief discussion of changes in the				
1(5) (xxv) (a)	Accounting policies and estimation for preparation of financial statements;	v			
1(5) (xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	٧			
1(5) (xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	v			
1(5) (xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	v			
1(5) (xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	v			
1(5) (xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	V			
1(5) (xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	V			
1(5) (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	v			
1(5) (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C;	v			
1(6)	Meetings of the Board of Directors				
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	V			
1(7)	Code of Conduct for the Chairperson, other Board members	and Chief Ex	ecutive Office	er	
1(7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;				



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Condition		Complia	nce Status	
No.	Title	Complied	Not complied	Remarks
1.7. (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.			Bangladesh Bank through its letter number- DFIM(P)1052/27/2021- 2436 dated 04 November 2021 has restricted the NBFIs to form Nomination and Remuneration Committee of the Board.
2	Governance of Board of Directors of Subsidiary Company			
2 (a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	v		
2 (b)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	v		
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	v		
2 (d)	The Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the Subsidiary Company also.	v		
2 (e)	The Audit Committee of the holding company shall also review the Financial Statements, in particular the investments made by the Subsidiary Company.	v		
3.0	Managing Director (MD) or Chief Executive Officer (CEO), Ch and Compliance (HIAC) and Company Secretary (CS)	ief Financial	Officer (CFO)	, Head of Internal Audit
3 (1)	Appointment			
3 (1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	V		
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	v		
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time; Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;	V		
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	٧		
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	v		
3(2)	Requirement to attend Board of Directors' Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board	٧		



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Condition		Compliance Status			
No.	Title	Complied	Not complied	Remarks	
3(3)	Duties of Managing Director (MD) or Chief Executive Officer	(CEO) and	Chief Financia	l Officer (CFO)	
3(3) (a)	The MD or CEO and CFO shall certify to the Board that they h that to the best of their knowledge and belief:	ave reviewe	ed financial sta	tements for the year and	
3(3) (a) (i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	v			
3(3) (a) (ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	v			
3(3) (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	V			
3(3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	v			
4	Board of Directors' Committee:-				
	For ensuring good governance in the company, the Board sha	ll have at le	ast following s	sub-committees:	
4 (i)	Audit Committee	v			
4 (ii)	Nomination and Remuneration Committee.			Bangladesh Bank through its letter number- DFIM(P)1052/27/2021- 2436 dated 04 November 2021 has restricted the NBFIs to form Nomination and Remuneration Committee of the Board.	
5	Audit Committee:-				
5 (i)	Responsibility to the Board of Directors.				
5(i) (a)	The company shall have an Audit Committee as a sub- committee of the Board;	v			
5(i) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	٧			
5(i) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	v			
5 (2)	Constitution of the Audit Committee				
5 (2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	v			
5 (2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	V			
5 (2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	V			



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Condition		Compliance Status			
No.	Title	Complied	Not complied	Remarks	
5 (2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	v			
5 (2)(e)	The company secretary shall act as the secretary of the Committee;	v			
5 (2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	V			
5(3)	Chairperson of the Audit Committee				
5(3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	v			
5(3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	v			
5(3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	٧			
5(4)	Meeting of the Audit Committee				
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	٧			
5(4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two- third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	V			
5(5)	Role of Audit Committee				
	The audit committee shall:-				
5(5) (a)	Oversee the financial reporting process;	V			
5(5) (b)	Monitor choice of accounting policies and principles.	٧			
5(5) (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	V			
5(5) (d)	Oversee hiring and performance of external auditors.	V			
5(5) (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	V			
5(5) (f)	Review along with the management, the annual financial statements before submission to the Board for approval;	V			



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Condition		Compliance Status			
No.	Title	Complied	Not complied	Remarks	
5(5) (g)	Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval.	v			
5(5) (h)	Review the adequacy of internal audit function.	V			
5(5) (i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	V			
5(5) (j)	Review statement of all related party transactions submitted by the management;	٧			
5(5) (k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	٧			
5(5) (I)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	v			
5(5) (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission. Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	V			
5(6)	Reporting of the Audit Committee				
5(6)(a)	Reporting to the Board of Directors				
5(6)(a) (i)	The Audit Committee shall report on its activities to the Board of Directors.	٧			
5(6)(a) (ii)	The Audit Committee shall immediately report to the Board o	of Directors o	n the following fi	indings, if any:-	
5(6)(a)(ii)(a)	Conflicts of Interests.			N/A	
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			N/A	
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			N/A	
5(6)(a)(ii) (d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			N/A	



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No.	Title	Complied	Not complied	Remarks	
5(6)(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			N/A	
5(7)	Reporting to the Shareholders and General Investors: - Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.			N/A	
6	Nomination and Remuneration Committee (NRC)	DFIM(P)105 2021 has re	Bangladesh Bank through its letter DFIM(P)1052/27/2021-2436 dated 04 2021 has restricted the NBFIs to form 1 and Remuneration Committee of the Bo		
6(1)	Responsibility to the Board of Directors	1			
6 (1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;				
6 (1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;				
6 (1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).				
6(2)	Constitution of the NRC				
6(2)(a)	The Committee shall comprise of at least three members including an independent director;				
6(2)(b)	At least 02 (two) members of the Committee shall be non- executive directors;				
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;				
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;				
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;				



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Condition		Complia	ance Status	
No.	Title	Complied	Not complied	Remarks
6(2)(f)	The Chairperson of the Committee may appoint or co- opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			
6(2)(g)	The company secretary shall act as the secretary of the Committee;			
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.			
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;			
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes			
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:			
6(4)	Meeting of the NRC			
6(4) (a)	The NRC shall conduct at least one meeting in a financial year;			
6(4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			
6(4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);			
6(4) (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.			
6(5)	Role of the NRC			
6(5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;			
6(5) (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5) (b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5) (b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			



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Condition		Compliance Status			
No.	Title	Complied	Not complied	Remarks	
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and				
6(5) (b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;				
6(5) (b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;				
6(5) (b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;				
6(5) (b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;				
6(5) (b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and				
6(5) (b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;				
6(5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	-			
7	External or Statutory Auditors.				
7(1)	The issuer company shall not engage its external or statutory company, namely:-	auditors to p	perform the follo	wing services of the	
7(1)(i)	Appraisal or valuation services or fairness opinions;	٧			
7(1)(ii)	Financial information systems design and implementation;	٧			
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	٧			
7(1)(iv)	Broker-dealer services;	٧			
7(1)(v)	Actuarial services;	٧			
7(1)(vi)	Internal audit services or special audit services;	٧			
7(1)(vii)	Any service that the Audit Committee determines;	٧			
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	V			
7(1)(ix)	Any other service that creates conflict of interest.	٧			
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	V			
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	٧			



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Condition		Compli	ance Status		
No.	Title	Complied	Not complied	Remarks	
8	Maintaining a website by the Company.				
8(1)	The company shall have an official website linked with the website of the stock exchange.	v			
8(2)	The Company shall keep the website functional from the date of listing.	v			
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	v			
9	Reporting and Compliance of Corporate Governance.				
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and such certificate shall be disclosed in the Annual Report.	v			
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	v			
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	v			

Note: Statement of compliance on the Good Governance guideline issued by the Bangladesh Bank, vide the DFIM Circular No. 7 dated 25 September 2007, Bangladesh Bank issued a policy on responsibility & accountability of Board of Directors, Chairman & Chief Executive of the financial institution. The Board of Directors of the Company has taken appropriate steps to comply with the guidelines and implemented the same.

Sl. No.	Particulars	Compliance Status		
1.	Responsibilities and authorities of the Board of Directors:			
	(ka) Work-planning and strategic management:			
	(1) The Board shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goal and in the issues relating to structural change and reorganization for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor at quarterly rests the development of implementation of the work-plans.			
	(2) The Board shall have its analytical review incorporated in the Annual report as regard the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders of its opinions/recommendations on future plans and strategies.	Complied		
	(3) The Board will set the Key Performance Indicator (KPI)s for the CEO and other senior executives and will evaluate half yearly / yearly basis.	Complied		
	(kha) Formation of sub-committee:			



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SI. No.	Particulars	Compliance Status	
	Executive Committee may be formed in combination with directors (excluding any alternate Director) and management of the Company only for rapid settlement of the emergency matters (approval of loan/lease application, write-off, rescheduling etc.) arisen from the regular business activities.	Complied	
	(Ga) Financial management:	1	
	(1) Annual budget and statutory financial statements shall be adopted finally with the approval of the Board.	Complied	
	(2) Board shall review and examine in quarterly basis various statutory financial statements such as statement of income-expenses, statement of loan/lease, statement of liquidity, adequacy of capital, maintenance of provision, legal affairs including actions taken to recovery of overdue loan/lease.	Complied	
	(3) Board shall approve the Company's policy on procurement and collection and shall also approve the expenditures according to policy. The Board shall delegate the authority on the Managing Director and among other top executives for approval of expenditure within budget to the maximum extend.	Complied	
	(4) The Board shall adopt the operation of bank accounts. Groups may be formed among the management to operate bank accounts under joint signatures.	Complied	
	(Gha) Management of Ioan/lease/investments:		
	(1) Policy on evaluation of loan/lease/investment proposal, sanction and disbursement and its regular collection and monitoring shall be adopted and reviewed by the Board regularly based on prevailing laws and regulations. Board shall delegate the authority of loan/lease/investment specifically to management preferably on Managing Director and other top executives.	Complied	
	(2) No director shall interfere on the approval of loan proposal associated with him. The director concerned shall not give any opinion on that loan proposal.	Complied	
	(3) Any syndicated loan/lease/investment proposal must be approved by the Board.	Complied	
	(Uma) Risk management:		
	Risk Management Guideline framed in the light of Core Risk Management Guideline shall be approved by the Board and reviewed by the Board regularly.	Complied	
	(Ca) Internal control and compliance management:		
	A regular Audit Committee as approved by the Board shall be formed.		
	Board shall evaluate the reports presented by the Audit Committee on compliance with the recommendation of internal auditor, external auditors and Bangladesh Bank Inspection team.	Complied	
	(Cha) Human resource management:		
	Board shall approve the policy on Human Resources Management and		
	Service Rule. Chairman and director of the Board shall not interfere on the administrative job in line with the approved Service Rule.	Complied	
		l	



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Sl. No.	Particulars	Compliance Status	
	Only the authority for the appointment and promotion of the Managing Director/Deputy Managing Director/General Manager and other equivalent position shall lie with the Board incompliance with the policy and Service Rule. No director shall be included in any Executive Committee formed for the purpose of appointment and promotion of others.	Complied	
	(Ja) Appointment of CEO:		
	The Board shall appoint a competent CEO for the Company with the approval of the Bangladesh Bank and shall approve any increment of his salary and allowances.	Complied	
	(Jha) Benefits offer to the Chairman:		
	Chairman may be offered an office room, a personal secretary, a telephone at the office, a vehicle in the business-interest of the Company subject to the approval of the Board.	Complied	
02.	Responsibilities of the Chairman of the Board of Directors:		
	(Ka) Chairman shall not participate in or interfere into the administrative or operational and routine affairs of the Company as he has no jurisdiction to apply executive power;	Complied	
	(Kha) The minutes of the Board meetings shall be signed by the Chairman;	Complied	
	(Ga) Chairman shall sign-off the proposal for appointment of Managing Director and increment of his salaries & allowances;	Complied	
03.	Responsibilities of Managing Director:		
	(Ka) Managing Director shall discharge his responsibilities on matters relating to financial, business and administration vested by the Board upon him. He is also accountable for achievement of financial and other business targets by means of business plan, efficient implementation of administration and financial management;	Complied	
	(kha) For day to day operations, Managing Director shall ensure compliance with the rules and regulation of the Financial Institutions Act, 1993 and other relevant circulars of Bangladesh Bank;	Complied	
	(Ga) All recruitment/promotion/training, except those of DMD, GM and equivalent positions shall be vested upon the Managing Director. He shall act such in accordance the approved HR Policy of the company;	Complied	
	(Gha) Managing Director may re-schedule job responsibilities of employees;	Complied Complied	
	(Uma) Except for the DMD, GM and equivalent positions, power to transfer and to take disciplinary actions shall be vested to the Managing Director:		
	(Cha) Managing Director shall sign all the letters/statements relating to compliance of polices and guidelines. However, Departmental/Unit heads may sign daily letters/statements as set out in DFIM circular no. 2 dated 06 January 2009 if so authorized by MD.	Complied	

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

1. Compliance of section 1.5 (xxii)

Board of Directors meeting held during the year 2023 and attendance by each Director:

SI.	Composition of the Board		No. of	Entitlement	Attended
No.	Name	Position	Meeting held	to attend	Attended
1	Mr. Mohammad Abdul Moyeen	Chairman	7	7	7
2	Mr. I. W. Senanayake (Representing Sampath Bank PLC)	Director	7	3	-
3	Mr. Nanda Fernando (Representing Sampath Bank PLC)	Director	7	7	6
4	Mrs. Aneesha Mahial Kundanmal	Director	7	7	6
5	Mr. Mahbubul Anam	Director	7	7	6
6	Mr. Tahsinul Huque	Director	7	7	4
7	Mrs. Zaitun Sayef	Independent Director	7	2	2
8	Mr. Md. Fakhrul Alam	Independent Director	7	7	7
9	Mr. Ahmad Ahsanul Munir	Independent Director	7	5	5

Notes:

- Directors who could not attend meetings were granted leave of absence by the Board.
- Sampath Bank PLC has withdrawn the nomination given in favor of Mr. I. W. Senanayake which was approved 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.

Board of Executive Committee meeting held during the year 2023 and attendance by each Director:

SI.	Composition of the Committee	Composition of the Committee No. of		Entitlement	Attended
No.	Name	Position	meeting held	to attend	Attended
1	Mr. Mohammad Abdul Moyeen	Chairman	9	9	9
2	Mr. Mahbubul Anam	Member	9	9	7
3	Mr. M. Fakhrul 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 Independent Director Mrs. Zaitun Sayef has expired on June 21, 2023.

Board of Audit Committee meeting held during the year 2023 and attendance by each Director:

SI.	Composition of the Committee		No. of	Entitlement	Attended
No.	Name	Position	meetingheld	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. Fakhrul 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.

2. Compliance of section 1.5 (xxiii)

The pattern of Shareholding:

a. Parent/Subsidiary/Associated Companies and other related party

SI. No.	Name	Relation	Shares held
1	Sampath Bank PLC	Related Party	51,036,605

b. Directors, Chief Executive Officer/Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children:

SI. No.	Name	Relation	Shares held
1	Mr. Mohammad Abdul Moyeen	Chairman	22,842,546
2	Mr. Nanda Fernando	Representative of Sampath Bank PLC	51,036,605
3	Mr. Md. Monzur Mofiz	Representative of ONE Bank PLC	20,362,737
4	Mr. Mahbubul Anam	Director	23,998,741
5	Mrs. Aneesha Mahial Kundanmal	Director	41,503,844
6	Mr. Tahsinul Huque	Director	2,09,73,565
7	Mr. Md. Fakhrul Alam	Independent Director	Nil
8	Mr. Ahmad Ahsanul Munir	Independent Director	Nil
9	Ms. Humaira Azam	Managing Director	Nil
10	Mr. Mostafa Kamal FCA	Company Secretary	Nil
11	Mr. Mohd. Shafiqul Islam FCMA	Acting Head of Internal Audit	Nil
12	Mr. Shamim Al Mamun FCA	Chief Financial Officer	Nil

c. Executives (top five salaried employees of the company, other than Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance)

SI. No.	Name	Relation	Shares held
1	Mr. A. K. M. Kamruzzaman FCMA	Senior Executive Vice President	Nil
2	Mr. Khurshed Alam	Senior Executive Vice President	Nil
3	Mr. Quamrul Islam	Senior Executive Vice President	Nil
4	Mr. Mohammad Shoaib	Executive Vice President	Nil
5	Mr. Md. Kamruzzaman Khan	Executive Vice President	Nil

d. Shareholders holding ten percent (10%) or more voting interest in the company: None

STATEMENT ON DIRECTORS' RESPONSIBILITIES

The statement sets out the responsibility of the Directors, in relation to the Financial Statements of LankaBangla Finance PLC. (the Company) and the Consolidated Financial Statements of the Company and its subsidiaries (Group). The responsibilities of the External Auditors in relation to the Financial Statements are set out in the "Auditors' Report" given on page 245.

In terms of sections 181, 183, 185, 186, 187 and 189 of the Companies Act, 1994 (Act XVIII of 1994), the Directors of the Company are responsible for ensuring that the Group and the Company keep proper books of accounts of all transactions and prepare Financial Statements that gives a true and fair view of the financial positions of the Company and the Group for each financial year and place those before a general meeting. The Financial Statements comprises of the Balance Sheets as on 31 December 2023, Profit and Loss Accounts, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and notes thereto.

Accordingly, the Directors confirms that the Financial Statements of the Company and the Group give a true and fair view of:

- The financial position of the Company and the Group as on 31 December 2023; and
- The financial performance of the Company and the Group for the financial year then ended.

Compliance Report

The Board of Directors also confirms that:

- Appropriate Accounting Policies have been selected and applied in preparing the Financial Statements exhibited on pages from 263 to 283 based on the latest financial reporting framework on a consistent basis, while reasonable and prudent judgments have been made so that the form and substances of transactions are properly reflected and material departures, if any, have been disclosed and clarified;
- The Financial Statements for the year 2023, prepared and presented in this annual report have been prepared based on the International Accounting Standards (IAS) are in agreement with the underlying books of account and are in conformity with the requirements of the International Financial Reporting Standards (IFRS), the Financial Institutions Act, 1993, the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws & regulations;
- These Financial Statements comply with the prescribed format issued by the Bangladesh Bank videDFIM Circular No. 11, dated; 23/11/2009 for the preparation of annual Financial Statements of financial institutions;
- Proper accounting records which correctly record and explain the Company's transactions have been maintained as required by section 181 of the Companies Act, 1994 to determine at any point of time the Company's financial position, in accordance with the Act to facilitate proper audit of the Financial Statements;
- The Directors have taken appropriate steps to ensure that the Company and the Group maintain proper books of accounts and review the financial reporting system directly by them at their regular meetings and also through the Board Audit Committee, the report of the Audit Committee is given in pages from 100 to 102. The Board of Directors also approves the interim Financial Statements prior to their release, following a review and recommendation by the Board Audit Committee;
- The Board of Directors accepts responsibility for the integrity and objectivity of the Financial Statements presented in this Annual Report;
- The Directors also have taken reasonable measures to safeguard the assets of the Company and the Group and to prevent and

detect frauds and other irregularities. In this regard, the Directors have instituted an effective and comprehensive system of internal controls comprising of internal checks, internal audit and financial and other controls required to carry on the business of financial institution in an orderly manner and safeguard its assets and secure as far as practicable, the accuracy and reliability of the records. The Directors' Statement on Internal Control is given in page 99 of this Annual Report;

- To the best of their knowledge, all taxes, duties and levies payable by the Company and its Subsidiaries, and all other known statutory dues as were due and payable by the Company and its Subsidiaries as at the reporting date have been paid or, where relevant, provided for;
- As required by Sections 183(2) of the Companies Act, 1994, they have prepared this Annual Report in time and ensured that a copy thereof is sent to every shareholder of the Company, who have expressed desire to receive a hard copy or to other shareholders a soft copy of the Annual Report within the stipulated period of time as required by the Clause 22 of the Listing Regulations 2015 of Dhaka and Chittagong Stock Exchanges;
- That all shareholders in each category have been treated equitably in accordance with the original terms of issue;
- That after considering the financial positions, operating conditions, regulatory and other factors and such matters required to be addressed in the "Code of Corporate Governance" issued separately by Bangladesh Securities and Exchange Commission and Bangladesh Bank for the financial institutions, the Directors have a reasonable expectation that the Company and its Subsidiaries possess adequate resources to continue its operation for the foreseeable future. For this reason, we continue to adopt the going concern basis in preparing the Financial Statements;
- The Financial Statements of the Company and the Group have been signed by two Directors, the Managing Director and the Company Secretary of the Company on August 12, 2024 as required by Section 189(1) of the Companies Act, 1994 and other regulatory requirements;
- The Company's External Auditors, , M. J. Abedin & Co. who were appointed in terms of Section 210 of the Companies Act, 1994 and in accordance with a resolution passed at the last Extraordinery General Meeting, were provided with every opportunity to undertake the inspections they considered appropriate. They carried out reviews and sample checks on the system of internal controls as they considered appropriate and necessary for expressing their opinion on the Financial Statements and maintaining accounting records. They have examined the Financial Statements made available to them by the Board of Directors of the Company together with all the financial records, related data and minutes of shareholders' and Directors' meetings and expressed their opinion which appears on page 245.

Accordingly, the Directors are of the view that they have discharged their responsibilities as set out in this statement.

By Order of the Board

Mostafa Kamal, FCA Group Company Secretary Dhaka, 12 August 2024

DIRECTORS' STATEMENT ON INTERNAL CONTROL

Responsibility

As per the Bangladesh Bank's DFIM Circular No. 07, dated; 25-09-2007, DFIM Circular Letter No. 09, dated; 08-10-2007, DFIM Circular Letter No. 18, dated; 26-10-2011 and DFIM Circular Letter No. 06, dated; 17-06-2012, which clearly define the Responsibility of the Board of Directors on Internal Control of the Company.

The Board of Directors ("Board") is responsible for the adequacy and effectiveness of internal controls of LankaBangla Finance PLC. (LBF PLC.). However, such a system is designed to manage the LBF PLC.'s key areas of risk within an acceptable risk profile, rather than eliminate the risk of failure to achieve the business objectives and policies of the Company. Accordingly, the system of internal controls can only provide a reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Board has established an on-going process for identifying, evaluating and managing the significant risks faced by the Company and this process includes enhancing the system of internal controls as and when there are changes in business environment or regulatory guidelines. The process is regularly reviewed by the Board in accordance with the guidance for Directors of FIs in accordance with DFIM Circulars on Internal Control issued by Bangladesh Bank. As per the said guidance, significant processes affecting significant accounts of the Company were assessed along with the key risk areas of the Company.

The management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced by the Company, and in the design, operation and monitoring of suitable internal controls to mitigate and control those risks. The Board is of the view that the system of internal controls in place are sound and adequate to provide a reasonable assurance regarding the reliability of financial reporting, and that the preparation of financial statements for external purposes is in accordance with relevant accounting principles and regulatory requirements.

Significant Internal Control Processes

The key processes that have been established in reviewing the adequacy and integrity of the system of internal controls include the following:

- The Board Sub Committees are established to assist the Board in ensuring:
 - The effectiveness of LBF PLC's daily operations
 - That LBF PLC's operations are in accordance with the corporate objectives and strategies
 - That the operations of the Company are in line with the annual budget as well as the policies and business directions that have been approved by the Board
- The Internal Audit Division of the Company checks for compliance with policies and procedures and the effectiveness of the internal control systems and highlights significant findings in respect of any non-compliance. Audits are carried out on majority of units and branches, the frequency of which is determined by the level of risk assessed by the internal audit, to provide an independent and objective report on operational and management activities of these units and branches. The annual audit plan is reviewed and approved by the Audit Committee and the findings of the audits are submitted to the Audit Committee for review at their periodic meetings
- ▶ The Audit Committee of the Company reviews internal control issues identified by the Internal Audit Division, the

external auditors, regulatory authorities and management; and evaluates the adequacy and effectiveness of the risk management and internal control systems. They also review the internal audit function with particular emphasis on the scope of audits and quality of the same. The minutes of the Audit Committee meetings are tabled for information to the Board on a periodic basis. Further details of the activities undertaken by the Audit Committee of the Company are set out in the Audit Committee Report on pages from 100 to 102

- The Risk Management Forum (RMF) is established to assist the Board to oversee the overall management of principal areas of risk of the Company. The Risk Management Forum which includes representation from all key business and operating units of the Company, assists the Board with the implementation of policies advocated at the Board Audit Committee
- Board Executive Committees have also been established with appropriate empowerment to ensure effective management and supervision of LBF PLC's core areas of business operations and investments

In assessing the internal control system over financial reporting, identified officers of the Company collated all procedures and controls that are connected with significant accounts and disclosures of the financial statements of the Company. These in turn were observed and checked by the internal audit department for suitability of design and effectiveness on an ongoing basis.

The Company adopted the International Accounting Standards Comprising IAS & IFRS. Since adoption of such International Accounting Standards, progressive improvements on processes to comply with new requirements of recognition, measurement, classification and disclosure are being made whilst, further strengthening of processes will take place pertaining to impairment of loans and advances and financial statement disclosures. They also recognized the need to introduce an automated financial reporting process to more effectively comply with the requirements of recognition, measurement, classification and disclosures of financial instruments. The assessment did not include subsidiaries of the Company. The recommendations made by the external auditors in connection with the internal control system in previous years were reviewed during the year and appropriate steps have been taken to implement those.

Confirmation

Based on the above processes, the Board confirms that the financial reporting system of the Company has been designed to provide a reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes has been done in accordance with Intentional Accounting Standards and regulatory requirements of the Bangladesh Bank and Bangladesh Securities and Exchange Commission.

Mohammad Abdul Moyeen Chairman Dhaka, 12 August 2024

BOARD AUDIT COMMITTEE REPORT

1. The Composition of the Committee

In accordance with the currently accepted Best Practice and Corporate Governance Guidelines, the Board appointed Audit Committee comprising of the following Directors of the Company:

- Mr. Ahmad Ahsanul Munir, Independent Director (Chairman)
- Mr. Mahbubul Anam
- Mr. Nanda Fernando
- Mr. M. Fakhrul Alam, Independent Director

The Chairman of the Committee is a seasoned career

banker with experience over 35 years serving various banks in United Arab Emirates (Mashreqbank, Union National Bank, Abu Dhabi Commercial Bank & Al Hilal Bank) and Bangladesh (Arab Bangladesh Bank Ltd and Eastern Bank Ltd) under different management capacities. His expertise includes significant exposure in Credit Risk Management, Credit Audit, Operational Audit and Financial Control. The Profile of the members are given in pages from 57 to 60.

The Committee is responsible and reports to the Board of Directors. The Managing Director and the Chief Financial Officer attend committee meetings by invitation. The Board Secretary functions as the Secretary of the Committee.

2. The Charter of the Audit Committee

The Audit Committee charter is periodically reviewed and revised with approval of the Board of Directors. The Terms of Reference of Audit Committee is clearly defined in the Charter of the Audit Committee. The process ensures that new developments and concerns are adequately addressed. The Committee is responsible to the Board of Directors and reports on its activity regularly. The functions of the committee are geared to assists the Board in its general oversights on financial reporting, internal audit, governance, internal controls, risk management and external audit.

Bangladesh Bank's DFIM Circular No. 13, dated; 26/10/2011, on formation of Audit Committee and its subsequent amendments and The "Corporate Governance Code" issued by Bangladesh Securities and Exchange Commission (BSEC) vide notification no. BSEC/CMRRCD/2006-158/207/ Admin/80, dated: 03 June, 2018, for listed companies further regulate the compositions, roles and functions of the Audit Committee.

3. Terms of Reference

The Terms of Reference of the Audit Committee clearly defines the roles and responsibility of the Audit Committee. The Terms of Reference is periodically reviewed and revised with the concurrence of the Board of Directors. The Audit is responsible to and reports to the Board of Directors. The Role and functions of the Committee are further regulated by the rules governing the Audit Committee as specified by the "Corporate Governance Code" issued by the Bangladesh Securities and Exchange Commission (BSEC) and Guidelines on Corporate Governance & Responsibilities of Audit Committee issued by Bangladesh Bank.

4. Roles and responsibilities of the Audit Committee

The role and functions of the Committee are further regulated by the rules governing the Audit Committee as specified by the Guidelines of Bangladesh Bank on 'Corporate Governance for NBFI's in Bangladesh' and also "Corporate Governance Code" by the Bangladesh Securities and Exchange Commission. The main objective of the Audit Committee is to assist the Board of Directors to effectively carry on its responsibilities relating to financial and other connected affairs of LankaBangla. The Committee is empowering to monitor, review and examine:

- The integrity of the financial statements of LBF PLC and all subsidiaries
- The Company's external auditors' qualifications and independence, the performance and effectiveness of the Company's internal and external audits, internal controls and the measurement of operational risk, and the compliance by the Company with legal and regulatory requirements
- Examine any matter relating to the financial and other connected 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

5. Meetings

The Committee held on four (5) meetings during the year under review. The attendance of Committee members at meetings is stated in the table on page 76 Members of the senior management of the company were invited to participate at meetings as and when required. The proceedings of the Audit Committee meetings are regularly reported to the Board of Directors. On invitation of the Committee, the Engagement Partner of Company's external auditors, M/s M. J. Abedin & Co., Chartered Accountants attended one (1) Committee meetings during the year. The Committee continued guiding the management with the selection of the new Accounting Policies which is required under the aforesaid new Accounting Standards and implementing same.

6. Activities

The Committee carried out the following activities during the year 2023:

6.1 Financial Reporting

The Committee supports the Board of Directors to discharge their responsibility for the preparation of Financial Statements that reflect a true and fair view of the financial performance and financial position based of the Company's accounting records and in terms of the International Accounting Standards, by:

- Reviewing the systems and procedures to ensure that all transactions are completely and accurately recorded in the books of account
- Reviewing the effectiveness of the financial reporting system in place to ensure reliability of the information provided to the stakeholders
- Reviewing the Accounting Policies and to determine the most appropriate accounting policies after consideration of all choices available
- Strict adherence and compliance with the International Accounting Standards and recommended best accounting practices
- Reviewing the Annual Report and Accounts and the Interim Financial Statements prepared for publication, prior to submission to the Board

Having assessed the internal financial controls, the Committee is of the view that adequate controls and procedures are in place to provide reasonable assurance that the Company's assets are safeguarded and that the financial position is well monitored.

6.2 Regulatory Compliance

The Company's procedures in place to ensure Compliance with Mandatory Bangladesh Bank's instructions and statutory requirements were under close scrutiny. The Committee monitors the due compliance with all requirements through the quarterly statements submitted by the Internal Audit Department. The Committee monitors the due compliance with all requirements through the quarterly statements submitted by the Internal Audit Department. The Committee monitors due compliance with all relevant Laws, Regulations and timely settlements of Statutory dues.

6.3 Identification of Risk and Control measures

In view the fact LankaBangla has adopted a risk-based audit approach, the effectiveness of internal control procedures in place to identify and manage all significant risks are being reviewed by the Committee throughout the Company and other Group entities. The Risk Management was invited to make presentations on Risk Management measures adopted in their areas of responsibility. Risk rating guidelines with an appropriate Risk Grading Matrix has been formulated for assessing and measuring the operational risks identified during inspections. The Committee seeks and obtains the required assurances from the Business Units on the remedial action in respect of the identified risks in order to maintain the effectiveness of internal control procedures in place.

6.4 Corporate Governance Report

As required by the provisions of Corporate Governance Guidelines issued by the Bangladesh Securities & Exchange Commission (BSEC) through notification Number: SEC/ CMRRCD/2006-158/207/ Admin/80, dated; 03 June 2018 Corporate Governance for Licensed Financial Institutions in Bangladesh, Annual Corporate Governance Report for 2023 is provided on pages from 71 to 78. The external auditors have performed procedures set out by the Bangladesh Securities and Exchange Commission (BSEC), to meet the compliance requirement of the Corporate Governance directive. Their findings presented in their report, addressed to the Board are consistent with the matters disclosed above and did not identify any inconsistencies to those reported by the Board on pages from 80 to 97.

6.5 Internal Audit Function

The Audit Committee approves the terms of reference of internal audit and reviews the effectiveness of the internal audit function. In line with leading practice, it to provide independent and reasonable, but not absolute, assurance that the LankaBangla system of risk management, control, and governance processes, as designed and implemented by senior management, are adequate and effective. Internal Audit reports on the adequacy of the system of internal controls to the Audit Committee and management, but does not form any part of the system of internal controls. Internal Audit has implemented risk-based audit processes. Audit work is prioritized and scoped according to an assessment of risk exposures, including not only financial risks, but operational, compliance and strategic risks as well. The work undertaken by Internal Audit includes the audit of the Company's system of internal controls over its key operations, review of security and access controls for the Company's computer systems, review of control processes within and around new products and system enhancements, and review of controls over the monitoring of market, liquidity, and credit risks. Internal Audit also participates in major new system developments and special projects, to help evaluate risk exposures and to help ensure that proposed compensating internal controls are adequately evaluated on a timely basis. It also ascertains that the internal controls are adequate to ensure prompt and accurate recording of transactions and proper safeguarding of assets, and that the Company complies with laws and regulations, adheres to established policies and takes appropriate steps to address control deficiencies. The Audit Committee is responsible for the adequacy of the internal audit function, its resources and its standing, and ensures that processes are in place for recommendations raised in internal audit reports to be dealt with in a timely manner and outstanding exceptions or recommendations are closely monitored. Internal Audit reports functionally to the Audit Committee and administratively to the Managing Director, and has unfettered access to the Audit Committee, Board and senior management, as well as the right to seek information and explanations. The Audit Committee approves the appointment and removal of the Head of Internal Audit.

6.6 External Audit

The Committee met with the Auditors prior to commencement and at the conclusion of the Annual Audit to discuss the audit scope, approach and methodology to be adopted and the findings of the audit. The Committee subsequently reviewed the external auditor's findings in order to be satisfied that appropriate action is being taken. Non-Executive Directors had separate meetings with Auditors to ensure they had no cause to compromise on their independence. Auditors' Management Letter together with the Management's response thereto and the Audited Financial Statements were reviewed with the Auditors. The Committee reviewed the non-audit services provided by the Auditors to ensure that such services do not fall within the restricted services and provision of such services does not impair the External Auditors independence and objectivity.

6.7 Internal Controls

The Board believes, with the concurrence of the Audit Committee, that the system of internal controls, including financial, operational and compliance controls and risk management systems, maintained by the Company's management and that was in place throughout the financial year and up to and as of the date of this report, is adequate to meet the needs of the company in its current business environment. The system of internal controls provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision- making, human error, losses, fraud or other irregularities.

6.8 Ethics and Good Governance

Highest standards in Corporate Good Governance and strict adherence to the requirements of LBF PLC's Code of Ethics are ensured through close monitoring. Through the Code of Ethics all levels of staff have been educated and encouraged to resort to whistle blowing, when they suspect wrong doings or other improprieties. The Committee also ensures that appropriate procedures are in place to conduct independent investigations into all such incidents.

6.9 International Accounting Standards

The Committee continued to monitor the progress of the mandatory implementation of International Financial Reporting Standards (IFRS). Committee reviewed the revised policy decisions relating to adoption of new and revised IFRSs applicable to the Financial Institutions and made recommendations to the Board.

6.10 Appointment of the External Auditor

The Audit Committee has recommended to the Board of Directors that M/s M. J. Abedin & Co., Chartered Accountants, may be appointed for the financial year ending 31 December 2023, subject to the approval of shareholders at the next Annual General Meeting.

7. Evaluation of the Committee

An evaluation on the effectiveness of the Committee was carried out by the other Members of the Board of Directors and the Committee has been found to be effective.

AlmhAhron Muris

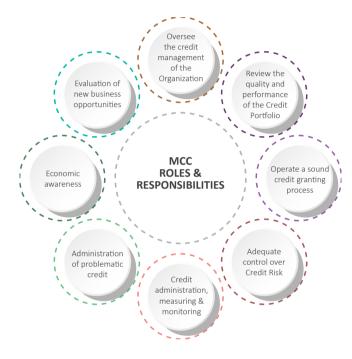
Ahmad Ahsanul Munir Chairman – Audit Committee Dhaka, 12 August 2024

MANAGEMENT CREDIT COMMITTEE REPORT

Composition of the Management Credit Committee (MCC)

The following members who serve on the Committee are:

SI.	Name	Designation	Position in the Committee
1	Humaira Azam	Managing Director	Chairperson
2	A. K. M. Kamruzzaman, FCMA	Head of Operations	Member
3	Khurshed Alam	Head of Retail Financial Services	Member
4	Quamrul Islam	Head of Treasury & FIs	Member
5	Mohammad Nazmul Hasan Tipu, CFA	Chief Credit Officer	Member Secretary
6	Mohammad Shoaib	Head of Corporate Financial Services	Member
7	Md. Kamruzzaman Khan	Head of CMSME Financial Services	Member



Duties and responsibilities:

The purpose of the Committee is to oversee the credit and lending decisions and formulating management guidelines and strategies in this respect. This includes:

- i. Overseeing the credit management, including reviewing internal Credit Policies/PPGs, Delegation of Credit Approval authority and establishing portfolio limits
- ii. Recommending credit related proposals to the Board Executive Committee/Board for approval
- iii. Reviewing the quality and performance of the credit portfolio

In addition, the Committee is responsible for any other matters delegated to it by the Board. Hence, it is the responsibility of the Committee to:

Operate a sound credit granting process

- Review and approve credit proposals in accordance with Board approved credit policies and standards. Where required, submit credit proposal beyond the Committee's scope to the Board Executive Committee/ Board for a decision
- Review credit policy/PPGs changes including Delegation of Credit Approval Authority initiated by the management of the FI

and recommend them to the Board of Directors for its approval

- Ensure compliance by the FI's credit policies with the statutory requirements prescribed by the regulatory/ supervisory authorities
- Scrutinize periodic portfolio reviews or sector/industry reviews, where deemed appropriate

Maintain adequate controls over credit risk

- Monitor capital allocation and define limits in line with risk appetite
- Ensure that credit risk exposure is kept within acceptable limits to maximize the FI's risk adjusted rate of return.

Maintain appropriate credit administration, measuring and monitoring process

- Review credit approval framework and assign credit delegated limits in line with the FI's policy
- Review and recommend to the Board, facilities that they believe should have Board approval

Identification and Administration of problem credits

- Monitor on an ongoing basis the FI's credit quality, review periodic credit portfolio reports and assess portfolio performance
- Ensure post-credit monitoring and postmortem reviews are performed, where deemed appropriate

Aware of the cyclical aspects of the economy (both internal and external)

- Monitor the resulting shifts in the composition and quality of the loan portfolio
- Ensure all new credit risk related products are reviewed from a credit risk management perspective

Review of the committee

Members of the Committee work closely with the Board of Directors to maintain proper credit standards for the FI. The Board undertakes a review of the Committee's performance, objectives and responsibilities according to its terms of reference to ensure that it is operating effectively.

HUMAN RESOURCES & REMUNERATION COMMITTEE REPORT

1. Overview

LankaBangla has always been very passionate about human capital management and takes responsibility for developing employee potential and leveraging employee skills in the organization. LankaBangla guards with care the great resource of intelligent, experienced, disciplined, clear-thinking and energetic people who continuously drive growth and innovation, within clear risk boundaries. LankaBangla continues to implement HR policies and practices that are aimed at growing and developing employees and ensuring their active contribution towards the achievement of corporate goals. LankaBangla believes that the skills and enthusiasm of its employees are major forces that help it to achieve sustainable results.

2. Composition of the Committee

The Human Resources & Remuneration Committee (the Committee), appointed by and responsible to the Board of Directors comprises the HR & Remuneration Committee of LankaBangla Finance PLC:

SI. No.	Name	Role
1	Humaira Azam	Managing Director
2	A. K. M. Kamruzzaman	Head of Operations
3	Khurshed Alam	Head of Retail Financial Services
4	Quamrul Islam	Head of Treasury & Financial Institutions
5	Shamim Al Mamun	Chief Financial Officer
6	Mohammad Nazmul Hasan Tipu	Chief Credit Officer
7	Mohammad Hafiz Al Ahad	Head of Human Resources

The Head of Human Resources also functions as the Secretary to the Committee.

3. Policy

LankaBangla's remuneration policy aims to attract, motivate and retain employees in a competitive environment with the appropriate professional, managerial and operational expertise necessary to achieve the objectives. It is the focus of the Committee to ensure that the total remuneration package is sufficiently competitive to attract the best available talent to LankaBangla.

4. Scope

The Committee is vested with the power to examine, evaluate and recommend to the Board of Directors any matter that may affect the human resources management of LankaBangla within its Terms of Reference (TOR) and any other matters as may be referred to it by the Board. It reviews all significant Human Resource policies and initiatives, salary structures and terms and conditions relating to its employees. In this process, necessary information and recommendations are obtained from the Head of Human Resources. The Committee deliberates upon and recommends to the Board of Directors the remuneration packages, annual increments and bonuses of all the employees having evaluated their performance against the set goals and targets.

The organizational structure is also reviewed as and when required and adjustments are made according to the focus of the Strategic Plan. An ongoing priority is to ensure proper succession for key posts. In doing so, the aspirations for career progression of Management are taken into account. Recruitments and promotions of employees at the management level are also considered and approved based on proposals submitted by the Head of Human Resources following a formal process of evaluation and thereafter recommended to the Board for ratification.

5. Major Task Undertaken by the HR and Remuneration Committee

Organization-wide the role of HR and Recruitment Committee is clearly visible. After passing two years of the pandemic, the committee was more focused on implementing the strategic goal in line with the organizational objective of the company. The major task done by the committee can be divided into below segments:

- Employee Development: We consider our human resources as our assets. For the development of our asset, we provide various in-house, external training. In 2022, although most of the training institutions were closed or operating virtually, considering the situation after the pandemic, we have provided 46 numbers of training in the period under review
- Employee Recognition: We are a performance-driven organization. Promoting the best performer is our motto. To encourage our employees to excel in their area of work, we have several recognition programs such as:
 - Chairman's Eminence Award: Once in a year
 - MD's Brilliance Award: Twice in a year
 - Departmental Proficiency Award: Twice in a year
 - Individual Aptitude Award: Twice in a year
 - "ICON" A Recognition Program for Best Branch Managers (BMS): Twice in a year
 - Dine with MD: Quarterly basis
 - HEROES@WORK: By-monthly basis
 - Integrity Award: Once in a year (As per Bangladesh Bank Guideline)
 - SHIKHA Award: Once in a year
 - Long-Service Award

On top of that, we also organize town-hall meetings twice in a year for our employees and the best performers are also rewarded by our honorable Chairman and Managing Director. Crest, gift hampers, cash incentives and certificates are awarded in this program. All these efforts are taken only to boost the morale of our employees and to motivate them to perform at their best. In addition to the above, we run several campaigns for both assets and liability products throughout the year.

Insurance Coverage: LankaBangla ensures that all eligible employees are undercover even during the pandemic. We provided health & life insurance to our employees. Health insurance covers employee, their spouse and their kids. The premium is borne by the company. HR Division manages all the administrative activities for any insurance claim. We also have a parent's insurance coverage facility for our employees. This is one of the milestone achievements in the industry. The premium of parents' insurance is borne by the employee itself but parents can avail of similar facilities as the employee is getting from the insurance company

Developing e-learning modules: To ensure a learning culture in the organization, HR has developed 10 e-learning modules with zero cost for its employees in 2021 & in 2022 we have added one more module in e-learning. We ensured 1,678 hours of training through e-learning in the year under review. We also ensured 6,662 hours of training to our employees through our internal resources to enhance the skills of our employees to combat the challenges of the coming days. In 2022, we have provide 15,273 hours of training to our employees in different modes

6. Developing and Managing Talent at LankaBangla

Against the backdrop of strategic repositioning and the challenges ahead, LankaBangla has adopted a balanced approach to talent acquisition. It relies both on leveraging the skills and experience already available within the organization while bringing in the necessary capabilities that will help position LankaBangla for long-term sustainable performance.

A key aspect of LankaBangla's hiring strategy is to ensure a steady pipeline of junior talent, including permanent hires and investment. In 2022, we have absorbed 92 contractual employees as full-time employees. Internal mobility plays a vital role in developing & retaining qualified, talented employees and ensuring that the company continues to benefit from their expertise and experience. There has also been a particular strategic focus on integrating Management Trainee Program to build a broader and more flexible talent pool for the future. Additionally, LankaBangla continued to expand its presence and engagement on social media platforms to ensure it is accessing the relevant target groups through the channels they use to explore career and employment opportunities. LankaBangla has also strengthened its governance, ensuring that consistent, structured, merit-based hiring practices for all target groups are in place.

7. Developing Employees and Creating Future Leaders

LankaBangla's business performance relies, first and foremost, on its employees. LankaBangla seeks to build the capabilities of managers and staff to help them develop both professionally and personally and to position the organization for future success. Talent and development activities are aligned to three priorities: building leadership capabilities and developing future leaders; fostering an environment that supports sustainable performance; and promoting continual professional and personal development for all employees.

8. Aligning the Reward System to Evolving Requirements

Compensation plays an integral role in the successful delivery of LankaBangla's strategic objectives. Attracting and retaining the most competent employees is central to LankaBangla's compensation strategy. The cornerstone of this concept is pay for performance, within a sound risk management and governance framework, and with due consideration of market factors and societal values. As the organization seeks to align compensation evolving external and internal expectations, reward structures are regularly reviewed and changed as needed.

LankaBangla historically established a close link between employees' compensation and their performance and behaviour at all levels and across all divisions of the organization. This takes into consideration a host of factors including, but not limited to, the Company's performance, divisional performance and the employee's individual performance.

9. Succession Planning

As companies move through various stages in their life cycle and build growth strategies to deal with changing business environments, the issue of leadership becomes critical and with it, the related issue of succession. Given that, LankaBangla implements succession planning for its management. This requires forecasting and planning appropriately to ensure that there is continuity and the right kind of leadership in the business.

10. Grievance Management and Counselling

LankaBangla Finance PLC is committed to providing the best possible working conditions for its employees and associated members. LankaBangla strives to ensure fair and honest treatment for all employees. Head of the Divisions, Managers, Supervisors and Employees are expected to treat each other with mutual respect.

As part of this commitment, LankaBangla does encourage an open and frank atmosphere in which any grievance may be shared with management to get it resolved. LankaBangla does believe that most work-related problems can be resolved through mutual understanding and discussion without initiating formal grievance procedures.

11. Whistleblowing

The Company is committed to maintaining the highest possible standards of ethical and legal conduct, especially a system of integrity within the Company. The concept of integrity is not only includes combating abuse of power or corruption but also conforming to standards in service delivery. In line with this commitment and to enhance good governance and transparency, the main objective of the whistleblowing policy is to provide an avenue for raising concerns related to fraud, corruption, conflict of interest, negligence to protect the interest of the company and/or any other misconduct and to assure that the persons who disclose such information will be protected from retaliation or any kind of harassment.

RESPONSIBILITY STATEMENT OF MD AND CFO

The financial statements of Lankabangla Finance PLC (LBF PLC) and the consolidated financial statements of LBF PLC 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 266 to 269. 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 LBF PLC's state of affairs is reasonably presented. To ensure this, LBF PLC 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 LBF PLC has adequate resources to continue its operations in the foreseeable future. Therefore, LBF PLC 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 LBF PLC 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 99 and 99. LBF PLC's External Auditors, Messrs M. J. Abedin & Co., Chartered Accountants have audited the effectiveness of the LBF PLC's Internal Controls over Financial Reporting. The Financial Statements of LBF PLC were audited by M. J. Abedin & Co. Chartered Accountants, the independent External Auditors.

Their report is given on page 245 of this Annual Integrated Report. The Board Audit Committee of LBF PLC 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 100 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,

- LBF PLC 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

STATEMENT ON ETHICS AND COMPLIANCE

Acknowledgement

The Board of Directors (the 'Board') is committed to the LBF PLC's values of dependability, openness to different ideas and cultures, and connection with customers, communities, regulators and each other. The Board ensures that each employee is aware of the obligation to ensure that his or her conduct consistently matches LBF PLC's values so as to serve positively the customers who entrust their financial needs to LBF PLC. The Board is proud of the fact that LBF PLC and its subsidiaries (the 'group') has a solid corporate governance framework and code of conduct for employees and directors that is built around the principles of control and accountability. This culture stems from a philosophy that puts the protection of investors and the interest of customers at the forefront.

The Chairman exercises independent judgement even though he is appointed by the majority shareholder. He leads the Board, sets the agenda and ensures that the Directors receive precise, timely and objective information and at the same time ensures effective communication with shareholders. The Chief Executive Officer/MD develops, drives and delivers performance within strategic goals, commercial objectives and business plans agreed by the Board. He effectively leads the senior management in the day-to-day running of the Company, ensures compliance with appropriate policies and procedures and maintains an effective framework of internal controls over risk in relation to the business. He is also responsible for the recruitment and appointment of senior management, after consultation with the Board. The Board develops the bank's strategy, policies and business plans. The Board of Directors monitors effectively the implementation of strategy and policy by management within the parameters of all relevant laws, regulations and codes of best practice. The Board ensures that a balance is maintained between enterprise and control. The Board ensures that the bank has appropriate policies and procedures in place that guarantee that the bank and its employees adhere to the highest standards of corporate conduct and comply with the applicable laws, regulations, business and ethical standards

Approach

We believe that the integrity with which we conduct ourselves and our business is key to our ability to running a successful, innovative business and maintaining our reputation. We expect our directors, executives and employees to conduct themselves with the highest degree of integrity, ethics and honesty.

LankaBangla pays close attention to the moral concerns in order to make the right ethical decisions on a day-to-day basis over and above observing the law, one of the basic professional requirements for the NBFIs. We at LankaBangla believe that the upholding of an ethical culture in financial sector is of critical interest to the customers, employees, regulators alike and to the NBFI itself as a secured, reliable and efficient financial sector system in one of the pillars of economic stability of any country. Hence, nurturing an ethical culture is of utmost importance for financial institutions, like any other organization. Our core ethical values include honesty, integrity, fairness, responsible citizenship, and accountability.

Enforcing a corporate code of ethics requires understanding and active participation by everyone in Lankabangla since the Code spells out the expected standards of behavior and sets the operating principles to be followed. Every official should ensure that the company at all times maintains high ethical standards and adequate internal control measures are in place guarding against unethical practices and irregularities.

Code of Ethics & Principles of Conduct

True spirit of ethical practices is at the core of what LankaBangla secures in the course of business. We fondly believe that our achievement can only be sustained by creating effective corporate governance, professionalism among its staff and strictly adhering to rules and regulations designed in high ethical standard. Principles of conduct at LankaBangla govern each employee to act ethically in daily activities. Our employee Code of Ethics & Principles of Conduct applies to everyone who works at LankaBangla, including employees (both permanent and contractual), contractors and consultants. The Code is supported by a number of more detailed policies that form part of the Conduct and Ethics Policy Framework. These cover issues such as anti-bribery, fraud and corruption, equal opportunity, bullying and harassment, conflicts of interest and work expenses. Our ethical acts eventually turns to the commitments we make to our stakeholders.

Our codes do not permit engaging in transactions or activities that are a conflict of interest. When entering purchase requisitions, employees must certify that they don't have a conflict of interest. To better protect the company and our shareholders, we regularly review our codes and related policies to ensure that they provide clear guidance to our directors, executives and employees.

We have established a corporate hotline and dedicated email to allow any employee or other stakeholders to confidentially and anonymously lodge a complaint about any accounting, internal control, auditing or other matter of concern. Employees are encouraged to report suspected conflicts of interest to their manager or human resources representative or through the hotline. We have a strict "no retaliation" policy regarding reports of activities that run counter to our ethical expectations.

If an employee is found to have violated either the Code of Conduct or any policy, rules and regulations applicable to the Company, we take appropriate actions up to and including termination of employment.

Effectiveness of Code, Efforts of the Company

- To apply core values and principles embodies consistently
- For management to display the fullest support to the Code and serve as role models for compliance
- To ensure that all personnel strictly comply the code
- To fair rewarding and punishment be effective under a transparent system
- To communicate the contents to all employees and even make the Code available to those outside the Company
- To review and revise regularly

Additionally,

- Establishing the relevant facts and indentifying the ethical issue
- Taking stock of all stakeholders or parties involved
- Having an objective assessment of each stakeholder's position
- Indentifying viable alternatives and their efforts on stakeholders
- Comparing and evaluating the likely consequences of each alternatives with reference to the standards expected
- Selecting the most appropriate course of action In a nutshell, our business ethics means, "Choosing the good over the bad, the right over the wrong, the fair over the unfair and the truth over the untruth". Strict compliance, confidentiality, avoidance of conflicts of interest, encouraging the reporting by the Officers of the Company on illegal and unethical behavior is also amongst the guiding principles of the Company's Code of Ethics

Monitoring Compliance

Compliance with our Code of Conduct and Ethics is embedded in our employment contracts, recruitment and performance management activities. We have set explicit targets for compliance, commencing at executive management level. All employees are required to comply with our Code of Conduct and Ethics and report conduct that may be in breach of the law, the Code or policy. Advice on LankaBangla policies, practices and management systems is available via our Human Resources department. Any employee, contractor or consultant can confidentially report concerns about conduct, practices or issues to our HR department.

To help our employees in applying the principles of our Code of Conduct and Ethics and the Conduct and Ethics Policy Framework, we have developed a training course regularly for the newly appointed employees, Case studies are provided to assist staff in translating the Code and related policies into real-life situations. All employees are required to complete this training course each year. Declarations within the course require each employee to confirm whether they understand the Code's principles, have complied with them over the previous 12 months and agree to comply with them in the future. Compliance is a Key Result Area examined as part of our Performance Management Process and failure to complete required compliance training can be a factor in determining the employee's entitlement to performancebased remuneration and could lead to termination of employment in serious cases.

Additionally, employees are required to undertake issuespecific training for topics such as money laundering, counter terrorist activity, fraud, corruption and privacy.

Our 'HR Manual' covers our Code of Conduct and Ethics, standards and behaviours, and important policies and procedures such as our Anti-Bribery Policy and Fraud and Corruption Policy. All Management Cadres must complete an annual attestation that they have read and understood these ground rules and failure to complete this may result in a 'flag' being raised in an individual's performance review.

Reporting Compliance

We have reported breaches of our Code of Conduct and Ethics framework yearly. Breaches of operational, regulatory and compliance requirements are tracked and case management, with corrective action closely monitored until 'closed'. All breaches of the Code are reported annually to our Management Committee and form part of regular risk reporting to the Management Credit Committee.

Compliance with our Code of Conduct and Ethics is monitored by Internal Audit, who ensures processes are in place to appropriately investigate alleged breaches of the Code. We also conduct annual testing of the controls that support our Code of Conduct and Ethics, which forms part of our financial reporting governance program and the results are made available to External Auditors in connection with their external audit of the Group's consolidated financial statements.

STATEMENT OF RISK MANAGEMENT

1. Introduction

GRI: 102-11

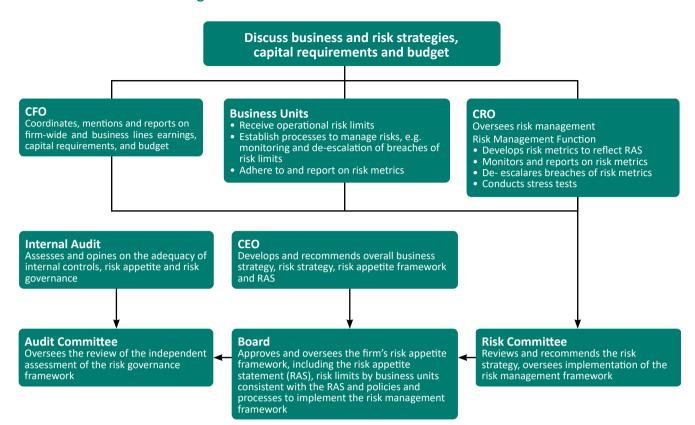
The Risk Management function is the central resource for driving such capabilities in LankaBangla, and complements the risk and control activities of other functions including Internal Audit and Legal & Compliance. The key components of LBF PLC risk management approach are: strong risk governance; robust and comprehensive processes to identify, measure, monitor, control and report risks; sound assessments of capital adequacy relative to risks and a rigorous system of internal control reviews involving internal and external auditors.



2. Risk Management in LankaBangla

The Board of Directors and senior management provide the direction to the Company's effective risk management that emphasizes wellconsidered risk-taking and proactive risk management. This is reinforced with appropriate risk management staff, ongoing investments in risk systems, regular review and enhancement of risk management policies and procedures for consistent application, overlaid with a strong internal control environment throughout the Group. Accountability for managing risks is jointly owned among customer-facing and product business units, dedicated functional risk management units, as well as other support units such as Operations and Technology. Internal Audit also provides independent assurance that the Company's risk management system, control and governance processes are adequate and effective. Rigorous portfolio management tools such as stress testing and scenario analysis identify possible events or market conditions that could adversely affect the Company. These results are taken into account in the Company's capital adequacy assessment.

3. Risk Governance and Organization



4. Risk Management Forum at LankaBangla

Risk Management Forum (RMF) and Risk Analysis Unit (RAU) of LankaBangla has been established in LankaBangla in 2013 in compliance with the Bangladesh Bank's DFIM Circular No. 01 of 07 April, 2013. Risk Management Forum is headed by the Managing Director of the Company and Chief Risk Officer is the Secretary, all the business and operational heads are the members of the RMF.

Other Risk management committees have been established for active senior management oversight, understanding, and dialogue on policies, profiles, and activities pertaining to the relevant risk types. These include the the Management Credit Committee, the Asset and Liability Management Committee, the Steering Committee for BASEL-II Implementation, Central Compliance Unit for Anti-Money Laundering and the ICT Committee. Both risktaking and risk control units are represented on these committees, emphasizing shared risk management responsibilities. LBF PLC Internal Audit conducts regular independent reviews of Ioan portfolios and business processes to ensure compliance with the Company's risk management frameworks, policies, processes, and methodologies.

BASEL-II

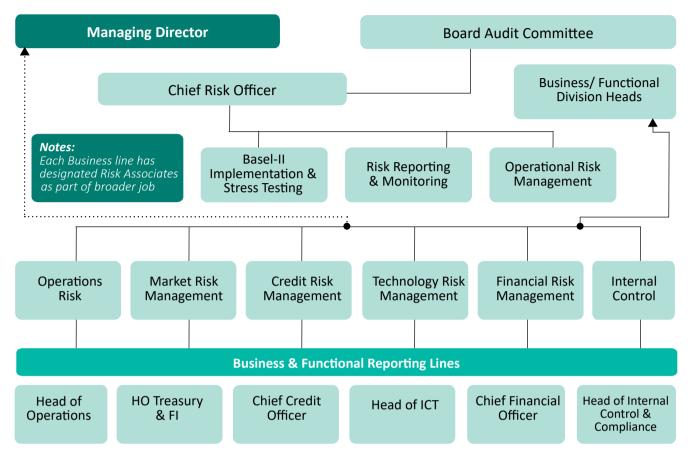
LankaBangla has implemented Bangladesh Bank's Guidelines (Basel Accord for Financial Institutions) on Risk Based Capital Adequacy Requirements for FIs incorporated in Bangladesh with effect from 1 January 2011. Bangladesh Bank adopts the Basel Committee on Banking Supervision's proposal on "International Convergence of Capital Measurement and Capital Standards," commonly referred to as BASEL-II. This framework provides a stronger linkage between capital requirements and the level of risks undertaken by FIs to enhance their risk management practices and establishes minimum capital requirements to support credit, market, and operational risks. Enhanced public disclosures on risk profile and capital adequacy are required under the mentioned guidelines.

Stress Testing

As a part of risk management unit we prepare stress testing report at each quarter to check out four major shocks (interest rate risk, credit risk, equity price risk, liquidity risk) under different magnitude level to ensure optimum allocation of capital across its risk profile. The Company has adopted the standardized approaches for market risk and operational risk. Market risk-weighted assets are marked to market and are risk weighted according to the instrument category, maturity period, credit quality grade, and other factors. Operational risk-weighted assets are derived by applying specified beta factors or percentages to the annual gross income for the prescribed business lines in accordance with regulatory guidelines. Initiatives are in place to move toward Internal Model Approach for market risk.

Capital adequacy assessments and Plans, incorporating stress test results, are submitted quarterly to Bangladesh Bank. Implementing the BASEL-II framework is an integral part of our efforts to refine and strengthen, as well as to ensure our management of risks is appropriate for the risks we undertake. Company management remains vigilant to ongoing industry and regulatory developments, including risk-adjusted compensation and new standards established in the BASEL-II Framework published in December 2010. We are constantly reviewing to further improve and refine our businesses and risk management capabilities as well as engaging in dialogue with industry peers and regulators to position ourselves for the far reaching consequences of these reforms.

Risk Management Structure



Risk Types and Our Strategic Responses

This section will outline how LankaBangla Finance PLC identify, assess, and manage risks that could potentially affect its operations, finances, or reputation. The goal of a Risk Management Strategy is to minimize the impact of risks and to ensure that the whole organization can continue to operate effectively in a rapidly changing environment.

1. Credit Risk

Risk Severity: High

LBF PLC defines credit risk as the risk of losses arising because counterparties fail to meet all or part of their payment obligations to the Group.



Credit Policy

The Board of Directors sets the overall policies for the LBF PLC's credit risk exposure. The LBF PLC's risk appetite framework is determined in accordance with these policies. The LBF PLC's aim is to build long-term relationships with its customers. For the vast majority of products, credit is granted on the basis of the customer's financial circumstances and specific individual assessments. Ongoing follow-up on developments in the customer's financial situation enables to assess whether the basis for the credit facility has changed. The credit facilities should match the customer's credit worthiness, capital position and assets. Further and in order to increase the mitigation of credit risk, LBF PLC as a general rule requires collateral. LBF PLC aims to assume risks only within the limits of applicable legislation and other rules, including rules on best practices for financial undertakings.

Highlights in 2023

SL. No.	Particulars	Total Portfolio	Mix (%)	NPL	NPL % of Total Portfolio
1	Trade & Commerce	13,016.80	21.09%	958.88	7.37%
2	Industry				
	A. Garments & Knitwear	2,088.19	3.38%	12.52	0.60%
	B. Textiles	1,822.34	2.95%	14.44	0.79%
	C. Food Production, Processing & Rice Mills	5,438.79	8.81%	177.54	3.26%
	D. Jute & Jute products	126.11	0.20%	-	0.00%
	E. Plastic & Rubber Industry	1,188.09	1.92%	35.52	2.99%
	F. Leather & Leather goods	1,121.44	1.82%	1.66	0.15%
	G. Iron, Steel & Engineering	1,797.81	2.91%	806.45	44.86%
	H. Pharmaceuticals & Chemicals	1,845.68	2.99%	0.81	0.04%
	I. Cement & Allied Industry	1,553.53	2.52%	719.83	46.34%
	J. Paper, Packaging, Printing, Publishing & Allied Industry	642.63	1.04%	11.32	1.76%
	K. Wood, Furniture & Fixture	156.26	0.25%	19.94	12.76%
	L. Glass, Glassware & Ceramic Industry	188.20	0.30%	-	0.00%
	M. Ship Manufacturing & Breaking	-	0.00%	-	0.00%
	N. Electronics & Electrical Products	1,319.54	2.14%	5.52	0.42%
	O. Power, Gas, Petrollium, Water & Sanitary	539.75	0.87%	-	0.00%
	P. Transport & Aviation	1,941.40	3.15%	268.20	13.82%
	Q. Others	-	0.00%	-	0.00%
3	Agriculture				0.00%
	A. Crops	-	0.00%	-	0.00%
	B. Forestry	0.85	0.00%	-	0.00%
	C. Poultry & Livestock	426.68	0.69%	8.35	1.96%
	D. Fisheries	18.68	0.03%	-	0.00%
	E. Others (Cold Storage, Biofuel, Seed, Feed, Agri-related Other	964.77	1.56%	7.00	0.73%
	Institutions & Services)				0.00%
4	Mining & Quarrying	-	0.00%	-	0.00%
5	Housing				0.00%
	A. Individual/Retail Housing	7,104.78	11.51%	372.92	5.25%
	B. Project/Commercial Housing	-	0.00%	-	0.00%
6	Financial Corporation		0.00%		0.00%
	A. Bank	-	0.00%	-	0.00%
	B. Financial Institution	-	0.00%	-	0.00%
	C. Insurance Company	-	0.00%	-	0.00%
	D. NGO	3,092.43	5.01%	-	0.00%
	E. Audit & Accounting firm	12.11	0.02%	-	0.00%
	F. Credit Rating Agency	-	0.00%	-	0.00%
	G. Merchant Banking	-	0.00%	-	0.00%
	i. Loans to Own Subsidiaries	1,516.72	2.46%	-	0.00%
	ii. Loans to Other FI/Bank Subsidiaries	-	0.00%	-	0.00%!
	iii. Loans to Brokerage House	554.90	0.90%	-	0.00%
	H. Other Financial Auxiliaries	-	0.00%	-	0.00%
7	Service				0.00%
	A. Education, Career & Training (Institutional), Consultancy Supervisory	183.86	0.30%	-	0.00%
	B. Tourism, Hospitality & Logistics	918.66	1.49%	62.95	6.85%
	C. Health Sector	363.66	0.59%	30.96	8.51%

SL. No.	Particulars	Total Portfolio	Mix (%)	NPL	NPL % of Total Portfolio
	D. Media, Advertising & Event Management	54.15	0.09%	9.35	17.27%
	E. Beautification & Gym	7.23	0.01%	-	0.00%
	F. Tailoring & Laundry	8.23	0.01%	0.60	7.29%
	G. Private Survey Institution	-	0.00%	-	0.00%
	H. Restaurant Service, Catering & Online Food Supplier	54.94	0.09%	3.37	6.13%
	I. Telecommunication & Information Technology	1,277.03	2.07%	-	0.00%
	J. Others	1,160.94	1.88%	16.53	1.42%
8	Consumer Finance				0.00%
	A. Personal Loan	1,488.67	2.41%	355.03	23.85%
	B. Auto Loan	1,843.89	2.99%	52.45	2.84%
	C. Employee/Staff Loan	389.14	0.63%	0.41	0.11%
	D. Credit Card	5,034.78	8.16%	617.62	12.27%
	E. Loan Against Deposit	455.53	0.74%	5.75	1.26%
9	Others	-	0.00%	-	0.00%
	Grand Total	61,719.19	100.00%	4,575.95	7.41%

Ten Large Credit as a % of Total Exposure

	2023	2022
Ten large credit as a % of exposure	10.39%	10.80%
Ten large credit	6,411	6,624
Total exposure	61,719.19	61,331.18

Classification Status of Loans and Advances

	2023	2022
Performing Loans	57,143.24	56,903.37
Unclassified	47,699.70	53,965.61
SMA	9,443.54	2,937.76
Non-Performing Loans	4,575.95	4,427.82
SS	1,697.77	779.72
DF	568.70	575.69
BL	2,309.48	3,072.41
Total Outstanding	61,719.19	61,331.19

Risk Mitigation Strategy

From forward looking perspective borrower selection process is the most important credit risk identification measure employing fundamental analysis of credit including purpose and utilization of loan, company analysis including cash flow, industry analysis, credit rating, credit risk grading, entrepreneurial track record, repayment performance including CIB status among others. Identifying the extent of credit risk eventually determines the scope of credit risk mitigation measure. However

following credit risk mitigation measures are typical employed by lenders.

 Collateral coverage: Collateral coverage may be in the form of land and building, financial instrument such as TDR, Marketable securities etc. In the event of downside, value from liquidation of collateral securities may provide some degree of protection against credit risk. Valuation of land and building is usually done third party surveyor. Cash security by default provides maximum protection against credit risk and exposure is usually calculated net-off cash security

- Hypothecation: Leased assets are primary security which inherently provide some degree of protection against credit risk. Hypothecated capital machinery and stock of goods is are usual primary security measures whereas marketability and control of the asset is important in credit risk mitigation
- Guarantee: Guarantee of high net worth individuals/ directors and corporate guarantee with good business standing usually provides credit enhancement. Cross default option plays a vital role because due to guarantee of an entity favoring a borrowing concern is also reflected in CIB report. Bank guarantee is also a prolific credit enhancement instrument
- **Risk transfer:** Comprehensive Insurance against assets covering loan amount is a usual risk mitigation measure in the event of unforeseen event that may occur in future
- **Exposure management:** Single borrower exposure limit and sectoral exposure limit are both used as risk management tools and in the credit policy both issues are addressed complying regulatory stipulations
- **Risk-based pricing:** Risk based pricing method is being used for the customers where there is a probability that the borrower will default on the loan. A risk premium is added to the base

price considering the risk profile. Different factors like Credit risk grading score, credit history, property use, property type, loan amount, loan purpose, income, and asset amounts, as well as documentation levels, property location, and others, are common risk based factors currently used

Besides diversifying credit risk through extending small sized loan to numerous borrowers across different customer segments who are essentially unrelated with each other may be considered policy level credit risk diversification strategy.

Credit Monitoring and Portfolio Management The Board and senior management get timely and appropriate information on the

condition of the LBF PLC's asset portfolio, including classification of assets and the level of provisions and reserves. The information includes, at minimum, summary results of the portfolio review, comparative trends in the overall quality of problem assets, and measurements of existing or anticipated deterioration in asset quality and losses expected to be incurred on the portfolios. Significant concentration risk is also reported to the Board and senior management for review and deliberation. Stress tests is conducted regularly to assess the risk in a particular market segment under adverse conditions. Appropriate measures have been taken to mitigate undue concentration risks such as pricing for additional risk, unwinding of positions, increasing capital or reserves, securitisation etc.

Outlook:

Enhancing assessment quality and increasing process efficiency through automation will be critical to long-term funding. As a result, LBF PLC CRM plans to introduce comprehensive risk management systems that will integrate facility development, risk assessment, mitigation, and monitoring under a single canopy.

2. Market Risk

Risk Severity: High

LBF PLC defines market risk as the risks taken in relation to price fluctuations in the financial markets. Several types of risks may arise and LBF PLC manages and monitors these risks carefully. The risk of exchange rate movements does not impact LBF PLC directly because as a NBFI, LBF PLC cannot deal with foreign currency.



Risk Mitigation Strategy

- In maintaining an optimal level of return for our core business, average yield levels and cost of funding is monitored on a monthly basis and presented at ALCO meetings to decide on pricing matters. The ALCO evaluates any potential adverse effects that may arise from situations when the cost of funding rises at a relatively higher pace than the yield earned on lending and other investments
- ALCO reviews current interest rate environment and monitors the movement of key interest rate indices and interest sensitive assets and liabilities maturity gap analysis
- ALCO reviewed impact of interest rate change on the bottom

line by carrying out sensitivity analysis/rate shock analysis taking note of the continued decline in rates observed

- LBF PLC by having a strict monitoring system maintains its interest rate risk at moderate levels despite volatility in rates in the market
- The Treasury Division was able to pursue cheaper sources of funding to bring down overall weighted average cost in the year under review. The division was able to seek optimal funding with the advice of ALCO, maintaining monthly overall-weighted average cost of funds at low levels throughout as depicted
- The Company's accounting policies ensure that we reflect share investments at fair value recognising any realised gains/losses through the profit and loss

Outlook:

Going forward, interest rate risk measurement techniques will be improved further. Additionally, improvement in ROA will be given priority as portfolio starts to mature. Furthermore, ROE will be maintained in the event of additional cash inflow. Our vigilance will continue to tackle the equity price risk.

3. Liquidity Risk

Risk Severity: High

Liquidity risk arises when a Company encounters difficulty in meeting its obligations associated with financial liabilities that require to be settled either through cash or any other financial asset. The sector assets and liability portfolio is such that there is a general vulnerability to liquidity problems resulting from assets and liability mismatches. ALCO being the overall supervisory in managing liquidity risk of LBF PLC meets monthly to oversee adequacy of overall liquidity aspects from other obligations.



Highlights in 2023

ALM Ratio	Recommended by Bangladesh Bank	Recommended by ALCO	Maintained
(YES/NO)			
CRR	Minimum 1.50%	Minimum 1.50%	YES
SLR	Minimum 5.00%	Minimum 5.00%	YES
Loan to fund ratio	<95%	<95%	YES
	GAP (%)		
1 Month	Maximum (15%)	Maximum (15%)	YES
2 Month	Maximum (15%)	Maximum (15%)	YES
3 Month	Maximum (15%)	Maximum (15%)	YES

Risk Mitigation Strategy

- Minimizing maturity gap between assets and liability
- Resorting to an array of diversified funding sources in addition to its core deposit mobilisation business
- Monitoring funding position daily
- Maintaining strong line of credit with banks and making short term investments with high rated Banks and FIs
- Continuous effort to reduce bank dependency
- Keeping adequate Tier-I and Tier-II capital beyond the Bangladesh Bank's requirement
- Maintaining 2-3 months buffer fund for addressing liquidity shortfalls in emergency situations

4. Operational Risk

Risk Severity: Moderate

Operational risk could arise from inadequate or failed internal processes, people and systems or risks arising from external events, leading to financial losses.

Risk Mitigation Strategy



- LBF PLC has instilled various internal controls to detect possible human errors, fraud, faulty internal processes and systems, nonadherence to procedures and non-compliance to regulations
- A company-wide effective internal control system is in place, requiring all staff to adhere to set policies and procedures.
- Operational risk management techniques adopted directly linked to people including segregation of staff duties, job rotation, staff training and development, employee operations, while inbuilt ICT controls,
- maintaining of documentation and keeping backup of documents and systems remain other forms of measures
- Multiple telecommunication channels in place and effect
- Business continuity planning (BCP) and disaster recovery planning (DRP)
- Whistleblowing policies and reporting procedures

Outlook:

Ensuring effective and integrated operational risk management procedures is LBF PLC's continued focus. The Company strives to build a network of systems throughout the company to facilitate the collection of data for analyzing and assessing its operational risk exposure.

5. Strategic Risk

Risk Severity: High

Strategic risk is defined as the risk associated with existing strategy, future business plans and strategies, including plans on entering new business lines, expanding existing services through organic business growth, mergers and acquisitions or exposure loss resulting from a strategy that turned out to be defective or inappropriate.



Highlights in 2023

- · Performance against the market as well as major competitors were regularly monitored to identify any performance gap
- · Some key employees were promoted to take on additional responsibilities and to drive key strategic priorities
- Risk Mitigation Strategy
- Performance against the strategic plan, competitors, and industry is tracked on a regular basis to ensure that the company is adequately aligned and updated
- Integrated planning across the Company, along with discussion and engagement with all the relevant parties at the planning stage of essential projects are done
- Setting KPIs at branch, department, divisional and organizational levels, and aligning and updating strategies based on changes of factors
- Ensuring person-fit role through robust recruitment, retention, training and development processes

Outlook:

Going forward, improving decision accuracy and speed by improving research, increasing the quantity of reports, expanding automation to improve coverage of business intricacies, timeliness, and early detection of budget deviations will be prioritized.

6. ICT Risk

Risk Severity: High

Risks arising due to system breakdown, business continuity, information security.

Highlights in 2023



- Firewall, End Point Security, System and Network Security Control, Encryption, Multi-factor Authentication, Vulnerability Assessment etc. are done to ensure that the system is up and running.
- Adequate awareness and training for users and IT personnel.
- Compliance of policy, SOP and Periodic review of policy and procedure are ensured
- Limiting external email and web access
- Securing IT asset disposal
- Work from home (WFH) infrastructure, periodic business continuity plan (BCP) in effect

Outlook:

The Company plans to sustain strong risk culture through enhancing ICT risk framework, enforcing stringent rules, continuous assessment and monitoring progress.

7. Legal Risk Risk Severity: High

LBF PLC deals in financial transactions with higher scrutiny in a highly regulated finance industry. It is therefore essential that legal risk be managed appropriately to avoid undue impact to business financially and to avoid damage to reputation that could lead to loss of confidence.

Highlights in 2023



AML and CFT trainings provided to LBF PLC personnel:

	2020	2021	2022	2023
CFT (Combatting Finance in Terrorism)	2	2	1	1
Anti-Money Laundering (AML)	2	2	1	3

The Company also held 4 Know-Your-Customer (KYC) trainings in 2023 in the event of combatting this risk.

Risk Mitigation Strategy

- Aligning in-house policies and procedures with regulatory laws and regulations and integrating these policies into regular business and decision making
- Adequate employee training by type
- Appropriate AML/CFT policies and procedures, and Company structure and units to monitor and control the activities
- Due diligence for STR
- Transaction monitoring

Outlook:

Increased focus on effective operation of operational risk management key control standards.

8. Reputation Risk

Risk Severity: Moderate

We define reputational risk as the risk of possible damage to our brand and reputation, and the associated risk to earnings, capital or liquidity, arising from any association, action or inaction which could be perceived by stakeholders to be inappropriate, unethical or inconsistent with LBF PLC's values and beliefs.

Highlights in 2023



No major events occurred in 2023 that resulted in negative media coverage. The Company was rather able to establish goodwill with its clients and engage with a wide range of customers, both virtually and physically via contact centers. Moreover, there were also no cases of dishonored cheque in as the last five years. So, there were no issues of loss in customer trust regarding financial stability due to being unable to settle customer claims. Information centers and sales centers have been set up which are more accessible for customers and will provide a greater opportunity for deposit souring.

Number of negative media coverage	0
Dishonored cheque	0
Customer Contact Centre	
Resolved	98.55%
Contact Centre Disputes	
Digital Engagement	
Facebook	5.8 Mn
LinkedIn	36,841

Risk Mitigation Strategy

- Strong board oversight on matters of strategy, policy, execution, and transparent reporting is vital to effective corporate governance, a powerful contributor to sustaining reputation
- We are investing to build our brand recognition which is vital to our market success
- Customer feedbacks are constructively taken to improve customer experience and complaints are seriously taken and acted upon to prevent any further negative consequences
- We have strong vigilance in maintaining internal control over financial reporting and in deploying effective disclosure controls and procedures to ensure reliable public reports

DISCLOSURE ON MARKET DISCIPLINE UNDER PILLAR-III OF BASEL-II

Background: These disclosures under Pillar III of Basel II are made following "Prudential Guidelines on Capital Adequacy and Market Discipline" (CAMD) for Financial Institutions (FIs) issued by Bangladesh Bank (Central Bank of Bangladesh) in December 2011. These quantitative and qualitative disclosures are intended to complement the Minimum Capital Requirement (MCR) under Pillar I and Supervisory Review Process (SRP) under Pillar II of Basel II. The purpose of these disclosures is to present relevant information on adequacy of capital in relation to overall risk exposures of the FI so that the market participants can assess the position and direction of the FI in making economic decisions.

Consistency and Validation: The quantitative disclosures are made on the basis of consolidated along with its separate unaudited financial statements of LankaBangla Finance PLC (LBF) and its Subsidiaries as at and for the year ended 31 December 2023 prepared under relevant international accounting and financial reporting standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and related circulars/instructions issued by Bangladesh Bank from time to time.

Information presented in the 'Quantitative Disclosures' section can easily be verified and validated with corresponding information presented in the consolidated unaudited financial statements for 2023 of LBF PLC and its Subsidiaries along with separate unaudited financial statements for 2023 of the FI available on the website of the FI (www.lankabangla.com).

A. Scope of application

Qualitative Disclosures

(a) The framework applies to LankaBangla Finance PLC (LBF) on 'Consolidated Basis' as there were three subsidiaries of the FI as on the reporting date i.e. 31 December 2023. However, 'Solo Basis' information has been presented beside those of 'Consolidated Basis' to facilitate comparison.

(b) The FI has three subsidiaries; all of them have been operational on the reporting date. These are LankaBangla Securities Limited (LBSL), LankaBangla Investments Limited (LBIL) and LankaBangla Asset Management Company Limited (LBAMCL).

LankaBangla Securities Ltd.: LankaBangla Securities Limited (LBSL) is a public limited company. As a member of Dhaka Stock Exchanges Ltd. and Chittagong Stock Exchange Ltd. the principal activities of the Company are buying, selling and settlement of securities on behalf of investors and in its own portfolio. LBF PLC holds 82.54% shares

(including indirect ownership) of LBSL. LBSL has two subsidiaries which were fully consolidated in the financial statements of LBSL. The subsidiaries are as under:

LankaBangla Information System Limited (LBISL): It is a private limited Company incorporated in May 2013. LBSL holds 99.80% shares of (LBISL).

BizBangla Media Limited: It is a private limited company incorporated in January 2011. The main objectives of the company are to carry on business of printing, publishing of newspaper, journals, magazines, periodicals, books, pamphlets and other literary and nonliterary works and undertakings, radio, television broadcastings. LBSL holds 96.40% shares of the Company.

LankaBangla Investments Ltd (LBIL): It is public limited Company although it was incorporated as private limited company in 2010. It obtained required license from BSEC in 2011 and started fullfledged operations of merchant banking, portfolio management, underwriting, etc. It is a fully owned subsidiary of LBF PLC.

LankaBangla Asset Management Company Ltd. (LBAMCL): It is incorporated as private limited company in 2007. It got license from BSEC in 2012 as an asset management company. It also received registration certificate from BSEC in 2016 to act as an Alternative Investment Fund Manager. It is a fully owned subsidiary of LBF PLC. The financials of all subsidiaries are fully consolidated and all intercompany transactions and balances are eliminated.

The rules and regulations of DFIM of Bangladesh Bank that govern 'Single Borrower Exposure Limit' for the customers are equally applicable for the LBF PLC in financing its own subsidiaries. LBF PLC is following latest Bangladesh Bank circular in determining maximum amount of finance to the subsidiaries of the Company.

Quantitative Disclosures

Not Applicable.

B. Capital Structure

Qualitative Disclosures

As per Basel II guidelines, regulatory capital consists of Tier-1 (Core) capital and Tier 2 (supplementary) capital. Core capital comprises of highest quality capital elements and supplementary capital represents other elements which fall short of some of the characteristics of the core capital but contribute to the overall strength of an FI.

Conditions for maintaining regulatory capital: The FI complied with all the required conditions for maintaining regulatory capital as stipulated in the Basel II guidelines as per the following details:

Particulars	Status of Compliance
The amount of Tier 2 capital will be limited to 100% of the amount of Tier 1 capital	Complied
50% of revaluation reserves for fixed assets and 45% of revaluation reserves for securities eligible for Tier 2 capital.	Complied
Revaluation reserve for equity instruments up to 10%	Complied

Particulars	Status of Compliance
General provision up to a limit of 1.25% of risk weighted asset for credit risk may be included in Tier 2 capital	Complied
Subordinated bond in Tier 2 capital can be maximum 30% of Tier 1 Capital	Complied
Minimum capital to RWA Ratio (CAR) will be 10%	Complied

Quantitative Disclosures as of 31st December

				In BDT Million	
Deutieuleus	20	2023		2022	
Particulars	Solo	Consolidated	Solo	Consolidated	
Fully paid-up Capital	5,388	5,388	5,388	5,388	
Statutory Reserve	2,189	2,119	2,085	2,085	
Non-repayable share premium account	-	1,090	-	1,091	
General reserve	-	106	-	47	
Retained earnings	1,155	1,434	1,558	2,090	
Minority interest in subsidiaries	-	812	-	208	
Capital Reserve	-	-	-	86	
Less: Book value of Goodwill	-	-	-	-	
Tier 1 Capital	8,326	10,615	9,032	10,996	
Tier 2 Capital	1,387	1,163	2,153	1,787	
Total Eligible Capital	9,713	11,779	11,185	12,783	

C. Capital Adequacy

Qualitative Disclosures

Assessing regulatory capital in relation to overall risk exposures of an FI is an integrated and comprehensive process. LBF PLC follows the risk weighted asset-based approach (standardized Approach for credit risk & Market Risk and Basic Indicator Approach for Operational Risk) in assessing the adequacy of capital to support current and projected business activities. The LBF PLC focuses on strengthening risk management and control environment rather than increasing capital to cover up weak risk management and control practices. LBF PLC has been generating most of its incremental capital from retained profit (stock dividend and statutory reserve transfer etc.) and occasional issue of right shares to support incremental growth of Risk Weighted Assets (RWA). Besides meeting regulatory capital requirement, the FI maintains adequate capital to absorb material risks foreseen. Therefore, the Capital to Risk Weighted Assets Ratio (CRAR) remains consistently within the comfort zone during 2023. The surplus capital maintained by LBF PLC will act as buffer to absorb all material risks and to support the future activities. To ensure the adequacy of capital to support the future activities, the FI assesses capital requirements periodically considering future business growth. Risk Management Division (RMD) under guidance of the SRP team/RMC (Risk Management Committee), is taking active measures to identify, quantify, manage and monitor all risks to which the FI is exposed to.

Quantitative Disclosures as of 31st December

			All	nount in BDT Million
Deutieuleur	20	23	2022	
Particulars	Solo	Consolidated	Solo	Consolidated
Capital requirement for Credit Risk	5,9776	5,5853	6,1103	5,4962
Capital requirement for Market Risk	4,652	1,2701	4,989	1,1868
Capital requirement for Operational Risk	4,198	6,861	4,785	6,932
Minimum capital requirement (MCR)	6,862	7,541	7,087	7,376

Amount in DDT Million

Particulars	20	23	20	22
	Solo	Consolidated	Solo	Consolidated
Core capital maintained	8,326	10,615	9,032	10,996
Supplementary Capital Maintained	1,387	1,163	2,153	1,787
Total Risk Weighted Asset	68,627	75,416	70,879	73,763
Common Equity Tier-1 Capital Ratio	12.13%	14.08%	12.74%	14.91%
Tier-2 Capital Ratio	2.02%	1.54%	3.04%	2.42%
Capital Adequacy Ratio	14.15%	15.62%	15.78%	17.33%

D. Credit Risk

Qualitative Disclosures

Credit risk is defined as the probability of failure of counterparty to meet its obligation as per agreed terms. FIs are very much prone to credit risk due to its core activities i.e. lending to corporate, Consumer, SME, another bank/FI. The main objective of credit risk management is to minimize negative impact through adopting proper mitigates and to limit credit risk exposures within acceptable limit.

Credit risk management has been independent of origination of business functions to establish better control and to reduce conflicts of interest. The Head of Credit Risk Management (Chief Credit Officer or CCO) has well-defined responsibility for management of credit risk. Final authority and responsibility for all activities that expose the FI to credit risk rests with the Board of Directors. The Board however delegated authority to the Managing Director and CEO or other officers of the credit risk management division.

The Board of Directors (BoD) sets credit policies and delegates authority to the management for setting procedures, which together has structured the credit risk management framework in the FI. The Credit Policy Manual contains the core principles for identifying, measuring, approving, and managing credit risk in the FI and is designed to meet the organizational requirements that exist today as well as to provide flexibility for future. These policies represent the minimum standards for credit extension by the FI and are not a substitute of experience and good judgment.

Definitions of past due and impaired credit:

To define past due and impairment through classification and provisioning, the FI follows Bangladesh Bank Circulars and Guidelines. General provisions ranging from 0.25% to 5% on unclassified loans (standard/SMA) and specific provisions on classified loans (20% for substandard, 50% for doubtful and 100% for bad-loss) are made on the basis of quarter-end review by the management and instructions contained in DFIM Circular. Provisions and interest suspense are separately shown under other liabilities as per DFIM Circular instead offsetting with loans.

Particulars	Rates of provision
General provision on:	
Unclassified of Cottage, Micro, Small & Medium Enterprise Financing (CMSMEF) (CMSMEF)	0.25%
Unclassified of leases, loans and advances except CMSMEF and FBMSD	1.00%
Unclassified of Financing to the Brokerage House/Merchant Banks/Stock Dealers etc. (FBMSD)	2.00%
Special Mention Account of leases, loans and advances (SMA)	5.00%
Specific provision on:	
Sub-standard of leases, loans and advances (SS)	20.00%
Doubtful of leases, loans and advances (DF)	50.00%
Bad/loss of leases, loans and advances (BL)	100.00%

Specific provisions for classified loans and general provisions for unclassified loans are measured following BB prescribed provisioning rates as mentioned below:

Quantitative Disclosures as on 31st December:

Total gross credit risk (risk weighted) exposures:

			Amour	nt in BDT Million	
Particulars	2023			2022	
Particulars	Solo	Consolidated	Solo	Consolidated	
Cash and cash equivalents	0	0	0	0	
Claims on Bangladesh Govt. & Bangladesh Bank	0	0	0	0	
Claims on NBFI and Banks	2,249	2,673	2,105	2,440	
Claims on corporate (including OBS exposures)	21,766	21,766	21,003	21,003	
Claims on Retail and SME (Including OBS exposures)	7,730	7,730	6,001	6,001	
Consumer Finance	6,603	6,603	7 <i>,</i> 934	7,934	
Claims fully secured by residential & Commercial Property	3,445	3,445	4,272	4,272	
Past due claims	3,016	3,016	2,632	2,632	
All other assets	14,957	10,610	17,216	10,740	
Total	59,768	55,845	61,163	55,022	

Geographical distribution of exposures (without netting eligible financial collateral) as on 31st December 2023:

Amount in BDT millio				
Location	Solo	Consolidated		
Dhaka	41,171	44,058		
Chittagong	8,657	9,033		
Sylhet	875	925		
Jessore	1,285	1,286		
Narshindi	672	672		
Cumilla	580	641		
Bogura	1,520	1,520		
Barisal	482	483		
Khulna	778	781		
Mymensingh	1,232	1,466		
Narayangonj	793	811		
Rajshahi	935	935		
Chowmuhani	397	397		
Dinajpur	787	787		
Gazipur	575	575		
Faridpur	300	300		
Habiganj	334	334		
Others	349	349		
Total	61,719	65,352		

Industry or counterparty type distribution of exposure and NPL (without netting eligible financial collateral): Solo Basis:

	Amount in BDT n				unt in BDT million
SL. No.	Particulars	Total Portfolio	Mix (%)	NPL	NPL % of Total Portfolio
1	Trade & Commerce	13,016.80	21.09%	958.88	7.37%
2	Industry				
	A. Garments & Knitwear	2,088.19	3.38%	12.52	0.60%
	B. Textiles	1,822.34	2.95%	14.44	0.79%
	C. Food Production, Processing & Rice Mills	5,438.79	8.81%	177.54	3.26%
	D. Jute & Jute products	126.11	0.20%	-	0.00%
	E. Plastic & Rubber Industry	1,188.09	1.92%	35.52	2.99%
	F. Leather & Leather goods	1,121.44	1.82%	1.66	0.15%
	G. Iron, Steel & Engineering	1,797.81	2.91%	806.45	44.86%
	H. Pharmaceuticals & Chemicals	1,845.68	2.99%	0.81	0.04%
	I. Cement & Allied Industry	1,553.53	2.52%	719.83	46.34%
	J. Paper, Packaging, Printing, Publishing & Allied Industry	642.63	1.04%	11.32	1.76%
	K. Wood, Furniture & Fixture	156.26	0.25%	19.94	12.76%
	L. Glass, Glassware & Ceramic Industry	188.20	0.30%	-	0.00%
	M. Ship Manufacturing & Breaking	-	0.00%	-	0.00%
	N. Electronics & Electrical Products	1,319.54	2.14%	5.52	0.42%
	O. Power, Gas, Petrollium, Water & Sanitary	539.75	0.87%	-	0.00%
	P. Transport & Aviation	1,941.40	3.15%	268.20	13.82%
	Q. Others	-	0.00%	-	0.00%
3	Agriculture				0.00%
	A. Crops	-	0.00%	-	0.00%
	B. Forestry	0.85	0.00%	-	0.00%
	C. Poultry & Livestock	426.68	0.69%	8.35	1.96%
	D. Fisheries	18.68	0.03%	-	0.00%
	E. Others (Cold Storage, Biofuel, Seed, Feed, Agri-related Other	964.77	1.56%	7.00	0.73%
	Institutions & Services)				0.00%
4	Mining & Quarrying	-	0.00%	-	0.00%
5	Housing				0.00%
	A. Individual/Retail Housing	7,104.78	11.51%	372.92	5.25%
	B. Project/Commercial Housing	-	0.00%	-	0.00%
6	Financial Corporation		0.00%		0.00%

SL. No.	Particulars	Total Portfolio	Mix (%)	NPL	NPL % of Total Portfolio
	A. Bank	-	0.00%	-	0.00%
	B. Financial Institution	-	0.00%	-	0.00%
	C. Insurance Company	-	0.00%	-	0.00%
	D. NGO	3,092.43	5.01%	-	0.00%
	E. Audit & Accounting firm	12.11	0.02%	-	0.00%
	F. Credit Rating Agency	-	0.00%	-	0.00%
	G. Merchant Banking	-	0.00%	-	0.00%
	i. Loans to Own Subsidiaries	1,516.72	2.46%	-	0.00%
	ii. Loans to Other FI/Bank Subsidiaries	-	0.00%	-	0.00%!
	iii. Loans to Brokerage House	554.90	0.90%	-	0.00%
	H. Other Financial Auxiliaries	-	0.00%	-	0.00%
7	Service				0.00%
	A. Education, Career & Training (Institutional), Consultancy Supervisory	183.86	0.30%	-	0.00%
	B. Tourism, Hospitality & Logistics	918.66	1.49%	62.95	6.85%
	C. Health Sector	363.66	0.59%	30.96	8.51%
	D. Media, Advertising & Event Management	54.15	0.09%	9.35	17.27%
	E. Beautification & Gym	7.23	0.01%	-	0.00%
	F. Tailoring & Laundry	8.23	0.01%	0.60	7.29%
	G. Private Survey Institution	-	0.00%	-	0.00%
	H. Restaurant Service, Catering & Online Food Supplier	54.94	0.09%	3.37	6.13%
	I. Telecommunication & Information Technology	1,277.03	2.07%	-	0.00%
	J. Others	1,160.94	1.88%	16.53	1.42%
8	Consumer Finance				0.00%
	A. Personal Loan	1,488.67	2.41%	355.03	23.85%
	B. Auto Loan	1,843.89	2.99%	52.45	2.84%
	C. Employee/Staff Loan	389.14	0.63%	0.41	0.11%
	D. Credit Card	5,034.78	8.16%	617.62	12.27%
	E. Loan Against Deposit	455.53	0.74%	5.75	1.26%
9	Others	-	0.00%	-	0.00%
	Grand Total	61,719.19	100.00%	4,575.95	7.41%

Residual contractual maturity of credit exposure (without netting eligible financial collateral) as on 31st December 2023:

		Amount in BDT million
Particulars	Solo	Consolidated
On demand	2,015	2,125
In not more than three months	12,171	12,220
In more than three months but not more than one year	26,256	29,543
In more than one year but not more than five years	18,096	18,286
In more than five years	3,180	3,180
Total	61,719	65,353

Gross Non-Performing Assets (NPAs): Solo

On the reporting date i.e. 31 December 2023, Gross Non-Performing Assets stood at BDT 4,575.95 million.

Non-Performing Assets (NPAs) to Outstanding Loans & advances: Solo

On the reporting date i.e. 31 December 2023, Non-Performing Assets (NPAs) to Outstanding Loans & advances was 7.41%.

Movement of Non-Performing Assets (NPAs): Solo

	Amount in BDT Million
Particulars	2023
Opening balance	4,427.82
Additions during the year	2,275.04
Reductions during the year	2,126.92
Closing balance	4,575.95

Movement of Specific Provisions for NPAs (Provisions for classified loans)

Amount in BDT Million

Particulars	2023
Opening balance	2,204
On fully provided debt written off during the year	405
Write back of excess provisions	238
Specific provision for the year	298
Provision held at the end of the year	2,098

E. Equities: Banking Book Positions

Qualitative Disclosures

Investment in equity securities by LBF PLC is broadly categorized into two types: Quoted securities (Ordinary shares, Mutual Funds) and Unquoted securities. Unquoted securities are categorized as banking book exposures which are further subdivided into two groups: unquoted securities which are invested without any expectation that these will be quoted in near future (i.e. held to maturity) and securities that are acquired under private placement or IPO or strategically held for a longer term and are going to be traded in the secondary market after completing required formalities or meeting some requirements.

Discussion of important policies covering the valuation and accounting of equity holdings in the banking book:

Investment in Marketable securities: Investment 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. Unrealized gains are not recognized in the profit and loss account.

<u>Investment in Non-Marketable securities</u>: Investment in unlisted securities are reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities. No gains are recognized in the profit and loss account.

Investment in subsidiaries: Investments in subsidiaries are accounted for as per IFRS 9 in 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 fair value and any changes therein are recorded in revaluation reserve under equity. Any changes in fair value of investment in subsidiaries are not shown in other comprehensive income as it is not permitted by Bangladesh Bank Provision for shares against unrealized loss (gain net off) has been made according to Bangladesh Bank (BB) circular. The Company has used adjusted net asset method as per IFRS 13 to measure fair value of investment in subsidiaries.

Quantitative Disclosures as on 31st December 2023:

Amount in BDT Millio				
Particulars Solo Consolidated				
Particulars	At Cost	At Market Value	At Cost	At Market Value
Value of Quoted securities	1,399	1,125	6,422	5,134
Value of Unquoted securities	1,005	1,023	1,115	1,058

F. Interest rate risk in the banking book (IRRBB)

Qualitative Disclosures

(a) General Disclosure

Interest Rate Risk is the risk which affects the FI's financial condition due to changes of market interest rates. Changes in interest rates affect both the current earnings (earnings perspective) and also the net worth of the FI (economic value perspective). FI assesses the interest rate risk both in earning and economic value perspective.

The process of interest rate risk management by the FI involves determination of the business objectives, expectation about future macroeconomic variables and understanding the money markets and debt market in which it operates. Interest rate risk management also includes quantifying the appetite for market risk to which FI is comfortable.

The FI uses the following approach to manage interest rate risks inherent in the Balance sheet:

Simple Gap Analysis: Traditional Gap analysis of on-balance sheet Asset Liability Management (ALM) involves careful allocations of assets and liabilities according to re-pricing/maturity buckets. This approach quantifies the potential change in net interest income using a specified shift in interest rates, e.g. 100 or 200 basis points, or a simulated future path of interest rates. Assumptions: For Gap analysis, FI considers the following:

- For fixed-rate contract, remaining maturity is considered.
- For contracts with provision of re-pricing, time remaining for next re-pricing is considered.
- For assets and liabilities which lack definitive re-pricing interval or for which there is no stated maturity, FI determines the core and volatile portion. For assets, volatile portion is bucketed till 3 months using historical repayment behavior and stable portion is bucketed in 6-12 months' bucket. For liabilities, volatile portion is bucketed till 1 year using historical withdrawal behavior and stable portion is bucketed till 1 year using historical withdrawal behavior and stable portion is bucketed till 1 year using historical withdrawal behavior and stable portion is bucketed till 1 year using historical withdrawal behavior and stable portion is bucketed till 1 year using historical withdrawal behavior and stable portion is bucketed till 1 year using historical withdrawal behavior and stable portion is bucketed till 1 year using historical withdrawal behavior and stable portion is bucketed till 1 year using historical withdrawal behavior and stable portion is bucketed till 1 year using historical withdrawal behavior and stable portion is bucketed till 1 year using historical withdrawal behavior and stable portion is bucketed till 1 year using historical withdrawal behavior and stable portion is bucketed till 1 year using historical withdrawal behavior and stable portion is bucketed till 1 year using historical withdrawal behavior and stable portion is bucketed till 1 year using historical withdrawal behavior and stable portion is bucketed till 1 year using historical withdrawal behavior and stable portion is bucketed till 1 year using historical withdrawal behavior and stable portion is bucketed till 1 year using historical withdrawal behavior and stable portion is bucketed till 1 year using historical withdrawal behavior and year us

Also, following assumptions are met:

- The main assumption of gap analysis is that interest rate moves on a parallel fashion. In reality however, interest rate does not move parallel.
- Contractual repayment schedule is met.
- Re-pricing of assets and liabilities takes place in the midpoint of time bucket.
- The expectation that loan payment will occur in schedule.

Quantitative Disclosures:

Funding Gap Analysis:

Funding GAP Analysis attempts to determine the potential impact on net interest income (NII) due to changes in interest rate.

Result of Funding Gap analysis as on December 31, 2023:

Particulars	3 months	6 months
For 1% increase/decrease in interest rate, impact on NII	±3.46 million	±2.78 million
For 2% increase/decrease in interest rate, impact on NII	±6.92 million	±5.55 million

Duration GAP Analysis:

The focus of the Duration Analysis is to measure the level of a FI's exposure to interest rate risk in terms of sensitivity of Market Value of its Equity (MVE) to interest rate movements. Duration Gap can be used to evaluate the impact on the Market Value of Equity of the FI under different interest rate scenarios. ALCO monitors the Leveraged Liability Duration and duration gap of the total FI balance sheet on a quarterly basis to assess the impact of parallel shift of the assumed yield curve.

Particulars	31 December 2023
Duration of Asset	3.41
Duration of Liabilities	2.21
Duration Gap	1.20
Changes in equity for change in interest rate (1%)	1.09%
Changes in equity for change in interest rate (2%)	2.18%

G. Market Risk

Qualitative Disclosures

Market Risk: Market Risk is defined as the possibility of loss due to changes in the market variables. It is the risk that the value of on/offbalance sheet positions will be adversely affected by movements in equity price, interest rate and currency exchange rates. The objective of our market risk policies and processes is to obtain the best balance of risk and return whilst meeting customers' requirements. The primary sources of market risk for the company are:

Interest rate risk: Arising from changes in yield curves, credit spreads and implied volatilities on interest rate options.

Equity price risk: Arising from changes in the prices of equities, equity indices, equity baskets and implied volatilities on related options. Foreign exchange risk: It is the risk of loss from movements in cross-currency exchange rates between foreign currencies and from changes in the value of the home or functional currency against foreign currencies. More specifically, forex risk results from a mismatch between assets and liabilities in a particular currency and their associated cash flows in respect to size and maturity.

Company has a comprehensive Treasury Manual, Asset-Liability Management Policy, Investment Policy approved by the BoD to assess, monitor and manage all the above market risks. Various internal limits have been set to monitor market risk and capital requirement is assessed as per standardized approach of Basel II.

Methods used to measure Market Risk: FI applies maturity method in measuring interest rate risk in respect of securities in trading book. The capital charge for entire market risk exposure is computed under the standardized approach using the maturity method and in accordance with the guideline issued by Bangladesh Bank.

Market Risk Management System: To manage the interest rate risk, ALCO regularly monitors various ratios and parameters. Of the ratios, the key ratios that ALCO regularly monitors are Liquidity Coverage Ratio (LCR) and Maximum Cumulative Outflow (MCO), Liquid asset to total assets, Volatile liability dependency ratio, Snap liquidity ratio and Short term borrowing to Liquid assets ratio. ALCO also regularly monitors the interest rate sensitive gap and duration gap of total portfolio.

<u>Quantitative Disclosures as on December 31:</u> Capital charge (Solo basis) for market risk:

		An	nount in BDT Million		
	Particulars 2023 2022				
а	Interest rate risk	0.1	0.1		
b	Equities	225.2	222.8		
С	Foreign exchange risk	199.6	255.4		
d	Commodity risk	-	-		
Total		424.8	478.2		

H. Operational Risk

Qualitative Disclosures

Operational Risk: Operational risk is the risk of loss arising from fraud, unauthorized activities, error, omission, inefficiency, systems failure or external events. It is inherent in every business organization and covers a wide spectrum of issues. We seek to minimize exposure to operational risk, subject to cost benefit trade-offs. The FI captures some identified risk events associated with all functional departments of the FI through standard reporting format.

Views of Board on system to reduce Operational Risk: The policy for measuring and managing operational risks is approved by the Board in line with the relevant guidelines of Bangladesh Bank. Audit Committee of the Board directly oversees the activities of Risk Management Division (Audit & Inspection Unit, Internal Control & Compliance Unit, Enterprise Risk Management Unit) to protect against all operational risks. As a part of continued surveillance, the management committee (MANCOM), Risk Management Committee and Risk Management Division regularly review different aspects of operational risks and suggest formulating appropriate policies, tools & techniques for mitigation of operational risk.

Performance gap of executives and staffs: LBF PLC is an equal opportunity employer. It recognizes the importance of having the right people at right positions to achieve organizational goals. Our recruitment and selection are governed by the philosophy of fairness, transparency and diversity. Understanding what is working well and what requires further improvement is essential to our performance management system. The performance management process aims to clarify what is expected from employees as well as how it is to be achieved.

Our learning and development strategy puts special focus on continuous professional development to strengthen individuals' skill set by removing weaknesses to perform the assigned job with perfection. We have a wide range of internal and external training programs to enhance capabilities as well as minimize performance gap that will contribute more to bottom line.

Peoples' performance is assessed on the basis of performance objectives and key performance indicators (KPI) set at the beginning of each year. Decisions related to rewards and recognitions for the employees are taken on the basis of how well the assigned KPIs are met.

Potential external events: The overall environment within which an FI operates creates certain externalities which could affect business performance directly such as:

Fraud Risk is the risk of incurring losses as a result of an intentional act or omission by a third party involving dishonesty, for personal and/or business gain, to avoid personal and/or business loss, or to conceal improper or unauthorized activity. This includes facilitation, misrepresentation, money laundering, terrorist financing, theft, forgery and cyber-crime.

Business Continuity Risk is the risk of incurring losses resulting from the interruption of normal business activities, i.e. interruptions to our infrastructure as well as to the infrastructure that supports our businesses.

Information Security Risk is the risk of an event which could result in the compromise of organizational assets, including, but not limited to, unauthorized use, loss, damage, disclosure or modification of organization assets. It includes the risk of cyber threats on the organization.

Regulatory Compliance Risk is the risk of incurring regulatory sanctions (including restrictions on business activities, fines or enhanced reporting requirements), financial and/or reputational damage arising from our failure to comply with applicable laws, rules and regulations. Vendor Risk arises from adverse events and risk concentrations due to failures in vendor selection, insufficient controls and oversight over a vendor and/or services provided by a vendor and other impacts to the vendor itself.

Policies and processes to mitigate operational risk: Functional units are primarily responsible for risk identification, measurement, monitoring, control, and reporting of operational risk through risk register. Enterprise Risk Management unit of Risk Management division assess risk issues independently and report to Risk Management Committee through Chief Risk Officer. DCFCL is a self-assessment process for detecting 'high' risk areas and finding mitigation of those risks. The committee titled 'Risk Management Committee (RMC)' also oversees the operational risk issues.

Approach for calculating capital charge for operational risk: The FI applies 'Basic Indicator Approach' of Basel II as prescribed by BB. Under this approach, FIs have to calculate average annual gross income (GI) of last three years and multiply the result by 15% to determine required capital charge. Gross Income is the sum of 'Net Interest Income' and 'Net non-interest income' of a year or 'Total Operating Income' of the FI with some adjustments as noted below. Gross Income (GI) shall:

- Be gross of any provision (e.g. for unpaid interest),
- Be gross of operating expenses, including fees paid to outsourcing service providers,
- Include lost interest i.e. interest suspense on classified loans (SS, DF, BL).

Quantitative Disclosures as on 31st December:

			Ar	nount in BDT million
Particulars	20	23	2022	
	Solo	Consolidated	Solo	Consolidated
Capital charge for operational risk	419.8	686.2	478.5	693.2

STATEMENT ON NPL MANAGEMENT

1. Introduction

The liquidity crisis in the money market started back in end of 2018 continued throughout 2019; followed by COVID-19 pandemic in 2020 extended throughout 2021; and thereafter, Russia-Ukraine war started in February 2022 continued throughout 2023 till now have been the leading forces creating stresses on Non-Performing Loan (NPL) in the economy which was also same for LankaBangla. Amidst this backdrop, in addition to its regular monitoring, collection and recovery strategies, LankaBangla adopted proactive and preventive strategies to minimize the pressure on NPL. In order to help borrowers to absorb the shock arising out of pandemic, war and liquidity stresses, revive their earnings and cash flows gradually to operational normalcy, revitalize and recover through liquidity support enabling through rescheduling & restructuring, LankaBangla has extended supports as far as possible under regulatory framework. In fact, managing NPL to keep it at the lowest possible level is at the core of our business priorities. We have embedded the essence of asset quality in our business values, therefore, instituted the best local as well as international industry practices throughout our business processes.

2. Business Processes and Structures to Facilitate NPL Management

NPL management is one of the topmost priorities of the management. At LankaBangla, NPL management starts from the very beginning of our business process. Step by step NPL management flow is as under:

- We have developed a credit culture with credit policies in line with the best practices which are the guiding principles for sales and relationship teams which drive their business efforts towards quality business through systematic management of any potential risk of NPL. The KPIs of sales & relationship teams include with due weight, among others, NPL of their portfolio which is assessed periodically against a set target with industry best practices to make them accountable. Moreover, collection of dues are also their prime responsibility side-by-side doing business with pre-set targets aligned with industry best practices which is also assessed periodically. Periodic performance evaluation therefore is the products of NPL & Collection in addition to doing business.
- Credit Risk Management (CRM) division independently reviews the credit proposals, approves (as per approved delegated authority) or recommends for onward approval those cases which are screened off of potential risks ensuring adequate protection against any potential NPL. The reporting authority of CRM division is also independent of reporting line of business division.
- The credit proposals recommended by CRM are reviewed by Management Credit Committee (MCC) consisting of the Managing Director, Deputy Managing Director and Heads of Business Divisions, Operations Division, CRM Division, and Treasury Division who put into a wide variety of inputs from different aspects ensuring the least possibility of NPL.

- Thereafter, credit proposals recommended by MCC are reviewed and if found acceptable, approved by the concerned authority which may be the Managing Director, the Board Executive Committee (BEC) or the Board of Directors (BOD) independently.
- Even after approval of credit facilities, the post approval activities like credit facility documentations and executions are carried out by separate department namely Asset Operations Department under centralized Operations Division and vetting of credit facility and collateral documentations are taken care of by separate division namely Legal Affairs Division which are independent of reporting line of business departments and divisions to avoid conflict of interests.
- For post disbursement activities like monitoring, collection, early alerts, etc. sales and relationship teams hold prima- facie responsibility to ensure their accountability towards quality asset portfolio. However, to put into more and rigorous monitoring, separate department namely Asset Recovery & Monitoring Department continuously thrives for protection before assets turn into NPLs. Regular due date and overdue status reminders through SMS, e-mails, letters, telecommunications, meetings, discussions, visits, etc with the clients are consistently carried out by the department which facilitates managing NPL at the lowest possible level.
- For managing NPL cases arising out even after all the efforts as mentioned above, a dedicated department namely SAM (Special Asset Management) Department is in place to directly monitor, put into action and intensify recovery and settlement drives through dedicated internal recovery officers and also third party collection service providers, where necessary. Litigation Department is well organized with the assistance of leading law firms of the country to ensure all out legal actions for collection. These departments, SAM & Litigation, are independent of Business divisions, which ensures mitigating any risks arising out of conflict of interests.
- Risk Management Division and its Internal Control & Compliance (ICC) Unit, Enterprise Risk Management (ERM) Unit and Audit & Inspection (AI) Unit are consistently reviewing and monitoring the implementation and execution of the policies, procedures, and systems; blowing whistles where necessary; updating with approval of competent authority the policies, procedures, and systems with the assistance of the Information Technology (IT) Division and other stake-holding divisions.
- The senior management is vigilant to monitor and review all the relevant aspects; provides necessary directions and guidance time to time; all to ensure asset quality maintaining the NPL ratio towards its desired goals outperforming the industry ratio.
- On top of all, the Board of Directors periodically monitors and reviews the NPL movements and performance of the management in arresting NPL; provides necessary directions and guidance, thereby ensures highest quality of assets of the company to ensure a quality asset portfolio thereby maximize business and profitability growth.

3. Strategies for NPL Management

The recovery strategies are formulated based on analysis carried out through the following four sub-functions:

- Classification of loan portfolio
- Trend analysis of the overdue installments
- Processes of recovery
- Specific measures

3.1. Classification of Loan Portfolio

Loans are classified into the following categories:

- Regular payees
- One month not paid
- Two months not paid
- Three months not paid
- Four months not paid
- Five months not paid
- Six months not paid
- Suspended account (Special Asset)

The above mentioned classification is based on the age of the loan portfolio. The strategy of recovery is based on the age of overdue of the loan facility.

3.2. Trend Analysis of the Overdue Loans

The data of the outstanding loan portfolio is analyzed in two respects, namely, Sector-wise Age Analysis and Client-wise Age Analysis. From each of these two reports, cause analysis is carried out. The details are given below.

3.2.1. Sector-wise Age Analysis

This report provides information on the sectorial default level of the loan portfolio. If the default happens to be random in nature for a particular sector, the client-wise age analysis is

emphasized. If any sectoral default is evident the following further analysis is carried out.

3.2.1.1. Industry Sales Analysis

This analysis is carried out by collecting data from the external sources to find the causes of the sectorial sales decline. The nature of the causes (temporary or permanent) is also analyzed.

3.2.1.2. Industry Profitability Analysis

This analysis is carried out in order to find out the fluctuation of the profit margin of the sectors. The causes of the fluctuations are also analyzed to uncover the nature of the fluctuations (temporary or permanent).

3.2.1.3. Industry Liquidity Analysis

This analysis is carried out in the context of national economic activity, monetary condition to find out the immediate liquidity situation of the industry and be prepared to face the reality of the business.

3.2.1.4. Industry Change Analysis

This analysis is carried out to find out changes in the industry in terms of technology, investment, development of substitute

product, etc. The objectives of the sector-wise age analysis are following:

- Take immediate action to realize the default outstanding by way of rescheduling/ restructuring, suspending or terminating the agreement
- Provide investment advices to the client to help them recovering from turmoil
- Adopt alternate strategies with respect to loan finance to the sector
- Adopt new criteria for future reference in appraisal procedure

3.2.2. Client-wise Age Analysis

This analysis is carried out to discover the clients' integrity and sincerity to pay the loan installments, their business profitability, and affectivity of their business strategy in the context of present business situation. The objective is to adopt correct strategy to recover the investment.

3.3. Recovery Processes

The various recovery actions in order of intensity is given below:

- Phone Call/ SMS
- Letter/ E-mail
- Visit
- Reminder
- 2nd Reminder
- Visit conducted by higher level employee/s
- Letter to guarantor/s
- Final/ call up letter for legal notice
- Legal Notice
- Report to Central Bank and to other agencies
- Terminate the loan
- Ask the guarantor of payment/ encashment of security
- Litigation

The application of the above mentioned options are contingent upon the age of the overdue installments, causes of the overdue, forward looking on the business and industry, etc. Few of the application are as follows:

- Immediately after overdue of one installment, telephonic communication/ SMS is initiated by monitoring officer. Upon failing to obtain positive result default letter is issued to the client after closure of the due month. If the letter does not bring in result an official visit is made by a collection officer to resolve the matter
- If two installments are overdue, the case is analyzed and necessary corrective action is taken by sending an overdue status and a claim letter; simultaneously telephone calls and/ or visits are made to give the continuous reminder
- If the above actions fail a second reminder is given to the client through letter along with telephonic conversation
- If consecutively three installments are overdue the client is taken as problem case. In this case a higher level management meeting is conducted, to take corrective action with respect to rescheduling/ restructuring, early realization, etc.
- If the above measures fail a letter showing the details of overdue and a list of already taken corrective actions is sent to the client

with C.C. to the guarantor and security provider

After six monthly installments overdue, or the account is overdue for six months, the case is taken as suspended case and legal notice, reporting to central bank, termination of loan, security encashment/ liquidation, final provisioning, litigation etc. are carried out chronologically

3.4. Specific Measures

To deal with sheer uncertainty and look beyond the sight with care, empathy and opportunity. In addition to traditional approach to recovery, we worked together with the distressed borrowers to work out client and situation specific strategies, which help us as well as the borrowers to address unintentional defaults.

4. NPL Status as on December 31, 2023

During the year 2023, the NPL ratio of the Company Increased to 7.41% from previous year's 7.22%. The absolute figures show the increase in classified portfolio from BDT 4,427.82 million in 2022 to BDT 4,575.95 million in 2023. Though the COVID19 pandemic hit hard the recovery during country-wide lock downs in 2020 as well as 2021, the impact of the same carried over in 2023, which has been further affected by Russia-Ukraine war started in 2022 continued throughout 2023 and accordingly all out strategies as mentioned above have substantially helped to gradually recover the collection figures and by December 2023, further deterioration could be checked. However, withdrawal/ cessation of the guidelines of central bank for deferred repayments/ classification due to the pandemic offset the improvements in collection and accordingly NPL increased somewhat.

The movement in NPL accounts during the year 2023 has been depicted in following table:

	BDT Million
Opening Balance as on January 1, 2023	4,427.82
Add: Addition during the year 2023	1,151.07
Less: Collection During the Year 2023	488.29
Less: Write off	514.66
Closing Balance as on Dec 31, 2023	4,575.95

* The collections from NPL accounts figure is only from opening NPL accounts; total collections from all NPL accounts including those which were regularized/ settled during the year is BDT 495.05 million.

5. Write offs

During the year 2023, the movement in write-offs accounts is as under:

Particulars	BDT Million
Opening Balance as on January 1, 2023	1,327.50
Add: Addition during the year 2023	514.66
Less: Collection During the Year 2023	37.56
Closing Balance as on Dec 31, 2023	1,804.59

6. Sector-wise NPL Status

Follow	ollowing table shows sector-wise exposure vis-à-vis sector-wise NPL of LankaBangla. GRI: 102				
SL. No.	Particulars	Amount (in BDT mn)	% of Total	NPL Portfolio (in BDT mn)	NPL % of Sector wise Portfolio
1	Trade & Commerce	13,016.80	21.09%	958.88	7.37%
2	Industry			-	
	A. Garments & Knitwear	2,088.19	3.38%	12.52	0.60%
	B. Textiles	1,822.34	2.95%	14.44	0.79%
	C. Food Production, Processing & Rice Mills	5,438.79	8.81%	177.54	3.26%
	D. Jute & Jute products	126.11	0.20%	-	0.00%
	E. Plastic & Rubber Industry	1,188.09	1.92%	35.52	2.99%
	F. Leather & Leather goods	1,121.44	1.82%	1.66	0.15%
	G. Iron, Steel & Engineering	1,797.81	2.91%	806.45	44.86%
	H. Pharmaceuticals & Chemicals	1,845.68	2.99%	0.81	0.04%
	I. Cement & Allied Industry	1,553.53	2.52%	719.83	46.34%
	J. Paper, Packaging, Printing, Publishing & Allied Industry	642.63	1.04%	11.32	1.76%
	K. Wood, Furniture & Fixture	156.26	0.25%	19.94	12.76%
	L. Glass, Glassware & Ceramic Industry	188.20	0.30%	-	0.00%
	M. Ship Manufacturing & Breaking	-	0.00%	-	
	N. Electronics & Electrical Products	1,319.54	2.14%	5.52	0.42%
	O. Power, Gas, Petrollium, Water & Sanitary	539.75	0.87%	-	0.00%
	P. Transport & Aviation	1,941.40	3.15%	268.20	13.82%
	Q. Others	-	0.00%	-	

SL.	Particulars	Amount	% of Total	NPL Portfolio	NPL % of Sector
No.		(in BDT mn)		(in BDT mn)	wise Portfolio
3	Agriculture			-	
	A. Crops	-	0.00%	-	-
	B. Forestry	0.85	0.00%	-	0.00%
	C. Poultry & Livestock	426.68	0.69%	8.35	1.96%
	D. Fisheries	18.68	0.03%	-	0.00%
	E. Others (Cold Storage, Biofuel, Seed, Feed, Agri-re- lated Other Institutions & Services)	964.77	1.56%	7.00	0.73%
4	Mining & Quarrying				
5	Housing	-	0.00%	-	-
	A. Individual/Retail Housing				-
	B. Project/Commercial Housing	7,104.78	11.51%	372.92	5.25%
6	Financial Corporation	-	0.00%	-	-
	A. Bank		0.00%		-
	B. Financial Institution	-	0.00%	-	-
	C. Insurance Company	-	0.00%	-	-
	D. NGO	-	0.00%	-	-
	E. Audit & Accounting firm	3,092.43	5.01%	-	0.00%
	F. Credit Rating Agency	12.11	0.02%	-	0.00%
	G. Merchant Banking	-	0.00%	-	-
	i. Loans to Own Subsidiaries	-	0.00%	-	-
	ii. Loans to Other FI/Bank Subsidiaries	1,516.72	2.46%	-	0.00%
	iii. Loans to Brokerage House	-	0.00%	-	-
	H. Other Financial Auxiliaries	554.90	0.90%	-	0.00%
7	Service			-	
	A. Education, Career & Training (Institutional), Con- sultancy Supervisory	183.86	0.30%	-	0.00%
	B. Tourism, Hospitality & Logistics	918.66	1.49%	62.95	6.85%
	C. Health Sector	363.66	0.59%	30.96	8.51%
	D. Media, Advertising & Event Management	54.15	0.09%	9.35	17.27%
	E. Beautification & Gym	7.23	0.01%	-	0.00%
	F. Tailoring & Laundry	8.23	0.01%	0.60	7.29%
	G. Private Survey Institution	-	0.00%	-	-
	H. Restaurant Service, Catering & Online Food Sup- plier	54.94	0.09%	3.37	6.13%
	I. Telecommunication & Information Technology	1,277.03	2.07%	-	0.00%
	J. Others	1,160.94	1.88%	16.53	1.42%
8	Consumer Finance				-
	A. Personal Loan	1,488.67	2.41%	355.03	23.85%
	B. Auto Loan	1,843.89	2.99%	52.45	2.84%
	C. Employee/Staff Loan	389.14	0.63%	0.41	0.11%
	D. Credit Card	5,034.78	8.16%	617.62	12.27%
	E. Loan Against Deposit	455.53	0.74%	5.75	1.26%
9	Others	-	0.00%	-	
	Grand Total	61,719.19	100.00%	4,575.95	7.41%

In order to arrest NPL our focus is not only reducing existing NPL portfolio, but also avoiding further NPL. In line with that we have strengthened our relationship, recovery, monitoring & SAM teams, deployed external sources where found suitable, strengthened our legal team, thereby intensified recovery drive which brought in defaulting clients under negotiation. On the other hand, in order to check any further significant NPL, we have extensively reorganized our Organogram,

engaged business divisions, CRM division, Operations Division; strengthened pool of qualified human resources in the departments, enhanced lawyers' panel incorporating leading law firms, strengthened Risk Management Division, reengineered business and operational processes putting into a strong risk management framework in place which is expected to result in sizable improvement in year 2024.

REPORT ON GOING CONCERN

The Board of Directors of LankaBangla Finance PLC has conducted its annual evaluation to assess the presence of any material uncertainties that might question the Company's ability to continue as a going concern. This assessment includes a comprehensive review of budgets, financial projections, and inherent risks. Based on the following indicators, the Board is assured that LankaBangla Finance remains well-positioned to operate as a going concern for the foreseeable future.

Financial Indicators

Performance Growth

In 2023, LankaBangla Finance successfully navigated an increasingly complex economic environment characterized by inflationary pressures, regulatory shifts, and market fluctuations. Despite these challenges, the Company achieved a group net profit of BDT 170 million. The overall Non-Performing Loan (NPL) ratio stood at 7.41%, with segmental NPLs at 6.02% for Corporate, 8.01% for Retail, and 9.46% for CMSME. The Company's proactive efforts in enhancing asset quality, diversifying portfolios, and maintaining operational efficiency were pivotal in achieving these results.

Credibility in Payment Obligations

LankaBangla Finance's commitment to meeting its financial obligations remains unwavering. The Company's robust liquidity management framework has ensured timely fulfillment of all payment commitments, even in a challenging liquidity environment. Notably, LankaBangla Finance fully settled its zero-coupon bond, maintained regular repayments of foreign term loans, and met other financial obligations punctually, reflecting the Company's strong creditworthiness.

Cash Flow Analysis

The cash flow analysis for 2023 underscores LankaBangla Finance's financial resilience and capacity to generate adequate cash for sustaining operations and future growth. The Company generated BDT 1,138 million from operating activities before changes in operating assets and liabilities. However, after adjusting for changes, net cash outflows from operating activities amounted to BDT 653 million. These figures highlight the Company's adaptability and focus on long-term sustainability.

Business Expansion

LankaBangla Finance remains focused on expanding its market presence, particularly through CMSME-led portfolio growth. The Company's strategy to upgrade existing branches into hubs and spokes, along with the development of new hubs, is expected to drive deeper market penetration. This expansion will contribute to business growth, reduce the cost-to-income ratio, and enhance profitability.

Consistent Payment of Dividends

The Company's track record of consistent dividend payments is a testament to its commitment to shareholder value. In 2023,

LankaBangla Finance paid a cash dividend of BDT 538 million, in line with the previous year. This consistency reflects the Company's long-term vision and dedication to its shareholders.

Corporate Environment and Employee Satisfaction

LankaBangla Finance continues to prioritize creating a supportive work environment and offering competitive remuneration to its employees. The Company's comprehensive benefits package includes provident and gratuity funds, employee loans at preferential rates, health insurance, incentive bonuses, and transportation facilities. Regular pay scale adjustments ensure alignment with inflation and industry standards, reinforcing employee satisfaction and engagement.

Maintenance of Sufficient Capital

LankaBangla Finance consistently exceeds regulatory capital requirements, maintaining a strong capital adequacy ratio (CAR). As of December 31, 2023, the Group CAR stood at 16.59%, while the Standalone CAR was 15.07%. This robust capital position underscores the Company's financial stability and readiness for future growth, despite significant growth in Risk Weighted Assets.

Other Indicators

Satisfactory Credit Rating

LankaBangla Finance was once again rated "AA3" in the long term and "ST-2" in the short term by Credit Rating Agency of Bangladesh Ltd. (CRAB) in 2023. The stable outlook reflects the Company's solid management, growth in non-interest income, and strong capital and liquidity positions.

Foreign Funding

The Company's financial flexibility continues to benefit from foreign funding, with an outstanding balance of BDT 1,996 million as of 2023. These funds, sourced from multiple international lenders, strengthen LankaBangla Finance's financial position and provide a foundation for future foreign funding opportunities.

Changes in Government Policy

The management of LankaBangla Finance does not foresee any significant legislative or regulatory changes that could materially impact the Company's operations.

Based on these indicators, the Board of Directors is confident in the appropriateness of adopting the going concern assumption. Adequate disclosures have been made in the financial statements and other sections of this annual report to validate this assumption.



SUSTAINABILITY Reporting



Being focused on our strategic priorities, our redefined approach towards sustainability has built us a sustainable business that tends

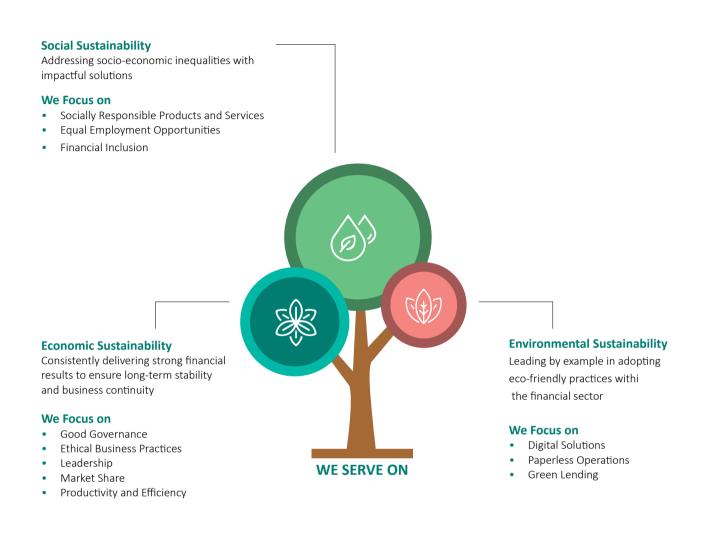
to continue without any pause. We have been offering financial products and services that directly or indirectly lead us along with all our stakeholders to long-term environmental benefit and social developments.

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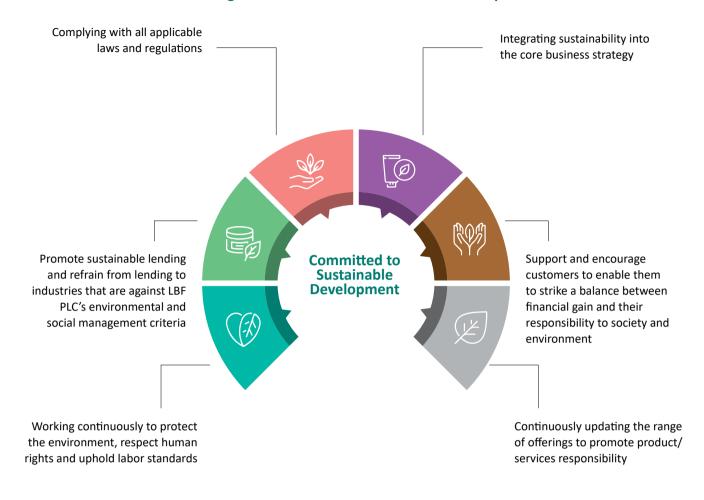
OUR APPROACH TOWARDS SUSTAINABILITY

Integrated Sustainability Strategy

Aligned with our vision of 'Growing Together,' LankaBangla is dedicated to making a meaningful contribution to national initiatives aimed at addressing sustainability challenges. Our comprehensive strategy is deeply rooted in the United Nations Sustainable Development Goals, part of the UN's 2030 vision for a peaceful and prosperous future. This strategy, built on a triple-bottom-line approach, integrates our business objectives with key sustainability parameters, adding value to people and the planet while maintaining profitability.



Contribution towards Achieving the United Nations Sustainable Development Goals

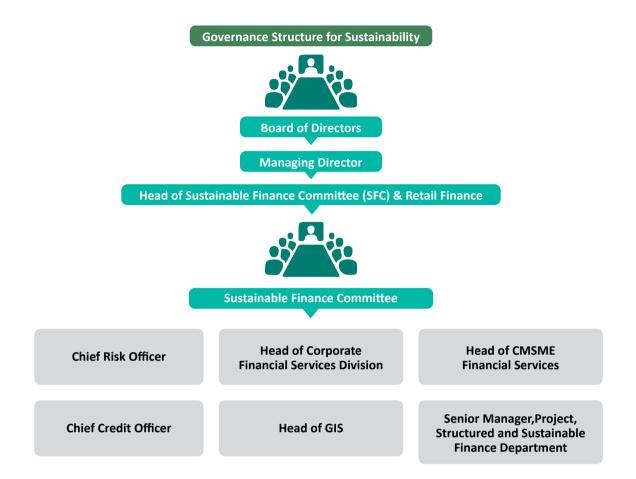


Sustainability Governance

The Board of Directors at LankaBangla Finance PLC remains the principal authority responsible for setting the strategic direction and overseeing sustainability matters. Every decision made by the Board and its subcommittees continues to consider the economic, social, and environmental impacts on the organization. The Sustainable Finance Committee (SFC) plays a pivotal role in crafting an integrated sustainability plan that reinforces our commitment to both environmental and social priorities. The Sustainable Finance Unit (SFU) is tasked with the critical functions of identifying, planning, implementing, and monitoring sustainability initiatives.

A core element of our sustainability governance framework is the ongoing training and awareness of all stakeholders. In 2023, amidst evolving global challenges such as climate change, geopolitical tensions, and accelerated digitalization, we have expanded our efforts to equip the Board with the knowledge required to navigate these complexities. Leveraging our enhanced e-learning platform, we conducted targeted awareness campaigns focusing on the most relevant socioeconomic and environmental topics of the day, including the implications of climate risks, the transition to a low-carbon economy, and the importance of social equity in business practices.

These training sessions are designed not just to enhance the Board's collective understanding but also to empower them to make informed decisions that align with our long-term sustainability goals. By staying abreast of global trends and emerging risks, we ensure that our sustainability governance framework remains robust and adaptive to the ever-changing landscape. _____



MATERIAL TOPICS FOR SUSTAINABILITY

Value Creation

As a leading Non-Bank Financial Institution (NBFI), we continue to be a pivotal force in fostering economic activity across individuals, businesses, and the broader national landscape. Our commitment to value creation is anchored in the principles of sustainable growth, where we not only help in the creation, expansion, and protection of wealth but also actively contribute to the nation's economic development. In 2023, we have intensified our focus on aligning our actions with the broader societal good, ensuring that every decision we make generates positive social impact while delivering long-term value to our shareholders.

Assessing Materiality

Assessing materiality is a crucial stage in our value creation journey. It involves identifying and evaluating the issues that are most relevant to our business. This process is shaped by the risks and opportunities within our operational environment, changes in legal and regulatory frameworks, global trends, and insights from stakeholder feedback. We assess the materiality of each topic based on its significance, likelihood of occurrence, and potential impact. Where applicable, these material topics are further aligned with Global Reporting Initiative (GRI) indicators.

Our materiality analysis enables us to identify the key issues that matter most to our business. By understanding the needs and objectives of our stakeholders, we can prioritize our strategies, GRI: 102-46, 102-47

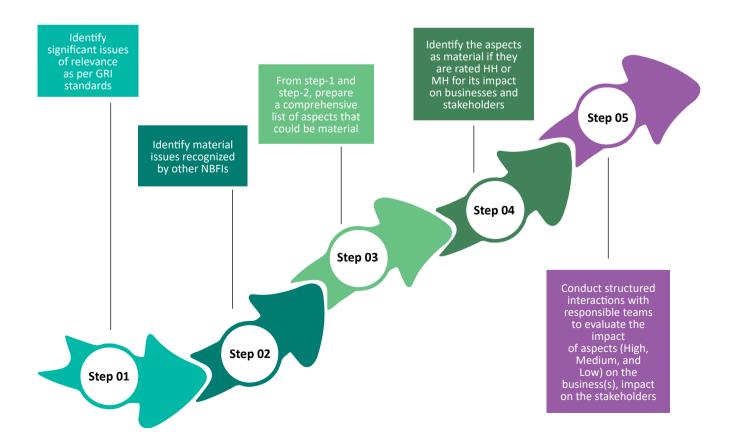
policies, and action plans across economic, environmental, and social areas. These priorities are then mapped on a materiality matrix, ensuring we focus on what delivers the greatest value to our stakeholders and the organization.

Material Topic Identification Process

The Sustainability Report outlines our social, economic, and environmental objectives, emphasizing our commitment to responsible business practices. In alignment with the GRI: Core Option, we evaluated various aspects of the GRI Standards and topic-specific disclosures to determine their materiality. These assessments were based on their significance to both our business and our stakeholders, which informed the content of the report and the communication of our performance during 2023. This process has guided our approach to sustainability reporting and strategic decision-making.

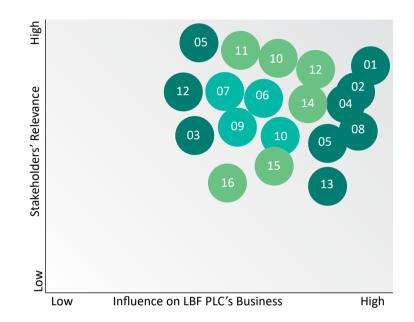
Changes to Material Topics in 2023

The 2023 Materiality Assessment reaffirmed the continued relevance of the Material Topics identified in previous years. The topic on "Responses to COVID-19," which had been discussed in the FY 2021 Report, was no longer deemed material for FY 2023. This change reflects the ongoing stabilization of global health conditions and the shifting focus towards other pressing issues in our operational and strategic landscape.

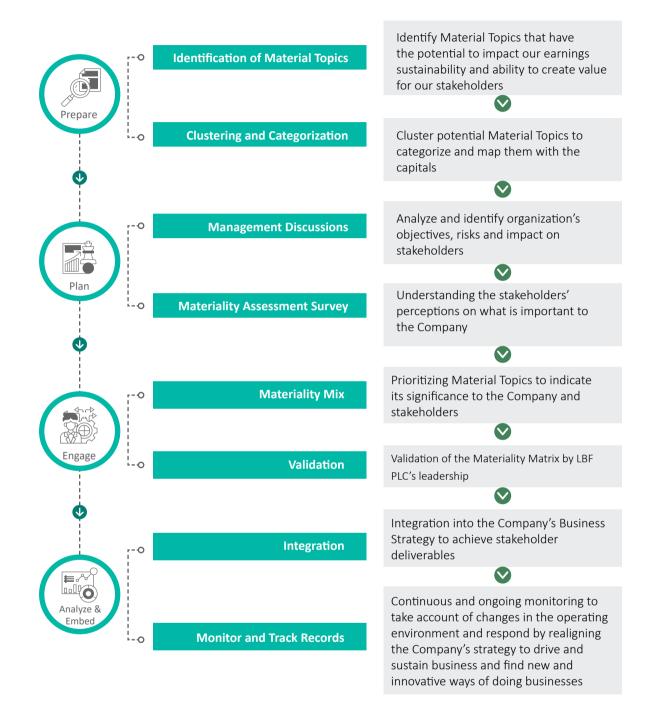


SUSTAINABILITY REPORTING / MATERIAL TOPICS FOR SUSTAINABILITY

	Economic		Environmental		Social
1.	Economic Performance	7.	Energy	12.	Employment
2.	Indirect Economic Impacts	8.	Water and efluent	13.	Occupational health and safety
3.	Procurement Practices	9.	Reduction of GHG emission	14.	Training and education
4.	Anti- Corruption	10.	Efluent and waste	15.	Diversity and equal opportunity
5.	ТАХ	11.	Climate Risk Mangement	16.	Local
6.	Financial Inclusion and Access to Finance				



Materiality Implementation and Monitoring Process



STATEMENT ON GREEN BANKING AND SUSTAINABLE FINANCE

GRI: 306-2



Green Banking

The concept of green banking has been integral in LankaBangla, and goes hand in hand with our stance on sustainable business model. With the constant headway of our Sustainable Finance Committee (SFC) and Sustainable Finance Unit (SFU), we have been a successful team in green banking. Using smart innovative financing techniques and market development tools, we aim to stimulate investments in clean technologies and hence contribute to societal welfare. To seek increased deployment of clean energy and more efficient use of funds, we have emphasized on Green Finance, initiated in-house management (Green Office Guide), Green Marketing and supported employee training.

Green Banking/Sustainable Financing Unit

As per the Bangladesh Bank guidance on Environmental and Social Risk Management (ESRM) and Sustainable Financing Policy for Banks and Financial Institutions, LankaBangla Finance has implemented necessary policy requirements. A separate Sustainable Finance Committee (SFC) and Sustainable Finance Unit (SFU) has been formed for designing, evaluating and administering activities related to green banking and sustainable financing issues of the company. SFC is comprised of the representatives from relevant divisions. Notably all business divisions including Project, Structured and Sustainable Finance Unit as well as Credit Risk Management (CRM) division and Operations Division are actively looking after the various sustainable and green financing activities of LankaBangla Finance.

SI.	Name	Designation	Position in the Committee
1	Humaira Azam	Managing Director	Chairperson
2	A. K. M. Kamruzzaman	Head of Operations	Co-chairman
3	Khurshed Alam	Head of Retail Financial Services	Member
4	Mostafa Kamal	Group Company Secretary	Member
5	Mohammad Shoaib	Head of Corporate Financial Services	Member
6	Md. Kamruzzaman Khan	Head of CMSME Financial Services	Member
7	Mohammad Hafiz Al Ahad	Head of Human Resources	Member
8	Mohammad Nazmul Hasan Tipu	Chief Credit Officer	Member
9	Muhammad Habib Haider	Head of GIS	Member
10	Md. Raziuddin	Head of Brand Marketing & Communications	Member
11	Sk. Rafikuzzaman	Senior Manager, Project Structured & Sustainability Finance	Member Secretary

SFU Unit is working in line with the Term of Reference (TOR) outlined by Bangladesh Bank

Sustainable Finance Unit Members

SI.	Name	Designation	Position in the Committee
1	Mohammad Nazmul Hasan Tipu	Chief Credit Officer	Head of SFU
2	Masum Ali	SVP, Board Secretariat	Member
3	Kazi Mohtasim Bellah Alom	Information & Communication Technology	Member
4	Md. Nurul Islam	Head of Small Business, CMSME	Member
5	Arif Hasan	Head of Retail Credit	Member
6	Md. Jahurul Islam	AVP, Finance & Accounts	Member
7	Reazul Haque	FAVP, HR Operations	Member
8	Md. Masud Al Mamun	FAVP, Home Loan	Member
9	Sk. Rafikuzzaman	Senior Manager, Project Structured & Sustainability Finance	Member
10	Ziaul Abedin	Senior Manager, Procurement	Member
11	Fahad Mahmud	Manager, Project Structured & Sustainability Finance	Member & Focal Point Official

Statement of Green Banking/Sustainable Financing Initiatives

In response to increasing awareness of climate change, and environmental degradation, urgent measures for sustainable development have been addressed by some of the stake holders all over the world. Banking system holds a unique position in an economy that can affect production, business and other economic activities through their financing activities which would in turn contribute to economic development as well as protect environment/ climate from pollution and degradation. Through green banking / sustainable financing, LankaBangla concentrates on financing commercially viable technologies that consume less fossil fuel, lower emission of greenhouse gases and have lower impacts on the environment. Moreover, implementing green banking concept within the organization through efficiency in energy use, water consumption and waste reduction may significantly contribute towards controlling operating costs.

Policy formulation and Governance

In line with the global development and response to the environmental degradation and as per instructions of Bangladesh Bank, LankaBangla Finance has already established its ESRM Policy guidelines based on the guidance provided by Bangladesh Bank. A Sustainable Finance Committee (SFC) has been formed with the task of developing policies, planning and administering the Sustainable and green banking initiatives of the company.

Incorporation of Environmental & Social Risks in Core Risk Management

The Company conforms to the instructions stipulated in the detailed policy guidelines in consideration to the Sustainable Finance and Green Banking policy guidelines issued by BB. Clear identification of the problems related to environmental & social risks is important for effective risk management as measures can be taken to address any environmental incidents. At LankaBangla, risks are prioritized based on the established processes in order to respond to unforeseen environmental happenings. A comprehensive risk exposure matrix including ESDD Checklist is established for assessing environmental and social risks and then reported to management credit committee of the company.

Prioritizing Green Finance

Financing in eco-friendly and environmentally sustainable business activities and energy efficient industries shall be extended through preference by all the credit delivery points. Environmental infrastructures such as renewable energy project(s), Liquid Waste Management, Alternative Energy, Fire Burnt Brick, Non Fire Block Brick, Recycling & Recyclable Product, Green Industry, Safety and Security of Factory, etc. are encouraged and those will be financed by the company with priority.

Viability of environmental infrastructures for financing shall be assessed in line with the environmental issues i.e. how the purpose of the project(s)/business(es) & to what extent this/these is/are rewarding to the environment. Most viable project(s)/business(es)/ sector(s) shall be prioritized for financing to position the financial institution gradually as a "Carbon Neutral Financial Institution" first and then as a "Climate Positive Financial Institution".

Creation of Climate Risk Fund

The financial institution addresses environmental issues and assesses environmental risks (high/moderate / low) of projects/ businesses of different sectors in different areas. At the same time, LankaBangla Finance hasalready created climate risk fund for "Sustainable Finance and Green Banking" which will be used as per guidelines issued by Bangladesh Bank.

Green Marketing

Green Marketing incorporates a broad range of activities, including products/services design, engineering, modification, new product innovation, changes to the production process and packaging, in order to encourage potential clients to design Green Project or environmentally safe products and also to modify advertising. Besides, company effectively uses green marketing channels more for widening target markets of usual products.

Supporting employee training, Consumer Awareness and Green Event

Exclusive training programs or specialized/befitting in foundation or other credit related courses for incorporating Sustainable Finance and Green Banking Policy Guidelines as a part of awareness building among the employees of the Company are arranged by the Human Resources Division in consultation with the Sustainable Finance Unit (SFU).

Environment Related Initiatives

LankaBangla takes environmental stewardship ahead of each year realizing the present generation's responsibility to the future. By adopting Environmental and Social Risk Management (ESRM) Guidelines for Banks and Financial Institutions in Bangladesh, LankaBangla closely monitors the environmental impact of every step and effectively mitigates any risks that arise thereon. With more emphasis on environmental and social risk management programs at LankaBangla, a noticeable increase has occurred in the amount of screening and due diligence efforts to gather information on potential environmental and social risks.

We take every effort to delight our clients being the growth partner in financing environment friendly products or initiatives. LankaBangla took pride for being one of the financiers of a project having one of the largest biological Effluent Treatment Plant (ETP) of the Bangladesh, the first auto brick manufacturing project to implement flexible fuel technology reducing CO2 emissions and also to trade Certified Emissions Reductions (CERs) to the World Bank and so forth. Green financing has been growing steadily in our portfolio.

We have established our office environment and only allow rational use of energy and promote the spirit of environment friendly action plans. Our policy allows only energy savings bulbs at all of our service points and Head Office. While furnishing our office premises we use ISO certified paints. On top of that, LankaBangla introduced automated e-alert system to ensure secured financial information flow to our clients in Bangladesh. The launch of e-mail based Customer Statement Delivery System, added an important service to support the clients' needs, providing superior customer service to ensure delivery of account statements and transaction advices to the designated e-mail addresses of clients on time. This new system also helps to protect the environment by eliminating paper-based activities at office, protecting and preserving our environment for the next generation. In future we dream to enhance our effort on preserving ecosystems, land air and water, in line with our broad corporate mission we defined.

Environmental sustainability

At LankaBangla, we have long acknowledged that a healthy environment is the foundation for economic progress and the well-being of society. As a leading financial institution, we are committed to finding market solutions that benefit the environment. As per our long term commitment to our community, we continued to invest both in nurturing underprivileged people of our society, and to the environment we breathe in. We provide loans to customers carrying out due diligence and considering the environment and social impact. In all credit delivery points, we have focused on financing ecofriendly and environmentally sustainable business activities and energy efficient industries. Environmental infrastructure projects such as clean water supply, waste water treatment plants, solid and hazardous waste disposal plants, Effluent Treatment Plants, Bio-gas plants, Bio-fertilizer plants and energy efficient / low carbon emission projects etc. are always encouraged and dealt with top priority.

Energy & Resource Conservation and Atmosphere

We try to use as much daylight as possible in our office during working hours as feasible to conserve energy and safeguard the environment. Additionally, we employ longlasting, cost-effective, and energy-efficient LED lighting. Every month, LankaBangla Finance observes "No Print Day" to raise awareness about resource conservation.

Green and Sustainable Finance Targets and Achievements

Bangladesh Bank (BB) fixed a minimum target of green finance at 5.00% and sustainable finance at 20.00% out of total funded term loan disbursement. Out of this, achievement in green financing was 2.39% and sustainable finance was 15.50% in 2023. LankaBangla Finance is striving to achieve the required targets of green and sustainable finance in future. Disbursement in Green and Sustainable Financing

Particulars	Achievement Percentage
Green Finance (GF) as % of Total Loan Disbursed	2.39%
Sustainable Finance (SF) as % of TotalLoan Disbursed	15.50%

In-house green initiatives

Vigorous efforts have been taken by Lankabangla by enhancing awareness among all of the functional units of the organization and consequently the overall expenditure is being reduced gradually. Compared to year 2019, our electricity consumption was 15% less in 2023, which increased by 2% in year 2023 from 2022. The Company was able to reduce it by 69% in 2023 from 2022. On the other hand, our paper consumption decreased marginally by 77% in 2023 from that of 2019.

CORPORATE SOCIAL RESPONSIBILITY

LBF PLC wants to develop a trustworthy relationship with all of its stakeholders and improve its reputation through its CSR initiatives. Participating in CSR initiatives shows LBF PLC's dedication to moral behavior and the welfare of the society, which enhances the company's standing. Additionally, by meeting societal requirements and serving the community in line with their corporate objectives, which are to influence social change, CSR programs support longterm sustainability. LBF PLC showed its dedication to corporate social responsibility (CSR) by actively taking part in a number of socially conscious projects, such as the distribution of winter clothing in Rajshahi, Dinajpur, Chowmuhani, and Faridpur. Inauguration of state-of-the-art Dialysis Center by LankaBangla Finance PLC. and Ahsania Mission Cancer & General Hospital was one of the highlighted events in the said year. LBF also partnered with Dhaka North City Corporation and Rajshahi City Corporation on Tree planting program with for a sustainable tomorrow. The goal of LBF PLC's CSR efforts was to make a difference in the world.

Education

Contributed BDT 2.23 mn, i.e., 14.61% of actual CSR expenditure

Environment and Climate Change Mitigation and Adaptation

Contributed BDT 1.74 mn, i.e., 11.41% of actual CSR expenditure

Health Support

Contributed BDT 9.45 mn, i.e., 61.85% of actual CSR expenditure

Disaster Management and Others

Contributed BDT 1.85 mn, i.e., 12.13% of actual CSR expenditure

LankaBangla Finance PLC. and Dhaka North City Corporation (DNCC) signs an MoU for a sustainable tomorrow through tree plantation program



The Dhaka North City Corporation (DNCC) has signed a memorandum of understanding with three organizations, LankaBangla Finance PLC., Green Savers, and Community Town Federation, for an envisioned tree plantation program in the DNCC region. The agreement was signed at a conference room at the DNCC headquarters in Nagar Bhaban on Thursday, October 5, 2023. Md. Atiqul Islam, The Honorable Mayor of DNCC, attended as the chief guest of the program.

In the presence of Khwaja Shahriar, Managing Director & CEO of LankaBangla Finance PLC., Mr. Mostafa Kamal, FCA, Group Company Secretary, has signed the MoU on behalf of the Company. In addition to that, Maqsud Hashem, Chief Town Planner, DNCC; Ahsan Rony, Founder of Green Savers and Nasreen Akhter, President, Community Town Federation signed the MoU on behalf of their respective organizations.

Mohammad Nazmul Hasan Tipu, CFA, Chief Credit Risk Officer; Muhammad Habib Haider, General and Infrastructure Services Department Head; Md. Raziuddin, Head of Brand Marketing and Communications, from LankaBangla Finance PLC., along with Masud Alam Siddique, Dhaka North City Corporation Secretary; Brigadier General A.K.M Shafiqur Rahman, Chief Health Officer; Commodore SM Sharif-ul Islam, Chief Waste Management Officer; and Md. Maruf Hossain, UNDP Town Manager, and other senior officers from all the respective institutions were also present at the event.

LankaBangla Foundation organizes Tree Plantation Program in Rajshahi City from Shahid A.H.M. Kamruzzaman Chattar to Shah Makhdum Airport in association with RCC



On September 7, 2023, with the cooperation of Rajshahi City Corporation, LankaBangla Foundation organized a tree planting program in Nawdapara, Rajshahi Metropolitan City,. The program was inaugurated by the Honorable Mayor of Rajshahi City Corporation, Mr. A.H.M. Khairuzzaman (Liton), a member of the Presidium of Bangladesh Awami League, and Mr. Khaja Shahriar, Managing Director and CEO of LankaBangla Finance PLC. The main objective of this tree planting program is to encourage everyone to plant trees voluntarily in order to beautify the road from Shaheed A.H.M. Kamruzzaman Chattar to Shah Makhdum Airport in Rajshahi City and increase the country's forest resources and maintain environmental balance as well.

Under this tree plantation program, LankaBangla Foundation has provided 12,312 saplings of various species to Rajshahi City Corporation at the initial stage. These saplings will be planted to beautify and afforest the road from Shahid A.H.M. Kamruzzaman Chattar to Shah Makhdum Airport in the city. The tree planting program will be expanded and implemented on the entire 8.5kilometer road in phases.

Inauguration of state-of-the-art Dialysis Center by LankaBangla Finance PLC. and Ahsania Mission Cancer & General Hospital



In a joint initiative between LankaBangla Finance PLC. and Ahsania Mission Cancer & General Hospital, a state-of-the-art wellequipped Dialysis Center was inaugurated in the hospital premises on December 23, 2023. The ribbon-cutting ceremony was graced by Khwaja Shahriar, Managing Director & CEO of LankaBangla Finance PLC. and Brigadier General Dr. Md. Zakir Hasan (Retd.), Acting Managing Director of Ahsania Mission Cancer & General Hospital representing their respective institutions.

LankaBangla Finance's Managing Director & CEO, Khwaja Shahriar expressed optimism about the positive impact of the Dialysis Center on the community, stating, "LankaBangla Finance is proud to contribute to the enhancement of healthcare facilities in Bangladesh. We believe this Dialysis Center will provide accessible and advanced medical care, strengthening our commitment to societal well- being."

Brigadier General Dr. Md. Zakir Hasan (Retd.), Acting Managing Director of Ahsania Mission Cancer & General Hospital highlighted Ahsania Mission's dedication to establishing a world-class healthcare center and expressed gratitude to LankaBangla Finance for its pivotal role in advancing the hospital project. He stated, "Our hospital is committed to delivering healthcare services to people's doorsteps. Patients suffering from kidney problems will be able to receive quality medical care from this dialysis center."

In the inauguration ceremony, A. K. M. Kamruzzaman, FCMA – Head of Operations and Senior Executive Vice President; Mostafa Kamal, FCA – Senior Executive Vice President, Board Secretariat and Regulatory Affairs Division of LankaBangla Finance PLC.; Ar. Kazi Shamima Sharmin, Director (Planning, Development, Monitoring); Prof. Dr. AMM Shariful Alam, Senior Consultant & Head, Clinical Oncology; Dr. Muhammad Abdul Hamid, Consultant, Nephrology and Dr. A K M Shahriar, Assistant Director, Business Development & Monitoring of Ahsania Mission Cancer & General Hospital alongside other senior officials from both organizations, were present in the program. This Dialysis Center, a testament of collaborative efforts, materialized following a generous contribution from LankaBangla Finance PLC. to Ahsania Mission Cancer & General Hospital last year.

Winter Blankets Distribution Program Rajashahi by LankaBangla Foundation



With the aim to protect the cold affected people of Rajshahi district from the severity of winter, LankaBangla Foundation took the initiative to organize a winter blankets distribution program in Rajshahi Sadar's Kadirganj, Rail Gate Bindur Mor, Nagar Bhaban office premises on January 02, 2023 in collaboration with Rajshahi City Corporation.

Presidium Member of Bangladesh Awami League & Honorable Mayor of Rajshahi City Corporation Mr. A.H.M. Khairuzzaman (Liton) and Mr. Khwaja Shahriar, Managing Director & CEO of LankaBangla Finance PLC. distributed the winter blankets among the cold stricken people. During the distribution program Chairman of Enam Trade Way International Mr. Md. Enayetur Rahman and LankaBangla Finance's Board Secretariat and Regulatory Affairs Division Head Mr. Mostafa Kamal, FCA; Chief Financial Officer Mr. Shamim Al Mamun, FCA; Branch Distribution and Management Division Head Mr. Mohd. Mahfujul Islam; Brand Marketing & Communications Division Head Mr. Md. Raziuddin and Rajshahi Branch Manager Mohibul Hasan Shajal along with other senior officials of the mentioned institutions were also present.

Winter Blankets Distribution Program held in Faridpur by LankaBangla Foundation



With the aim to protect the cold affected people of Faridpur district from the severity of winter, LankaBangla Foundation in collaboration with Prothom Alo Bondhusabha, Faridpur District Branch took the initiative to organize a winter blankets distribution program at North Channel Union Char Area and an Orphanage in Faridpur Sadar on January 19, 2023.

LankaBangla Finance PLC.'s Faridpur Branch Manager Mr. Md. Amir Hamja

Nerob and Faridpur Sadar North Channel Union Chairman Mr. Md. Mostakuzzaman (Mostak) distributed the winter blankets among the cold stricken people. During the distribution program, Prothom Alo Bondhusabha's Advertisement Sales Associate, Faridpur Mr. Manik Kumar Kundu and LankaBangla Finance's Faridpur Branch Relationship Manager Mr. Md. Elias Parvez Rana along with other senior officials of the mentioned organizations and other dignitaries of the area were also present.

Winter Blankets Distribution Program held in Dinajpur by LankaBangla Foundation



With the aim to protect the cold affected people of Dinajpur district from the severity of winter, on January 18, 2023, LankaBangla Foundation took the initiative to organize a winter blankets distribution program in Dinajpur Sadar's Ramnagar, Madina Mosque (Lal Ghor).

President Mr. Md. Reza Humayun Faruk Chowdhury (Shamim) of Chamber of Commerce, Dinajpur and Executive Vice President and Chief Financial Officer Mr. Shamim Al Mamun, FCA of LankaBangla Finance PLC. distributed the winter blankets among the cold stricken people. During the distribution program, OC of Dinajpur Sadar Police Station Mr. Md. Tanvirul Islam; President of Social Crime Prevention and Social Welfare Organization, Ramnagar, Dinajpur Maulana Mr. Md. Shohorab Hossain and LankaBangla Finance's Assistant Vice President Accounts and Finance Mr. Md. Jahurul Islam; CMSME Finance Bogura North Cluster Head Mr. Md. Mizanur Rahman; Rajshahi Branch Manager Mr. Md. Mohibul Hasan Shajal; Bogura Branch Manager Mr. Adu Reza Al Mamun and Acting Dinajpur Branch Manager Mr. Anwar Hossain along with other senior officials of the mentioned organizations were also present.

Winter Blankets Distribution Program held in Chowmuhani by LankaBangla Foundation



With the aim to protect the cold affected people of Chowmuhani district from the severity of winter, on January 18, 2023, LankaBangla Foundation took the initiative to organize a winter blankets distribution program in Darul Islam Noorani Madrasa, Sombariya Bazar, Samir Munshirhat, Senbagh, Noakhali.

In the said program, winter blankets were distributed among the cold stricken people under the supervision of Mr. Sumit Chowdhury, Head of Chowmuhani branch of LankaBangla Finance PLC. with the help of other dignitaries of the area.

Food Distribution Program by LankaBangla Foundation on the occasion of National Mourning Day 2023



On the occasion of National Day of Mourning on 15th August 2023, a food assistance program was organized by Lankabangla Finance PLC. at Al Jamiatul Islamia Miftahul Uloom and Badda Barkatpur Orphanage near Badda, Dhaka.

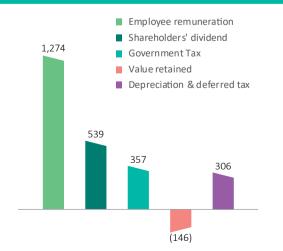
In the presence of other senior officials of Lankabangla Finance Mr. Md. Kamruzzaman Khan, Head of CMSME Division of the organization, distributed food items among the orphans studying in the madrasa.

VALUE ADDED STATEMENT For the year ended 31 December 2023

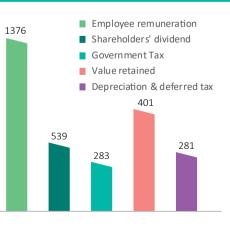
The value added statement represents the value created by LankaBangla Finance PLC and its subsidiaries through operational activities and shows how it was distributed among major stakeholders of the Company (Shareholders, Government & Employees) to meet certain obligations. A portion of added value has also been retained in the company for future investment and expansion.

	2023 BDT Mn	%	2022 BDT Mn	%	2021 BDT Mn	%
Value added		·		·		
Operating revenue	9,813		9,324		10,294	
Cost of borrowing	(5,575)		(5,014)		(4,873)	
Provisions	(813)		(696)		(842)	
Operating expenses excluding staff cost and depreciation	(1,094)		(735)		(957)	
Available for distribution	2,330		2,880		3,622	
Distribution of value addition	- - -					
Employees as remuneration	1,274	55%	1,376	39%	1,400	46%
Government	357	15%	283	11%	396	7%
Shareholders as dividend	539	23%	539	15%	539	23%
	2,170	93%	2,198	64%	2,335	76%
Retained for expansion and future growth						
Value retained in the business	(146)	-6%	401	21%	767	12%
Deferred tax	1.92	0%	2.53	0%	3.53	0%
Depreciation and amortization	304	13%	278	14%	517	12%
Amount distributed	2,330	100%	2,880	100%	3,623	100%
Number of employees at the end of the year	812		724		779	
Value created per employee (Mn BDT)	2.87	-	3.98	-	4.65	
Number of shares (Mn)	539		539		539	
Value created per share (BDT)	4.32	-	5.34	=	6.72	

Distribution of Value Addition- 2023



Distribution of Value Addition- 2022



MARKET VALUE ADDED (MVA) STATEMENT For the year ended 31 December 2023

GRI: 201-1

Market Value Added (MVA) statement reflects the Company's performance evaluated by the market through the shares. MVA is the difference between total market value and total book value of the share of the company. A high value of MVA indicate that company has created substantial wealth for the shareholder. The share market value of the Company stood at Tk 14,010 million whereas the book value of the shares stood at Tk 5,388 million, resulting a Market Value Addition of Tk 8,621 million as of December 31, 2023. The calculation of Market Value Added is given below:

Destination	2023			
Particulars	No. of Share (Mn)	Price per share	BDT Mn	
Market Value	539	26	14,010	
Book Value	539	10	5,388	
Market Value Added	8,621			

Particulars	2022			
Particulars	No. of Share (Mn)	Price per share	BDT Mn	
Market Value	539	26	14,010	
Book Value	539	10	5,388	
Market Value Added	8,621			

Dentiouleur	2021			
Particulars	No. of Share (Mn)	Price per share	BDT Mn	
Market Value	539	37.3	20,099	
Book Value	539	10	5,388	
Market Value Added	14,710			



ECONOMIC VALUE ADDED (EVA) STATEMENT For the year ended 31 December 2023

GRI: 207-1

Economic value added is a value-based financial performance measure which reflects the absolute amount of shareholders' value created or destroyed during each year. It provides a measurement of a company's economic success or failure over a period of time. Such a yardstick is useful to investors who wish to place confidence with the Company to retain their fund for better earnings as compared to other similar companies or similar industry. Economic value added is calculated by taking a company's net operating profit after tax, subtracting from it, the cost of average equity. EVA is calculated by applying following formula:

EVA = (NOPAT – Cost of average equity)

NOPAT

NOPAT is the net operating profit after tax which is calculated by deducting the income tax expense from operating profit.

	2023	2022	2021
	BDT Mn	BDT Mn	BDT Mn
Operating income	9,813	9,324	10,294
Operating expenses	(8,248)	(7,682)	(7,747)
Operating profit	1,565	1,643	2,547
Income tax	(359)	(285)	(400)
NOPAT	1,206	1,357	2,148

Equity

Shareholders' equity is the total amount of equity at the year end plus accumulated provision for doubtful losses.

	2023	2022	2021
Shareholders' equity at year end	10,139	10,788	10,679
Equity	10,139	10,788	13,899

Average equity

Average equity is calculated by averaging opening and closing equity of a year. 2023 2021 Shareholders' equity 10,139 14,600 13,899 12,344 10,463 13,310

Average equity

Cost of equity

Cost of equity reflects shareholders' expected return. Eventually this is the opportunity cost for shareholders for investing their funds in the company. Interest on 5 years Government Treasury Bond plus a standard risk premium has been assumed to be the cost of equity.

2022

2022 2022 2021

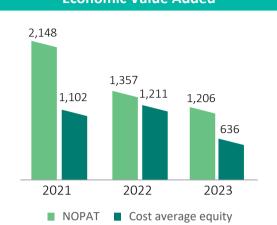
2021

Interest rate on 5 Years Government Treasury Bond as on 31 December

Standard Risk premium	7.90%	7.90%	6.28%
Cost of equity	2%	2%	2%
	9.90%	9.90%	8.28%

ECONOMIC VALUE ADDED

	2025	2022	2021
NOPAT	1,206	1,357	2,148
Cost of average equity	636	1,211	1,102
Average Shareholders' equity	10,463	14,250	13,310
Cost of capital	9.90%	9.90%	8.28%
EVA	570	147	1,046
Number of shares (Mn)	539	539	539
Economic Value Added Per Share	1.06	0.27	1.94



Economic Value Added

Economic Value Added

STATEMENT ON CONTRIBUTION TO GOVERNMENT EXCHEQUER

GRI: 207-3

For the year ended 31 December 2023

Government is considered as one of the most important stakeholders that play a critical role in the economic development of the country. Being a legitimate and ethical company, LankaBangla contributes to the Government Exchequer when the necessary amounts fall due. For the year 2023, LankaBangla Finance and its subsidiaries made a handsome contribution to Government Exchequer of an amount equal to BDT 1,054.42 million, composed of income tax, withholding tax, VAT, withholding VAT and excise duty. This is in comparison to BDT 1,247.25 million in 2022, reflecting its fair and consistent commitment towards national contribution.

		Figures in BDT
Forms of Contribution	2023	2022
Income Tax	808,676,348	1,018,012,515
Source tax on Salary u/s 50 of ITO 1984 and u/s 86 of ITA 2023	54,966,448	53,934,237
Source Tax on Interest on savings deposit u/s 53F of ITO 1984 and u/s 102 of ITA 2023	631,556,181	376,297,732
Source tax on Payment to Supplier u/s 52 of ITO 1984 and u/s 89 of ITA 2023	17,205,185	14,451,200
Source tax on Payment to Landlord u/s 53 A of ITO 1984 and u/s 109 of ITA 2023	6,170,009	6,262,690
Source tax on Income of Non-residents u/s 56 of ITO 1984 and u/s 119 of ITA 2023	25,595,641	45,512,740
Payment on transaction of Securities u/s 51 of ITO 1984 and u/s 106 of ITA 2023	5,681,510	1,810,000
Source tax on payment of commission u/s 53E of ITO 1984 and u/s 94 of ITA 2023	6,850,801	131,840,764
Payment of Advance Corporate Tax u/s 64 of ITO 1984 and u/s 154 of ITA 2023	19,478,212	266,976,939
Tax payment at the time of Return Submission u/s 74 of ITO 1984 and u/s 173 of ITA 2023	-	-
Source Tax on Dividend Payment u/s 54 of ITO 1984 and u/s 117 of ITA 2023	40,491,387	110,652,920
Others	680,974	10,273,294
VAT	150,272,207	136,770,706
VAT on House Rent	20,536,225	18,782,675
Collection of VAT on Processing, Documentation Fee etc.	12,137,422	16,874,809
VAT on Procurement of goods and services	30,134,093	13,498,449
VAT on Legal, Professional & Technical Fees	2,756,341	2,311,806
Others	84,708,127	85,302,967
Excise Duty	95,469,334	92,464,630
Collection of excise duty from clients	91,919,244	86,071,930
Excise duty deducted by bank	3,550,090	6,392,700
Total Paid to Government Exchequer	1,054,417,889	1,247,247,850

ESG GOALS AND ACTIONS

Environment

Scorecard

SI. No	Goals Set	Target	Achievement
1	Comply with the central bank's guidelines to disburse 5% of disbursement for green finance	5%	2.39%
	Comply with the central bank's guidelines to disburse 20% of total disbursement for sustainable finance	20%	15.50%
2	Reduce paper consumption by 5% by 2025 (over 2019 baseline)	(5%)	1.21%
3	Reduce electricity and water consumption by 5% by 2025 (over 2019 baseline)	(5%)	(25.21%)
4	Loan portfolio will not include any organization that pollutes the environment significantly including tobacco company		No environmentally harmful investments made
5	20% of the annual CSR budget will be allocated to Environment & Climate Change Mitigation & Adaptation	20%	11.41%

Actions Implemented

- Promoting green financing to minimize and mitigate our environmental impact;
- Supporting environmental and climate change programs as part of LBF PLC's CSR activities;
- Compliance with Environmental and Social Risk Management (ESRM) guidelines, as mandated by Bangladesh Bank;
- Adherence to GRI standards to ensure the achievement of ESG goals

Way Forward

- To ensure loan portfolio will not include any organization that pollutes the environment significantly, including the tobacco companies
- Ensuring reduction of per employee energy consumption
- Building a green and sustainable portfolio

Social

Scorecard

SI.No	Goals	Target	Achievement
1	Increase female to total employee ratio by 2025	25%	19%
2	Ensure female participation in leadership role by 2025	10%	2.67%
3	Conducting training on health and safety for all employees	02	04

Actions Implemented

- Driving a high performance culture;
- Necessitated policies and committees to ensure the elimination of sexual harassment and constant abidance to the policies;
- Ensuring gender diversity with female to total employee ratio currently standing at 20%;

Way Forward

- To ensure occupational health and safety of all the employees of the Company;
- To ensure employee gender diversity;
- To ensure workplace free of violence and harassment;
- Community stewardship

Governance

Scorecard

•

SI. No	Goals	Target	Achievement
1	Ensure woman leadership in board level	20%	12.50%
2	Ensure Anti- Corruption training for FTE every year	90%	96.95%

Actions Implemented

- Regular CFT and AML trainings of employees as mandated by Bangladesh Bank;
- Ensuring grievance management and counselling of employees
- Way Forward
 - To ensure policies concerning no tolerance for bribery and corruption
 - Ensuring the adherence to Employee Code of Conduct



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Discussion and Analysis

The primary role of LankaBangla is to facilitate the movement of capital and flow of money from where it is to where it is required to meet stakeholder needs. It is through the meeting of these needs that we enable a thriving society and

create long-term value.

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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	Projection						
Indicators	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	Act	ual	Forecast				
change from previous year)	2021	2022	2023e	2024f	2025f		
World	6.2	3.0	2.6	2.4	2.7		
Advanced Economies	5.5	2.5	1.5	1.2	1.6		
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		
Emerging market and developing economies	7.0	3.7	4.0	3.9	4.0		

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 pentup 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 revenueenhancing 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 climatechange-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

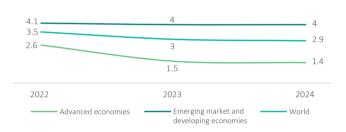
Latin America and the Caribbean are facing economic challenges marked by slowing growth, elevated inflation, and limited policy flexibility. While 2023 saw a better-than-expected performance with a 2.2% GDP expansion, the outlook for 2024 predicts a slowdown to 1.6%. Factors include tightened monetary 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

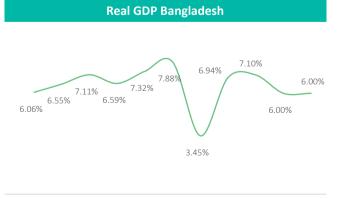
GDP Growth Projection for the fiscal year 2022-23

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.





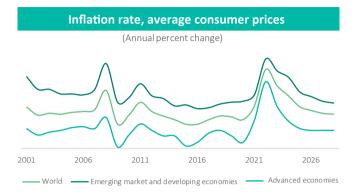
Bangladesh's economic prospects for the fiscal year 2023-2024 present a nuanced picture. The Asian Development Bank (ADB) has revised down the growth forecast to 6.2%, citing challenges such as moderate growth in exports, manufacturing, power shortages, and high inflation. The IMF and World Bank have 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.



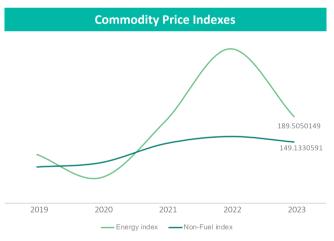
FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24

Inflation

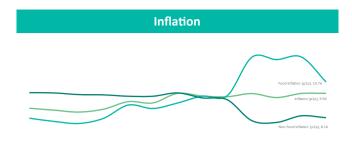
In 2023, global inflation stands at 6.9%, with emerging markets experiencing higher rates at 8.5% compared to advanced economies at 4.6%. Projections for 2024 indicate a modest decrease to 5.8% globally, with emerging markets at 7.8% and advanced economies at 3%. Policymakers globally face the challenge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



 Nov22
 Dec'22
 Jan'23
 Feb'23
 Mar'23
 Apr'23
 Mar'23
 Jun'23
 Jun'23
 Jun'23
 Aug'23
 Sep'23
 Oct'23
 Nov/23

 Inflation (p2p)
 —
 Food Inflation (p2p)
 —
 Non-Food Inflation (p2p)
 —
 Non-Food Inflation (p2p)

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.



Domestic Credit Growth

Dec'22 Jan'23 Feb'23 Mar'23 Apr'23 May'23 Jun'23 Jul'23 Aug'23 Sep'23 Oct'23 Nov'23 Dec'23 Source: CEIC Data

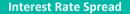
Looking ahead, private sector credit growth is anticipated to remain stable at 10.0 percent, supported by BB's interventions. The overall domestic credit growth is projected to reach 13.9 percent by the end of June 2024. These projections reflect a prudent approach to ensure stability in the face of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

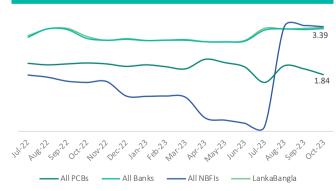
NBR Tax Revenue

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.

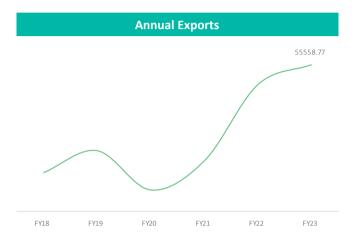




External Sector Export

Against the backdrop of economic challenges, Bangladesh's export

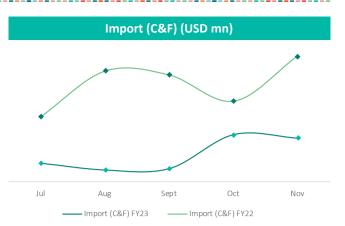
sector faces a nuanced landscape. Monthly exports for December 2023 reached USD 5,365.19 million, depicting a marginal decrease of 1.06 percent year-on-year. However, the cumulative export performance during July-December of FY24 recorded a modest growth of 0.84 percent, totaling USD 27,540.37 million. 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 shortterm 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.

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

Market Capitalization BDT 26 bn

Loan Portfolio Size BDT 61,719 mn





Net Profit After Tax BDT 170 mn

Cost-to-Income Ratio 58.06%

Shareholder's Equity BDT 9500 mn

Profit Margin 1.98%

NAV 17.63

OPEX BDT 1,729 mn

Asset Base

BDT 87,476 mn

NPL 7.41%



0.20%

e e e e e e e e e e e e e e e e e e e
EPS
0.32



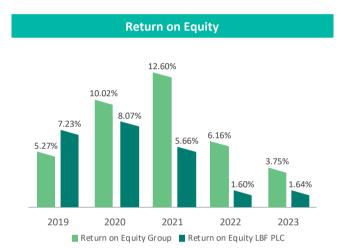
Financial Position

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						Standalo	ne 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.



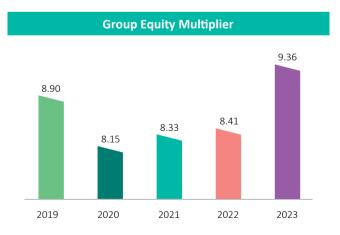
Over the five-year period, the Group's Net Profit Margin (NPM) has experienced fluctuations, shaped significantly by macroeconomic shocks. The NPM decreased from 7.09% in 2022 to 4.00% in 2023, primarily driven by declining profitability in a high-cost environment. This reflects the impact of currency 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 BDI							
Particulars	Actu	Jal	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	-2245	-12%	26%	29%	
CMSME Division	24,240	22,343	1897	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%	
Total Business Divisions	65,353	65,086	268	0.4%	100%	100%	

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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						
Deutiouleus	Act	ual	Growth	in 2023	Contribution %	
Particulars	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%
Total Deposit	42,254	43,457	-1,203	-3%	62%	65%
Long Term Loan- Bank & Fl	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%

MANAGEMENT DISCUSSION AND ANALYSIS / CFO'S STATEMENT ON PERFORMANCE

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%
Bank Borrowings	25,834	23,342	2,291	10%	38%	35%
Total Deposit & Borrowings	68,088	66,799	1,088	2%	100%	100%

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.

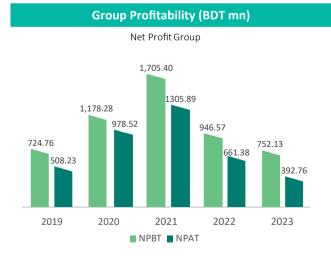
Financial Performance

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.

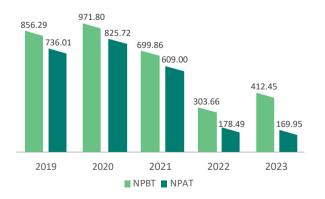
Net Profit/NIM Comparisons

				(amount in BDT mn)					
LB Group									
	BDT M	Aillion	YOY	Growth					
Year	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%					

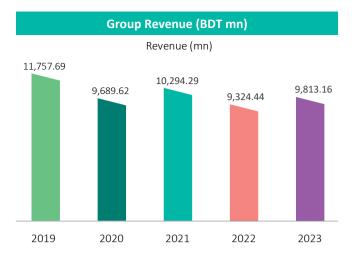








Gross Revenue



Consolidated Gross Revenue Breakdown

					(amou	nt in BDT mn)
Particulars	Act	Actual		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

					(amou	nt in BDT mn)
Particulars	Act	Actual		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

					(amou	int in BDT mn)	
Destinutere	Act	ual	Growth	in 2023	Contribu	Contribution %	
Particulars	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 Ioan	41.17	32.64	8.53	26%	1%	1%	
Term Ioan- 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)									
Deutieuleus	Actual		Growth in 2023		Contribution %				
Particulars	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%			

Deutioulous	Actual		Growth in 2023		Contribution %	
Particulars	2023	2022	Amount	%	2023	2022
Perpetual Bond	49.86	49.98	-0.11	-0.2%	5%	9%
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)								
Destination	Actual		Growth in 2023		Contribution %			
Particulars	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

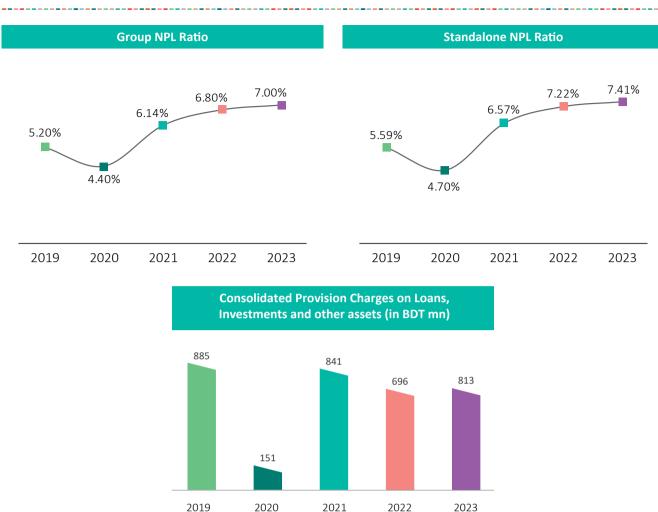
The operating expenses for the group increased by only 0.2% to BDT 2,672 million, compared to BDT 2,668 million in the previous year. The company optimized its operating expenses by resizing and relocating office spaces and restructuring and re-strengthening human capital along with other one-off initiatives. 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	Actu	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.



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.

LankaBangla CMSME Loans

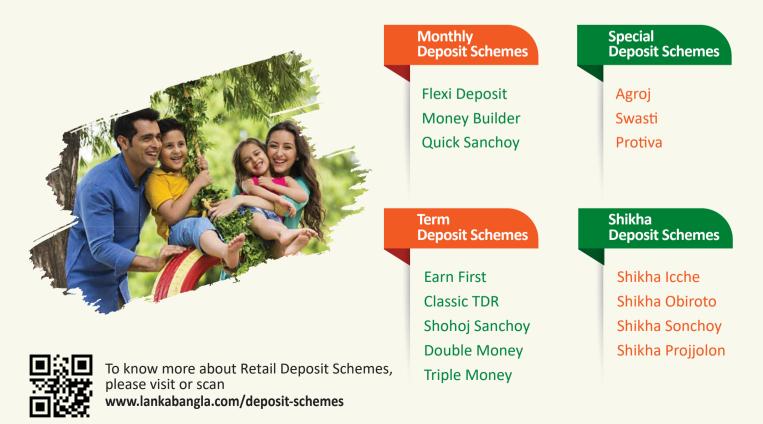




To know more about CMSME loan, please visit or scan www.lankabangla.com/sme-financial-services/#sme-loan

In assurance, trust and reliability

LankaBangla Retail Deposit Schemes



BUSINESS MODEL

The primary role of LBF PLC is to facilitate the movement of capital and flow of money from where it is to where it is required to meet stakeholder needs. It is through the meeting of these needs that we enable a thriving society and create long-term value. Our business model can be understood from multiple perspectives. The primary lens is through the various activities that a financial services institution performs.



Key Stakeholders

- Staff
- Clients
- Shareholders
- Suppliers & Business Partners
- Lenders
- Regulators
- Society
- Environmental Groups

AIR Stakeholders Analysis page no. 174



Key Activities

- Deposit & borrowing from individuals, corporate & banks
- Loan to businesses and consumers
- Credit cards

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- Financial services including syndication and factoring
- Brokerage services
- Research services
- Investment banking services
 - Advisory services
- Portfolio management
- Asset management



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How We
Create Value
page no. 176
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AIR Business Divisions of LBF PLC page no. 336



Key Resources

- Financial capital
- Manufactured capital
- Human capital
- Intellectual capital
- Social & Relationship capital
- Natural capital



\$

• Tax

Cost Structure

Interest expenses Personnel expenses Operating expenses

How We Create Value page no. 176



Value Propositions

- Client centered innovation
- Grow our business network
- Investing in our staffs
- Delivering consistently to our shareholders
- Partnering with our regulators
- **Environmental awareness**
- Social contribution
- **Online trading services**

AIR

Delivering Value through Our Business page no. 178



Value Added Statements page no. 146



HR Accounting page no. 201



AIR Contribution to Government Exchequer page no. 150





AIR

Channels

PMOs

.

Branch offices

SME booth

Call centers

Online trading portal

page no. 180

Customer Relationships

- Need based products
- Before & after sales services
- Advisory support to clients
- Customer reward
- Customer awareness program •





Consumers •

Customers Segments

Corporate Borrowers

Corporate Depositors

Retail Borrowers

Retail Depositors

Suppliers

•

•

- Traders
- CMSME
- Investors

AIR

Business Divisions of LBF PLC page no. 336

AIR

Subsidiaries of LBF PLC page no. 332



AIR Manufactured Capital

AIR

Branches and Subsidiaries page no. 332



Revenue Streams

- Interest income Investment income
- Fees & commission income
- Other operating income

AIR How We Create Value page no. 176

AIR Product Portfolio page no. 14

page no. 223

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VALUE CREATION STRUCTURE

Our Value Creation Structure is inspired by our Vision, Mission and Core Values. "Creating Value to each stakeholder and the economies and the society in which we operate" is our Corporate Philosophy.

To implement the Corporate Philosophy, we are drawing on our strengths, and taking into consideration the growing sophistication of customer needs and the changes occurring in the business and social environment.

We utilize our resources (inputs) through our business activities to generate outputs not only in form of product and service offering to our customers but also valuable outcomes for other stakeholders.

Our business model requires us to invest heavily on IT infrastructure and human development. Sustainable IT infrastructure helps us to extend our presence not only physically but also virtually. Proper human resource development will boost up the social and relationship capital as well as intellectual capital to ensure business growth through professional networks, innovation in offerings and to attain process efficiency.

In the process, we ensure our business activities are aligned with our core values and well guided by our corporate governance framework.

Inputs: **Financial Capital** Equity **Deposit & Borrowings** Profitability **Manufactured Capital Branches** Call Centers IT Infrastructure Complexities , interdependencies and tradeoffs **Intellectual Capital** Processes Culture Knowledge In House Software E-Learning Investment in brand building Human Capital Experienced and competent human resources Technical and managerial skills Social & Relationship Capital Service assurance Uncompromising customer service **CSR** Activities **Natural Capital** Utilities Policy inputs and initiatives from the company AIR AIF

Useful references:



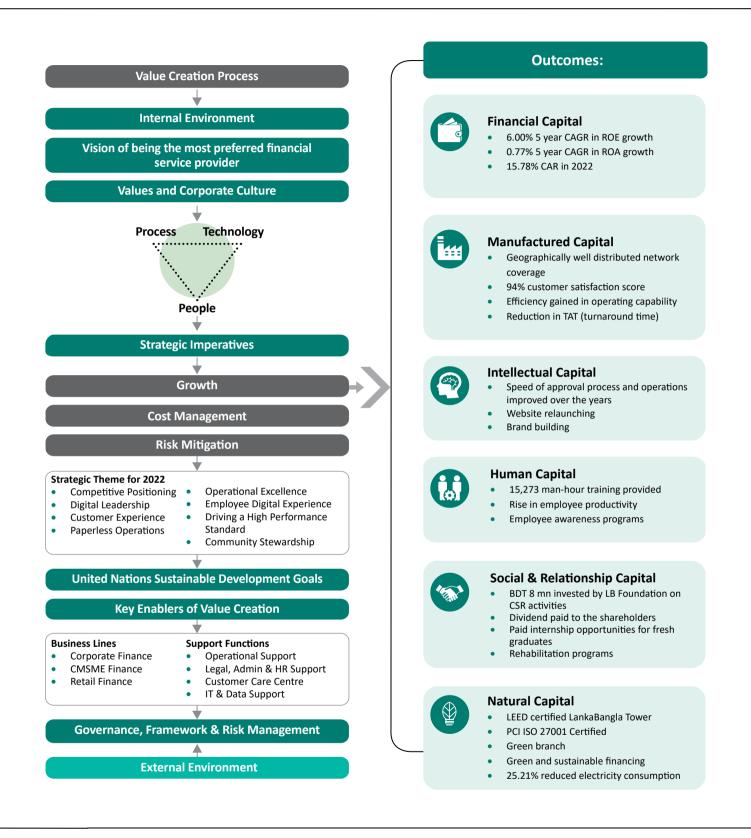




Economic Review page no. 153

Business Environment Analysis page no. 190





HOW WE CREATE VALUE



Lending enables individual customers to create wealth and generate income, Non the streets helps business clients remain sustainable and supports employment and economic growth in Bangladesh. Regulatory capital requirements and risk appetite limit our ability to lend, and deteriorating economic conditions may limit the ability of clients to borrow or service their loans.

2

Investments support economic activity and enable wealth creation. However, regulatory capital and risk appetite limits our ability to invest to ensure we deliver appropriate riskadjusted returns.

3

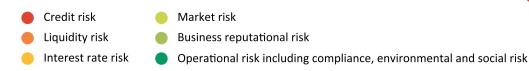
Through traditional financial services we attempt to connect the lives of our clients with progress and happiness. Our knowledge-based services, which include corporate advisory and loan structuring services, allow our clients to benefit from our experience and track record on the country.

4

Through our brokerage services we offer clients with hassle free online trading facilities, offer guidance and advice, provide access to our valuable research and help them to achieve their business objectives.

5

Credit Cards enable the card holder facility of not having to carry cash in pocket everywhere, providing safer interest free purchase facility up to 45 days, installment facilities, discounts and rewards. Most importantly it facilitates the card holders with emergency cash.



Lend money to clients, which creates assets from which we derive interest income over time

..... Interest income

Provide traditional financial services and knowledge based services to clients

Fees & documentation income

BUSINESS

amooni agerayoro, or oreside income Brokerage and underwriter services generate income in the form of brokerage and underwriting commission

Investment

in Govt. securities, FDRs. strategic and trading

investment in primary

group's investment asset and

generate revenue in the form of investment income including revenue & capital gain

and secondary market create

3

Credit card operation generate assets from which we derive interest income and also served as a source of membership and other fees related to cards

5



GRI: 102-15

Other Operational cost

Invest in our operation including physical and IT infrastructure, to enhance our capabilities and to improve operational efficiency

10

Investment in our people to align them to our objective of consistently delivering excellent client experiences through efficient back and front office services

ACTIVITIES

Q

8

charges on leases, loans & advances refer to general and specific provisions against loans & advances FID Circular No. 08, dated 03 August 2002, FID Circular No. 11, dated 31 October 2005, and FID Circular No. 06, dated 20 August 2006. Impairment charges on investments refer to the provisions against diminishing value of investments

Impairment

Source funding from clients deposits, institutional deposits and bank borrowing to enable lending, creating liabilities that generate interest expense

Revenue from other sources linked with portfolio and issue management, corporate finance and other advisory services, advertisement and circulation income, gain on sale of assets and miscellaneous activities

6

Income from other sources



6

Various activities contribute towards revenue from other sources. Through our portfolio & issue management, corporate finance and other advisory services we tend to maximize the return of our clients and help them act as a link towards investment market. Our research based advisory services helps clients to get the best value for their investments.

7

Funding provides our depositors and lenders with returns while protecting against the erosion of capital due to inflation. We need to meet liquidity requirements (CRR & SLR) to protect depositor funds, our own sustainability and that of the broader financial system. Cost of funding depends on the interest rate regime.

8

Impairment charges

Impairment charges on Lease, loans & advances refer to general and specific provisions against loans & advances FID circular No. 08 dated 03 August 2002, DFIM circular No. 04 dated 26 July 2021, DFIM circular No. 27 dated 21 December 2022. Impairment charges on investments refer to the provisions against diminishing value of investments.

9

As a significant employer we hire locally, wherever possible, and through our activities sustain other jobs in local economies. Training and development enhances the level of financial services and related skills in Bangladesh. Digital transformation in financial services requires greater investment in people which includes hiring new skills and training interventions for current employees.

10

Investing in our operations enables us to continue meeting our clients' needs, contribute positively to host economies and strengthen our competitive position. Although our investment in technology is currently reducing our return on equity (ROE), it will ensure future income-enhancing opportunities as well as access to new markets, thereby supporting our growth and sustainability. _____

DELIVERING VALUE THROUGH OUR BUSINESS

Operation Overview	Group Uncompromised and well diversified array of financial services Brokerage Services Asset Management Research based Advisory services	LBF PLC The country's leading integrated financial services provider. LankaBangla is the only Financial Institute that provides card services via its cutting- edge card software. It features a diverse product line that can meet any client's needs, whether the client is an individual with personal requirements or a corporate entity with commercial expansion plans. Its Liability Management section provides a wide array of deposit products that can be both advantageous and profitable depending on the demands of the client. The unit offers high- quality services while maintaining optimum security.	LBSL The country's leading brokerage firm. In 2022, LBSL hold first largest position at CSE and second in DSE in terms of transaction value. In 2021, LBSL is crowned the largest in terms of transaction value for the 17th consecutive time on the DSE and the 16th consecutive time on the CSE. It has a fully fledged research unit that works on both macroeconomic and microeconomic antders. LBSL publishes a monthly research report called "Market Pulse," which is regarded the country's only research-based capital market newspaper. LBSL is the county's first brokerage firm to offer Bloomberg services to its clients. LBSL has two subsidiaries: * LankaBangla Information Systems Limited and *BizBangla Media Limited	LBIL The country's premier investment bank, offering corporate advising, issue management, and portfolio management services. LankaBangla Finance owns the entire company. LBIL has established a prominent position in Bangladesh's investment banking arena with a diverse range of services such as Primary Market Services, Investment Banking Services, and Portfolio Management Services.	LBAMCL Official asset management wing of LankaBangla group, and is deeply committed to providing client driven solution and superior risk adjusted performance to its valued clients. LBAMCL is focused to meet the professional investment management demand of a wide range of Investors.	
Staff	1,639	1,245	358	24	12	
ر کی Total Assets	100%	84.89%	12.48%	2.39%	0.23%	
Revenue	100%	80.21%	16.45%	2.72%	0.62%	

Group

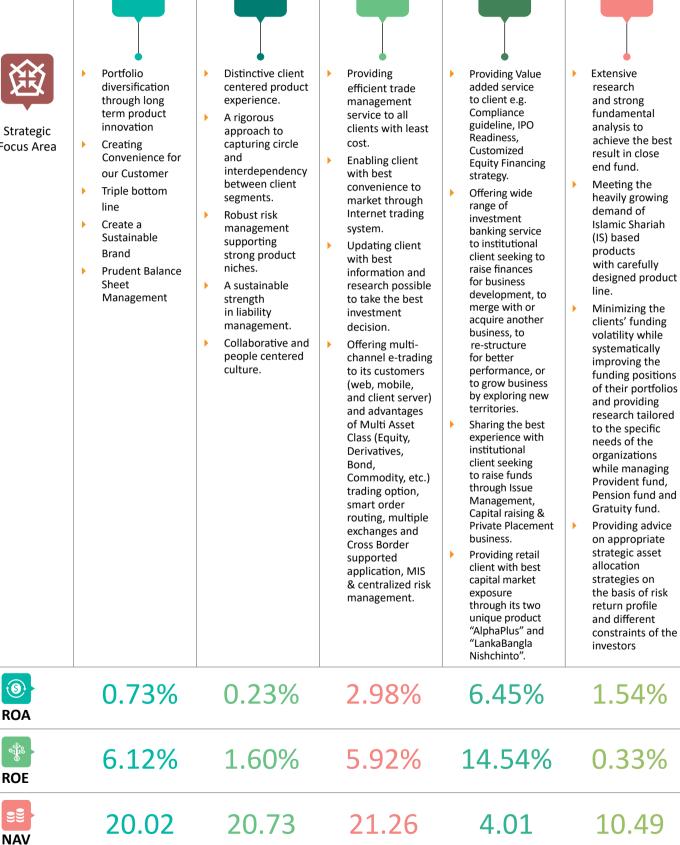
LBF PLC

LBSL

LBIL

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17	

Strategic Focus Area



GRI: 102-15

LBAMCL

STAKEHOLDER ANALYSIS

GRI: 102-40,42,44

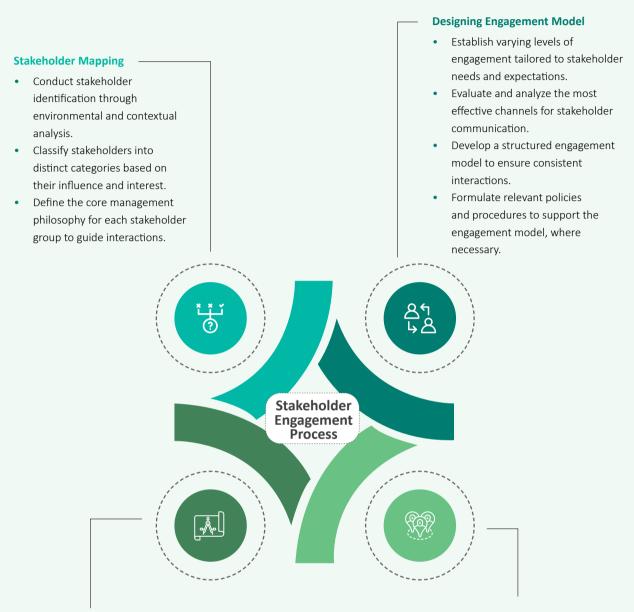
At LankaBangla Finance PLC, we understand that our operations and competitiveness are deeply rooted in trust. Our stakeholders serve as the ultimate judges of our legitimacy, directly influencing our sustainability. These stakeholders encompass individuals and organizations with a vested interest in our success or failure, whose perspectives and actions significantly impact our strategic execution and business operations. Their continued engagement is critical for our survival as a viable business entity. For our reporting purposes, we have identified the following parties as our key stakeholders, considering their relevance from a sustainability standpoint.



LBF PLC and its stakeholder's relational influential matrix can be chalked out as follows:

	High			 Investors/ Shareholders Customers Employees Board Members
Influence by	Medium		 Suppliers & Business Partners Society 	LendersRegulators
LBF PLC on Stakeholder	Low		Environmental Groups	
	Lo	w	Medium	High
		Influenc	e by Stakeholder on LBF PLC	

Connecting with our stakeholders



Engagement

- Identify, assess, and prioritize both risks and opportunities arising from stakeholder interactions.
- Recognize and rank material matters that are critical to stakeholders and the organization.
- Facilitate ongoing engagement and communication to address stakeholder concerns.

Action Plan and Post Review

- Review and refine material matters based on stakeholder feedback and evolving contexts.
- Develop and implement targeted initiatives aligned with the management ethos for each stakeholder group.
- Measure the effectiveness of these initiatives and continuously monitor stakeholder responses.
- Identify any deficiencies, implement corrective measures, and adapt strategies accordingly.



Investors/ Shareholders

Importance of Stakeholder	Needs and Expectation of the Shareholder		Value Created for our Stakeholders in 2023		Relevant Responses through Capital
Investors remain LBF PLC's key stakeholder, who having invested capital, requires information on a continuous basis to track LBF PLC's performance and achievements in enhancing shareholder wealth.	 Relevant timeous information on our strategy, prospects and financial and non- financial performance so that the LBF PLC group can be fairly valued and appropriate credit ratings assigned Consistent financial performance, delivering attractive returns (increasing ROEs) and solid dividend income, underpinned by a sound balance sheet Good and experienced management An attractive and sustainable growth strategy. 	•	Achieved an economic value addition of BDT 570 million, demonstrating our commitment to sustainable growth. Consolidated Net Profit After Tax (NPAT) stood at BDT 393 million, reflecting resilient performance amidst challenging conditions. On a standalone basis, LBF PLC achieved an NPAT of BDT 170 million, maintaining consistent profitability. Paid a full dividend of BDT 1.00 per share, equivalent to a 10% cash dividend, reaffirming our commitment to shareholder returns. Maintained best-in-class transparency in reporting, with enhanced disclosures related to our financial statements, reinforcing our dedication to governance and accountability. Successfully managed leadership transitions, supported by one of the most seasoned and experienced management teams in the NBFI sector, ensuring strategic continuity and operational stability.	•	Financial Capital (page 203) Intellectual Capital (page 214) Social and Relationship Capital (page 226)



Importance of Stakeholder	Needs and Expectation of the Shareholder	Value Created for our Stakeholders in 2023	Relevant Responses through Capital
We consider customers as the bread and butter of LBF PLC's business, who remain interested as they transact with LBF PLC on an ongoing basis. It is important for LBF PLC to sustain business and build bonds with them and also to attract new customers.	 Offering innovative solutions and services Growing and protecting client investments and wealth Financing the aspirations of clients, while protecting against over indebtedness Providing convenient access to LBF PLC's financial services with less complexity and improved flexibility Protecting clients and their assets through secured IT systems and infrastructure 	 All LBF PLC employees are equipped with comprehensive training to deliver exceptional client service, ensuring an uncompromised experience. Our 24/7 helpline remains dedicated to assisting our valued clients whenever needed. LBF PLC made strategic investments in its IT infrastructure, with plans for continued investment to integrate cutting-edge technology, enhance operational efficiency, fortify data security, and safeguard client assets. We continue to offer competitive and transparent pricing, providing tangible value back to our clients and ensuring a fair service experience. Maintained partnerships with a diverse range of vendors, enabling our credit card customers to enjoy attractive discounts and flexible credit purchase options, including installment facilities of up to 24 months with favorable interest rates. LBF PLC and its subsidiaries provide personalized financial advice and education through interactive consultations and expert investment guidance, enhancing our clients' financial literacy. 	 Manufactured Capital (page 223) Social and Relationship Capital (page 226)

MANAGEMENT DISCUSSION AND ANALYSIS / STAKEHOLDER ANALYSIS

Importance of Stakeholder	Needs and Expectation of the Shareholder	Value Created for our Stakeholders in 2023	Relevant Responses through Capital
		 Our dedicated research units conduct in-depth analyses of market data and economic trends, producing weekly and monthly market updates along with other research publications, aimed at informing and educating both current and prospective investors. 	



Employees

Importance of Stakeholder	Needs and Expectation of the Shareholder		Value Created for our Stakeholders in 2023		Relevant Responses through Capital
Employees are considered LBF PLC's most valuable asset and key to LBF PLC's continued success. Employees are deemed key stakeholders as they drive LBF PLC's business forward. They wish to grow with the Company and develop their careers to that they aspire to be, hand- in-hand, whilst the Company progresses.	 Career development opportunities Adequate training facilities Effective performance management and recognition Effective employee relations A healthy and safe work environment 	•	All employees received formal performance and career development reviews throughout 2023, with a focus on fostering growth and recognizing potential. A significant number of contractual employees were successfully absorbed into the Management Cadre, reflecting our commitment to career advancement. Employees participated in a total of 23,609 training hours during 2023, engaging in various knowledge-building and skill enhancement programs designed to elevate professional competencies. LBF PLC maintained a structured approach to identifying high-performing employees, rewarding them with competitive incentive bonuses and promotions. In 2023, 122 employees were promoted, acknowledging their contributions and encouraging continued excellence. Our approach to employee relations emphasizes fair and equitable employment practices, respecting employees' rights, including their freedom of association and access to a supportive work environment. LBF PLC prioritizes Health, Safety, and Environment (HSE) standards, providing essential training to ensure all personnel are aware of and comply with these critical requirements, reinforcing our commitment to a safe workplace.	•	Human Capital (pages 206) Social and Relationship Capital (pages 226)



Suppliers and business partners

Importance of	Needs and Expectation of	Value Created for our Stakeholders in 2023	Relevant Responses
Stakeholder	the Shareholder		through Capital
Material suppliers have become increasingly important to LBF PLC with the expansion of its network and increasing requirement for stationery and other related supplies.	Compliance to contractual terms.	LankaBangla Finance PLC engages with its suppliers through a carefully curated registered supplier list, ensuring that our standards of quality and cost-effectiveness are consistently met. We prioritize partnerships with reputable entities that foster mutual benefits. The Company is dedicated to adhering to all contractual obligations with suppliers, maintaining our reputation for prompt and reliable payments, which reinforces trust and strengthens business relationships.	• Social and Relationship Capita (pages 226)



Lenders

Importance of	Needs and Expectation of	Value Created for our Stakeholders in 2023	Relevant Responses
Stakeholder	the Shareholder		through Capital
Funding providers, mostly LBF PLC's banking partners are an important component of LBF PLC's business as they support LBF PLC in meeting funding needs, when need arises. It is necessary to sustain a continued relationship, which will yield mutual benefit for both parties.	 Competitive interest rate Compliance to contractual terms Building business relationships 	 LBF PLC offers market-competitive interest rates on funds provided by lenders, ensuring attractive returns on their investments. We meticulously adhere to all contractual terms and conditions, fostering trust and compliance. The Treasury division actively works to build and sustain long-term relationships with our lenders, reinforcing a collaborative and supportive partnership. 	 Financial Capital (pages 203) Social and Relationship Capital (pages 226)



Regulators

Importance of Stakeholder	Needs and Expectation of the Shareholder		Value Created for our Stakeholders in 2023	Relevant Responses through Capital
As a listed Finance Company and a holder of public deposits, various regulatory bodies continue to be interested to know LBF PLC's progress, to establish level of safety, soundness and compliance status. LBF PLC is regulated by following regulators: • Bangladesh Bank • Bangladesh Securities and Exchange Commission (BSEC) • National Board of Revenue (NBR)	 Ensure effective corporate governance Compliance with rules and regulations On time regulatory reporting Timely submission of VAT and Tax Ensure value for the general shareholders 	•	LBF PLC continued to ensure robust corporate governance practices, reinforcing the integrity of our operations. A strong culture of compliance is embedded within the organization, with ongoing engagement with regulators to ensure all requirements are met promptly and accurately. Regulatory reporting responsibilities are decentralized, with each division, department, or individual tasked with preparing and submitting respective reports to relevant regulatory bodies. A structured review process is in place to guarantee accuracy and timely submission of all reports. In 2023, LBF PLC and its subsidiaries contributed BDT 1,054 million to the Government Exchequer, including income tax, withholding tax, VAT, withholding VAT, and excise duty. Maintained our commitment to ensuring fair value for shareholders through transparent and accountable financial practices.	• Financial Capital (pages 203)



Society

Importance of Stakeholder	Needs and Expectation of the Shareholder	Value Created for our Stakeholders in 2023	Relevant Responses through Capital
Society has varying expectations of LBF PLC especially from a broader sustainability perspective. Apart from financial needs, they require corporates to act in a socially responsible manner, for societal benefit.	To act in a socially responsible manner	In 2023, LBF PLC engaged in numerous CSR initiatives, investing BDT 15.28 million in key areas such as community development, women empowerment, and environmental sustainability, reflecting our commitment to social responsibility.	 Social and relationship capital (pages 226) Natural Capital (pages 230)



Environmental Groups

Importance of Stakeholder	Needs and Expectation of the Shareholder		Value Created for our Stakeholders in 2023		Relevant Responses through Capital
In an era where protection of environment and resources has become vital, LBF PLC considers environment aspects of high importance, particularly when LBF PLC continues to build greater presence across the country.	Protection of environmental and ecological balance	•	LBF PLC continues to prioritize environmental considerations, especially as our presence expands nationwide. Our established Green Banking policies promote environmentally friendly operations, including minimizing paper usage and increasing the adoption of electronic documentation. As part of our ESG goals, LBF PLC successfully reduced electricity consumption by 25% in 2023 compared to 2019, aligning with our commitment to energy efficiency amid rising commodity prices.	•	Natural Capital (pages 230)



Board members

Importance of Stakeholder	Needs and Expectation of the Shareholder	Value Created for our Stakeholders in 2023	Relevant Responses through Capital
Board members are part of the investors/ shareholders. But for the roles and responsibilities, Board members remain vital for LBF PLC's success.	 Sound financial position Efficient financial performance Effective corporate governance Protecting shareholders wealth 	 LBF PLC's management regularly engages with the Board on a quarterly basis, presenting detailed financial statements along with comprehensive analyses and justifications for the results. The Board reviews and approves the financial statements following thorough discussions and fact-finding analyses. Based on the presented data, the Board provides strategic guidance, which the management follows to drive business operations toward achieving desired results and enhancing shareholder wealth. 	• Financial Capital (pages 203)

Engaging with our stakeholders

LBF PLC's relationships with its stakeholders have a direct and indirect impact on its business activities and reputation. The Company proactively engages with its stakeholders to inform its business strategy and operations, shape products and services, manage social expectations, mitigate reputational risks, and influence the business environment. The approach and frequency of engagement are tailored to each stakeholder group, based on identified issues and concerns that may affect them.

LBF PLC employs a decentralized stakeholder engagement model, allowing individual business units to independently manage stakeholder interactions relevant to their specific areas. These units are responsible for identifying stakeholder concerns and implementing appropriate actions. At the corporate level, the Board oversees all engagement activities, playing a critical role in analyzing key business issues and concerns while providing strategic guidance on the Company's response.



Investor/ Shareholder

Matters Relevant to the Stakeholder	Our Strategic Response to the Stakeholder	Engagement Mechanism	Engagement Frequency
 Shareholder satisfaction regarding the Company's financial position 	 Maintaining a consistent bottom line Ensuring a sustainable return 	Annual General Meeting (AGM)	Annual
Shareholder views on key governance and policy	on investment • Engaging in greater	Annual Report	Annual
matters Development of shareholder 	transparency in line with the Corporate Governance Codes	Integrated Report	Annual
communication channelsReturn on equity and interest gains	 reputation and credibility Safeguarding asset quality s 	Announcements to Shareholders	Ad hoc as necessary (Interim accounts- quarterly)
Strategy and business continuity		Extraordinary General Meetings	Ad hoc as and when necessary
Financial performance		One-To-One Meetings	As necessary
		LBF PLC website information updates	On a regular basis
		Press releases and articles in magazines	At least one release per quarter



Customer

Matters Relevant to the Stakeholder	Our Strategic Response to the Stakeholder	Engagement Mechanism	Engagement Frequency
 Customer service Customer Security Satisfaction on existing products Brand perception and reputation Customer convenience Need for innovation and putterning of polyticana 	 Effective compliant resolutions Maintain service excellence Deliver technology-driven solutions Continuous introduction of innovative products Maintaining data security and customer privacy Effective marketing and communication One-to-One meetings Customer suggestions via suggestion boxes and follow up Telephone discussion/ E-mails Media campaigns 	Annually in every branch On a regular basis Credit customers mostly once prior to transacting Deposit customers on an ad	
 customized solutions Communication methods Timely and relevant information on products and services 		Customer suggestions via	hoc basis and selective As necessary Ad hoc
 Customer touch-points Customer benefits and rewards Loyalty recognition 		up Telephone discussion/ E-mails	On a regular basis As necessary



Employees

Matters Relevant to the Stakeholder	Our Strategic Response to the Stakeholder	Engagement Mechanism	Engagement Frequency
Ethical employment	Competitive rewards and	LBF PLC corporate website	On a regular basis
 practices Career development opportunities Employee communication 	 benefits Promote greater diversity and inclusion Develop from within through 	Inculcating an open-door policy for employees to freely interact one- on-one with MD and other senior officials	On a regular basis
and feedback	 Develop from within through training Performance based incentive 	Management Meetings	As and when necessary
 Rewards/recognition Employee well-being		Performance appraisal and individual review meetings	Annual
Work-life balance	Effective handling of	Town Hall Meetings	Biannual
	grievances Maintain high standards of 	Internal news-letter communique	Monthly
	occupational health and safety	Corporate communiques via circulars, memos and e-mails	On a regular basis
	Ensure employees' welfare		



Suppliers and business partners

Matters Relevant to the Stakeholder	Our Strategic Response to the Stakeholder	Engagement Mechanism	Engagement Frequency
Developing strategic partnerships	Engaging in fair and equitable procurement	Interactions through the purchasing policy	On a regular basis
Promoting transparent and ethically responsible business practices	 Supplier risk assessment mechanism Contractual agreements to promote sustainable procurement Local sourcing 	Feedback evaluations	As and when necessary
Continuous communication with suppliers and service	 Registration of multiple suppliers and service providers as a BCP measure Maintenance of suppliers and service 	Meetings	As and when necessary
providersRegular reviews on	providers register Developing CMSME entrepreneurs whilst purchasing goods which meet the Company's standards at a reasonable cost thus enjoying a win-win situation for both	Visits to supplier workshops/offices	Periodically
quality of goods and services		Written communications (letters and e-mails)	On a regular basis
	the Company and the supplier	Reviews and assessments	Periodically



Regulators

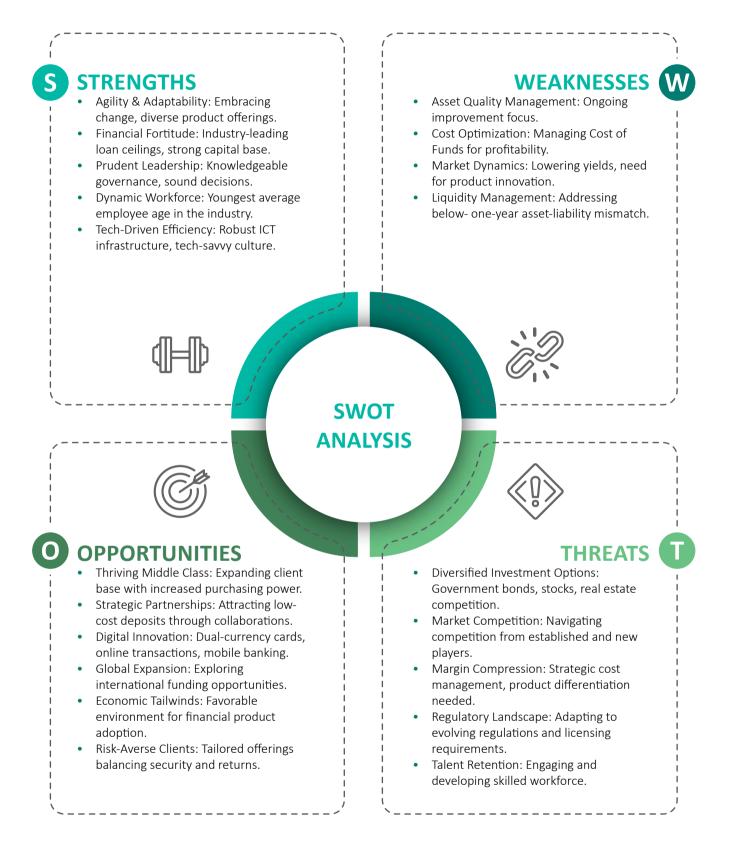
Matters Relevant to the Stakeholder	Our Strategic Respons to the Stakeholder	Engagement Mechanism	Engagement Frequency
 Proper and prompt action on regulatory requirements introduced 	 Compliance with regulations Rectification actions on supervisory concerns 	Policy directives/ circulars, guidelines and operating instructions	On a regular basis
Formulate the	 On-time submission of statutory returns and statutory payments 	Meetings and forums	Periodically
Company's policies in line with the broad	Response and contribution at meetings/ forums and to initiatives of the regulators Misso small and medium extrapropeurs	Press releases	On a regular basis
objectives of the Bangladesh Bank	 Micro, small and medium entrepreneurs lending and entrepreneurship development 	Periodic and one-off returns	Periodically
	Complying with the green financing schemes and policies	On-site and off-site supervision	Periodically
	• Support to maintain stability in money and foreign exchange markets	Training programmes	On a regular basis
	Help investors to make better investment decisions		



Society

Matters Relevant to the Stakeholder	Our Strategic Response the Stakeholder	Engagement Mechanism	Engagement Frequency
 Community capacity building Community 	 Socially responsive CSR model Transparency and Governance Community engagement 	Ground level interactions with community leaders by staff	On a regular basis
empowerment Social welfare of communities 	Employee volunteerismBecome a catalyst for change	Interactions with social groups and volunteer organisations	On a regular basis
 Environmental protection and conservation Preservation of local 	ion and vation vation of local	Community and environment grievance handling mechanism	On a regular basis
culture		Discussions with government organisations	On a regular basis
		Digital media-based forum	On a regular basis
		CSR projects	On a regular basis

BUSINESS ENVIRONMENT ANALYSIS



PORTERS FIVE FORCES ANALYSIS

Threat of New Entrants

Influencing Factors

 Emergence of new banks and NBFIs in the industry, licensing through Bangladesh Bank

Influence on LBF PLC

 Financial sector entry barriers remain high due to capital, regulations, brand loyalty, and tech disruption. resulting in low levels of threat

LBF PLC's Strategic Approach

- Innovate with strategic products to deter newcomers and lead the market
- Elevate brand image and value for customer loyalty and differentiation

Threat of Substitutes

Influencing Factors

- Availability of substitute products
- Aptness of substitute products
- Emergence of digital banking, neo banking and MFS deposit schemes
- Higher number of commercial banks and FIs

Influence on LBF PLC

 While traditional loan products lack direct substitutes, EMIs, fintech, and digital banking options increase access to alternative funding, raising the threat level to moderate.

LBF PLC's Strategic Approach

- Analyze competitors' offerings: price, features, performance
- Continuously assess substitute threats
- Differentiate products to lock in customers
- Retain profitable customers through strong relationships

Rivalry among Competitors

Influencing Factors

- Number of players in the industry
- Strategic directions of competitors
- Cost leadership

Influence on LBF PLC

 Domestic banking faces intense competition due to numerous players with similar products and high exit barriers.

LBF PLC's Strategic Approach

- Analyze competitor strategies and counter
- Adapt short & long-term plans based on market share impact
- Prioritize innovation to outmaneuver competitors

Bargaining Power of Supplier



- Supply of funds (deposits and borrowings)
- Interest rates on borrowings and deposits
- Supply of materials

Influence on LBF PLC

 Bargaining Power of Supplier is high as it Impacts on interest rates, effect on revenue, and our margin too putting pressure on our operational efficiency

LBF PLC's Strategic Approach

- Diversify funding sources, minimizing bank reliance.
- Attract deposits with competitive rates and secure favorable borrowing terms.
- Streamline supply chain through careful vendor selection.
- Offer one-time payment options for convenience.

Bargaining Power of Buyer

Influencing Factors

- Brand perception and customer loyalty
- Customer churn and migration
- Digital disruption of traditional banking
- Evolving regulatory landscape

Influence on LBF PLC

 Multiple financiers, diverse products, and competitive rates empower buyers. As a result. buyers hold strong bargaining power due to ample choice and competitive landscape.

LBF PLC's Strategic Approach

- Comply strictly with regulations.
- Prioritize customer service, focusing on retail & CMSME segments.
- Digitize for faster, smoother customer experiences.
- Strengthen brand to deter switching.

PESTEL ANALYSIS

Political

An Overview of 2023:

2023 has been a year of navigating through challenges as there was political tension throughout the year over the 12th Parliamentary Election. Refugee crisis continues to be a significant issue.

Influential Factors: Fiscal Policy, Annual Budget, Overall Political Stability, Tax Policy

Impact on LBF PLC:

- Despite political tension, Bangladesh's economy has shown resilience and growth in recent years. If this trend continues, it could lead to increased demand for financial services
- Depending on the political agenda and policy priorities, the government might introduce new regulations impacting the financial sector.

Impact on clients:

- Government initiatives aimed at supporting specific industries or social groups could provide clients with access to subsidized loans or financial assistance programs. In response to economic uncertainty, central banks might
- raise interest rates, increasing borrowing costs for clients and potentially impacting their ability to repay loans.

LBF PLC's Strategic Approach:

- The company strategically adjusts loan disbursement volumes to maintain healthy growth while considering potential risks
- associated with political instability.
 LBF PLC swiftly incorporates regulatory directives issued by authorities into its internal policies and procedures, ensuring continued compliance and operational



Economic

An Overview of 2023:

2023 wasn't a clear economic picture for Bangladesh. While growth remained strong, fueled by exports and infrastructure, rising inflation squeezed wallets and slowed industry. Global conflicts at various regions have added fuel to the fire. Despite prudent government measures, financial vulnerabilities linger, and political tension casts a shadow.

Influential Factors: Interest Rate, Inflation Rate, GDP Growth Rate. Exchange Rate, Income Levels

Impact on LBF PLC:

- Inflationary pressures might force central banks to raise interest rates, impacting borrowing costs
- Economic headwinds can dampen investor confidence, making it challenging for LankaBangla to raise capital or expand its business

Impact on clients:

- Inflation and potential interest rate hikes could reduce clients' disposable income and creditworthiness, limiting their ability to borrow for investments or personal needs.
- Uncertain economic conditions might lead to slower business growth and risk aversion among clients, impacting loan demand and client activity.

LBF PLC's Strategic Approach:

- Focus on core retail & CMSME growth.
- Prioritize prompt recoveries for portfolio health.
- Expand delivery channels, offerings, and services.
- Employ agile pricing based on market needs.



Social

An Overview of 2023:

2023's social landscape in Bangladesh painted a complex picture. Poverty reduction continued, reaching a fiveyear low, but inequality persisted, particularly in urban areas. Investments in education and healthcare improved living standards, but access to quality facilities remained uneven. While Bangladesh made strides in women's empowerment, gender-based violence remained a concern. Despite progress, challenges linger, including addressing refugee issues, ensuring social protection, and promoting inclusivity for all segments of society.

Influential Factors: Standard of Living, Cultural Influence, Literacy Rate, Demography, Access to Financial Services

Impact on LBF PLC:

- A rising middle class with increasing disposable income could lead to higher demand for financial products and services
- Improved education and skills training could lead to a more qualified workforce
- Government programs aimed at financial inclusion could expand client base

Impact on clients:

- Declining poverty rates could improve clients' disposable income and creditworthiness, increasing their ability to borrow and invest.
- Increase in purchasing power

LBF PLC's Strategic Approach:

- LBF PLC revamped core operations, reducing lead times and enhancing customer service through targeted process efficiency measures.
- Increased decision-making autonomy for branches in handling deposits, coupled with comprehensive technical support, caters to diverse customer needs across regions.
- Active Corporate Social Responsibility initiatives raise customer awareness and strengthen community engagement.



Technological

An Overview of 2023:

- 2023 saw both strides and struggles.
- Mobile phone penetration surged,
- increasing digital connectivity and
- access to e-commerce. However,
- challenges persisted: uneven internet
- access, lack of digital literacy, and
- concerns about data privacy and
- cybersecurity. While startups gained
- ground, attracting investments,
- fostering innovation, and creating jobs,
- concerns about regulatory frameworks
- lagging behind rapid technological
- change loomed.

Influential Factors: NEO and Digital Banking, MFS, Fintech, Automation

Impact on LBF PLC:

- Leveraging automation and digital tools can streamline processes.
- roduce costs, and improve convi
- reduce costs, and improve serviceDigital solutions can attract new
- clients in remote areas and improve
- access to financial services
- Access to advanced analytics

^I Impact on clients:

- Digital platforms can provide real-time information, financial management tools, and access to a wider range of financial services, empowering clients.
- Digital solutions can provide convenient and affordable financial services to previously unbanked populations

LBF PLC's Strategic Approach:

- Implementing the Trazware Project for credit card operations ensures efficiency and scalability in this growing segment.
- Mobile banking services and online applications provide convenient and personalized financial solutions to clients on the go.
- Continuous core ICT system updates guarantee stability, security, and improved functionality for both clients and internal operations.



Environmental

An Overview of 2023:

Climate change mitigation efforts gained momentum, with initiatives like mangrove afforestation and renewable energy projects. Environmental regulations aimed to curb pollution and promote sustainable practices. However, challenges remained: air and water pollution, deforestation, and vulnerability to natural disasters. Additionally, concerns about the environmental impact of rapid development projects, balancing

- economic growth with sustainability,
- remained critical issues.

Influential Factors: Climate Change, Green Banking Initiatives, SDGs, Carbon Footprint

Impact on LBF PLC:

• Evolving environmental regulations might necessitate costly changes in LankaBangla's operations, impacting its financial performance.

Impact on clients:

Growing concerns about climate change create demand for green financing solutions

LBF PLC's Strategic Approach:

- A dedicated Sustainable Finance Unit (SFU) spearheads green financing initiatives, aligning the company with global sustainability goals.
- Internal efforts like "No Print Day" demonstrate LankaBangla's commitment to reducing its environmental footprint.
- Online application processes and digitization initiatives create a transparent and self- service environment, reducing branch visits and enhancing convenience.



Lega

An Overview of 2023:

The government made strides in enacting legal reforms, including introducing a revised labor law and strengthening anti-corruption measures. Navigating the complexities remains crucial for upholding the rule of law and ensuring justice for all.

Influential Factors: Compliance Requirements, Legal Landscape, Regulatory Issues

Impact on LBF PLC:

- Effective implementation of anti-corruption laws can create a more level playing field, fostering fair competition and attracting responsible investors
- Excessive regulations or inconsistent interpretations could increase compliance costs and administrative burdens, hindering operational efficiency

Impact on clients:

- Effective intellectual property protection can incentivize clients to innovate and commercialize their ideas, creating new business opportunities.
- Stronger enforcement of contract terms can provide clients with greater confidence in business dealings

LBF PLC's Strategic Approach:

- Meticulous pre-disbursement checks minimize credit risks and safeguard financial stability.
- Regular training equips employees to identify and combat Anti-Money Laundering (AML) and Counter-Terrorism Financing (CFT) activities.
- A robust Management Information System (MIS) ensures real-time data visibility and simplifies business activity monitoring.
- LankaBangla upholds regulatory compliance and assists regulators with accurate and timely reporting, fostering trust and transparency.

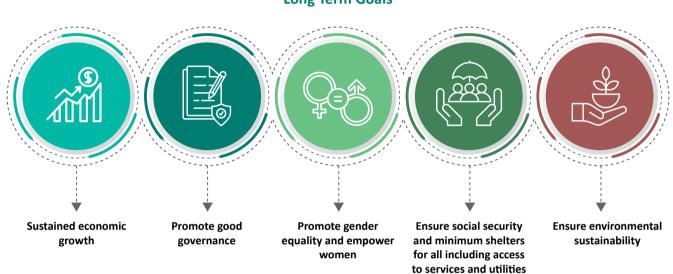


DRIVERS GUIDING OUR STRATEGY

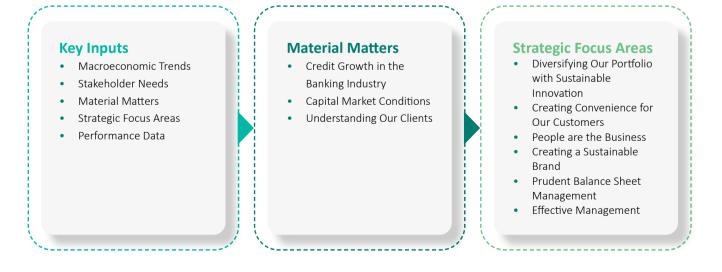
LankaBangla's Strategic Vision for Sustainable Growth

LankaBangla Finance remains steadfast in its belief in the long-term growth potential of Bangladesh. We recognize that our journey towards becoming a developed nation requires the alignment of short-term objectives with our broader vision of eradicating poverty, advancing gender equality, fostering peace and security, and achieving sustainable human development.

Over the past five years, Bangladesh has maintained an impressive average GDP growth rate of 6.03%, despite facing unprecedented challenges. Our rising per capita income and diversification of the export basket continue to showcase the resilience of our economy. However, the global economic landscape remains volatile, with persistent inflationary pressures, geopolitical tensions such as the Russia-Ukraine conflict, and uncertainties surrounding the global energy market. On the domestic front, we are navigating political uncertainty, challenges in the banking sector, currency devaluation, and a stressed foreign exchange reserve. These factors collectively pose risks to economic stability and growth. At LankaBangla, we recognize that our long-term sustainability as a leading financial institution is deeply intertwined with the economic success, social well-being, and environmental health of Bangladesh. Our strategy is guided by the imperative to contribute to the nation's long-term development goals, ensuring that our operations support a prosperous and sustainable future for all.



We continue to prioritize the needs of our stakeholders, ensuring that our strategic decisions align with their expectations and contribute to long-term value creation.



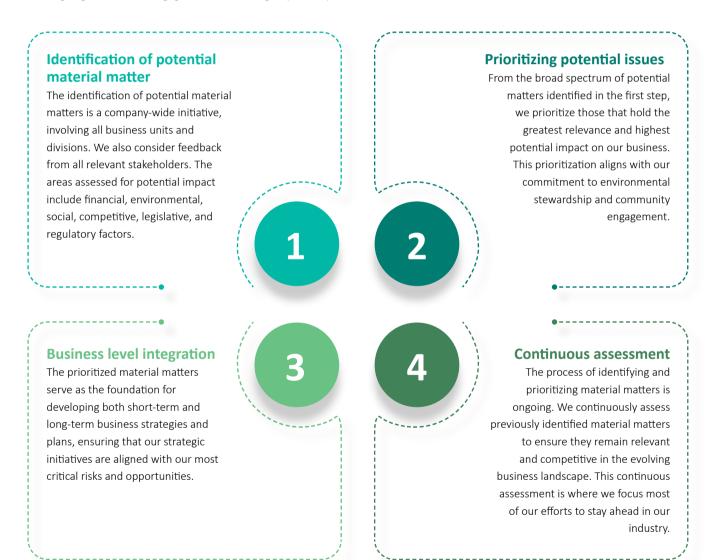
Long Term Goals

MATERIAL MATTERS THAT AFFECT OUR STRATEGIES

Our material issues are critical factors that we believe could significantly impact our commercial viability and social relevance. These include elements influencing economic growth, political and social stability, and factors that shape stakeholder perceptions of our role in society. Effectively managing these material issues is vital to achieving our strategic objectives and fulfilling our stakeholders' expectations.

Materiality Determination Process

Our materiality determination process is designed to complement our ongoing stakeholder engagements, extending beyond day-today interactions to focus on aspects likely to influence the social, economic, and physical environments in which we operate. Our material matters represent the primary risks and opportunities that significantly impact our ability to deliver sustainable value to our stakeholders. Our approach to identifying and evaluating these material matters is thorough and strategic, guiding our priorities and future direction.



Material Issues and Strategic Response

Following engagement with certain internal and external stakeholders, we have determined our material issues into the following matters.

Material Issue	Strategic Context		Strategic Response of LankaBangla
Credit Growth	In the monetary policy statement, private sector	•	Retrieval of private credit growth is expected to be
	credit growth, which is often regarded as one of the		beneficial for LankaBangla as we have already laid
	most significant leading indicators for macroeconomic		foundation for CMSME and Retail business in the
	growth, is targeted to remain unchanged at 10.2		preceding years
	percent in FY'23. Because of the disruption in global	•	The declining interest rate environment would be
	supply chain due to ongoing war, businesses are		helping in tapping good CMSME Clients
	currently adopting a go-slow policy. The central	•	LankaBangla has the strength to go for retail financing
	bank has decided to keep the private sector credit		business more aggressively
	growth unchanged with the expectation of effective		
	disbursement of stimulus packages and resumption of		
	economic activities.		
Understanding	Our clients are the reason we are in business. To	•	Instill a culture that values excellent client experiences,
Our Clients	provide them with the products and services they		ethical and fair conduct and market integrity
	need, we must understand the environments in which	•	Constantly leverage new technologies to meet
	they live and work, their immediate needs, and their		changing client expectations and enter partnerships to
	long-term plans in respect of their careers, their		drive innovation
	businesses, their personal lives and their families.	•	Ensure appropriate technical capability and skill to
			prevent our clients from being exploited
Motivating	Our ability to meet our objectives, deliver value to our	•	Ensure that we have a diverse workforce with the
Our People	clients, comply with our regulatory obligations and		right skills and capabilities to successfully execute our
	create shareholder value depends on our people. We		strategy
	strive to work with people who share our passion for	•	Maintain an ethical and risk-aware culture that
	Lankabangla, who see the opportunities inherent in		upholds our principles and values
	the diversity and its people, and who are committed to	•	Capacitate our people to perform in a world of rapidly
	putting the client at the center of everything we do.		changing client expectations, technology and ways of
			working
Embracing	In a world of constant technological evolution, we	•	Deliver new products and services to market quickly
Innovation	need to be at the forefront of new ideas and leverage		without compromising system stability
	technology to provide exceptional client experiences	•	Develop a culture that encourages innovation
	and gain competitive advantage. Innovation extends		and challenges established processes, with a view
	beyond our products and services to how we operate		to delivering excellent client experiences that
	by way of our internal processes and systems. These		differentiate us in a low-cost competitive environment
	must all fulfill the ultimate objective of placing our	•	Build resilience to change among our people
	clients at the center of everything we do.	•	Find ways to address social challenges through
			innovation
Leveraging Our	IT enables us to serve our clients in a way that is more	•	Balance client expectation for innovation against
Investments	convenient and that makes their financial transactions		maintaining system stability
in Information	more reliable and secure. In addition to being an	•	Constantly monitor and anticipate criminal exploitation
Technology	enabler of our strategy, IT is also a competitive		of our systems and cyber-attacks on cloud services,
	advantage. We use our understanding of our clients		and deploy prevention and mitigation measures
	to provide them with value- added, uninterrupted	•	Ensure that our systems maintain the privacy of client
	IT products and services. Many of the Bangladesh's		information and put additional measures in place to
	people still live in remote areas, where IT can be used		protect our data stores
	to overcome challenges in delivering services.		
Increased	The latest loan scams in the financial sector brought	•	Focus on risk management on enterprise level
Demand on	the onset of increased regulation to ensure the	•	Ensure closer working relations and partnerships with
Governance and	soundness of the financial sector. The increased		regulators
Risk Management	reporting to central bank, offsite supervision and		Implement capital adequacy and liquidity
	regulatory requirements like Basel III would justify for		requirements
	more disciplined financing, more compliance and more	•	Focus not only on returns but also on the risk and
	efforts to avoid reputational risk.		capital requirements of these returns
	Enorts to avoid reputational fisk.		capital requirements of these returns

STRATEGIC FOCUS AREAS

At LankaBangla Finance PLC, we remain deeply committed to serving our most significant stakeholders: our customers, employees, shareholders, and the broader community. Our dedication to this commitment is manifested through a profound understanding of our customers' needs, delivering innovative and high-quality products, and ensuring an exceptional experience at every touchpoint.



Five Strategic Focus Areas Supporting Our Delivery Targets

To achieve our objectives, we focus on five strategic areas that underpin our growth and value-creation agenda. Each area is supported by clear targets that are continuously monitored and evaluated to ensure alignment with our long-term vision.

1. Diversifying Portfolio with Sustainable Innovation

Our growth strategy revolves around expanding our portfolio across various segments, including Retail, CMSME, and Corporate, while exploring new opportunities in the capital market. This diversification is essential to withstand market volatility, enhance risk-adjusted returns, and build a more sustainable business model.

1.1 Momentum in CMSME

We recognize the importance of Cottage, Micro, Small, and Medium Enterprises (CMSMEs) in driving innovation and economic growth, particularly in Bangladesh's evolving market landscape. In 2023, despite global economic uncertainties and post-pandemic challenges, our CMSME portfolio demonstrated remarkable resilience. Our CMSME business contributed to a significant turnaround in our overall portfolio, disbursing BDT 42,287 million in total assets and mobilizing liabilities amounting to BDT 18,662 million. Notably, CMSME mobilization grew by BDT 224 million, representing a 9% contribution to the total mobilized amount, compared to 14% in 2022.

Moving forward, we are focused on strengthening our CMSME-led liability growth through the 'Hub and Spoke' model, which allows for greater flexibility, efficiency, and scalability. This model will enable businesses to rapidly adapt to evolving strategies while providing broader access to talent pools and resources. Additionally, we are leveraging government stimulus packages, including refinancing options, to accelerate our growth in this sector. Our aim is to position CMSME as a core growth driver in the coming years.

1.2 Extended Focus in Retail and Card Business

Our retail segment remains a key pillar of our growth strategy, despite the challenging macroeconomic environment marked by inflationary pressures, rising interest rates, and reduced consumer spending. In 2023, we prioritized CMSME portfolios, but also achieved substantial growth in our retail business, disbursing BDT 16,238 million—accounting for 38% of total disbursements.

Our credit card portfolio, a vital component of our retail segment, witnessed a 16.1% increase, with BDT 15,250 million in disbursements, contributing to 94% of total retail loans. This growth is attributed to our customer-centric approach, innovative products, and enhanced digital capabilities, which have strengthened our market position. Despite a 3.4% reduction in total asset disbursement compared to 2022, our strategic focus on high-margin products and services helped maintain profitability.

1.3 "Super Shop" Service in Capital Market

Through our market-leading subsidiary, LankaBangla Securities Ltd., we continue to provide comprehensive brokerage services, including NITA and internet trading services, foreign trading services, and CDBL services. Our robust research unit offers a full spectrum of market insights, from company and industry analysis to macroeconomic evaluations and corporate valuations.

We are enhancing our "Super Shop" service offerings with a fully

operational call center for stock brokerage services and regular publications like the Market Pulse magazine, which offers in-depth insights into the economy and stock market trends. LankaBangla Investment, another key subsidiary, leads in primary market supply creation, achieving milestones such as the launch of AlphaPlus and facilitating price discovery under the revised Book Building Method. These efforts underscore our commitment to innovation and excellence in the capital market.

2. Creating Convenience for Our Customers

We aim to provide unparalleled convenience to our customers, enhancing accessibility, and streamlining service delivery. With 27 branches across the country, we are well-positioned to serve both retail and corporate clients in major cities and townships, complemented by an additional 10 branches operated by LankaBangla Securities.

2.1 Doing Business with Smart Phones

Digital innovation remains at the core of our strategy to enhance customer engagement and satisfaction. Our mobile app, "FinSmart," launched in 2016, continues to evolve, offering customers easy access to products and services information, real-time credit card details, and an enhanced payment process through digital channels.

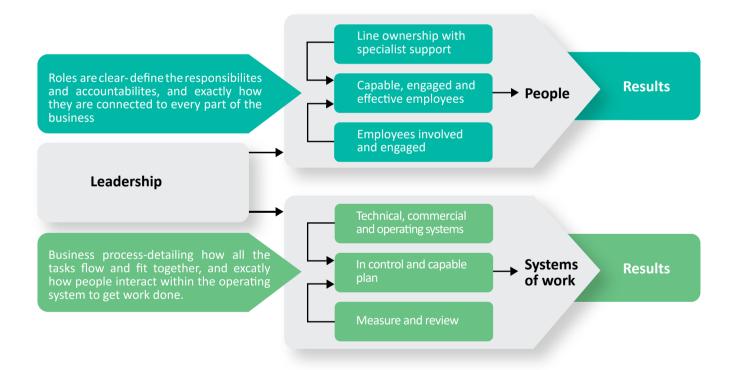
In 2023, we achieved ISO27001:2013 certification for the third consecutive time, underscoring our commitment to maintaining the highest standards of information security. We have also enhanced the functionality of the "i-Broker" app, introducing features like real-time portfolio status, online payment through mobile banking, and stock watch lists, which are now available on iOS devices.

2.2 The Portal

Recognizing the transformative power of timely information, we launched a comprehensive financial portal—the first of its kind in Bangladesh. This platform offers a real-time update on market news, economic indicators, and various analyst tools, catering to the growing demand for accurate and up-to-date information. The new portal is designed to reduce fixed costs while providing a seamless user experience that keeps our clients engaged.

2.3 | Frame

Our "Investor Relationship Pages" enable companies to strengthen their online presence and investor relations. This innovative solution helps our clients deliver complex financial data and news to stakeholders consistently and effectively, enhancing shareholder value and compliance with regulatory requirements.



3. People are the Business

Our human capital is our most valuable asset, and we are committed to fostering a diverse, inclusive, and high-performance culture that drives sustainable growth.

3.1 Nurturing High-Skilled Talent Pool

At LankaBangla, we prioritize talent development through comprehensive training programs, leadership development initiatives, and opportunities for both professional and personal growth. Our focus is on creating a work environment that fosters respect, trust, and collaboration, enabling our employees to deliver their best performance. We believe that our skilled workforce is the key to achieving sustainable results and driving innovation.

3.2 Work-Life Integration

We recognize the importance of work-life balance in maintaining a motivated and productive workforce. Our flexible work arrangements, including remote work options supported by a robust IT infrastructure, allow employees to balance their professional and personal commitments effectively. We also offer various recreational activities, such as football tournaments and family days, to promote employee well-being.

3.3 Creating Satisfaction at Resource End

Our HR policies are designed to enhance employee satisfaction, motivation, and engagement. We focus on talent retention through competitive compensation packages, career development opportunities, and a supportive work environment. Our commitment to human capital development extends beyond the corporate level to the national level, where we strive to contribute to the broader economic and social progress.

4. Create a Sustainable Brand

Building a sustainable and responsible brand is at the heart of our strategy. As one of the most trusted financial institutions in Bangladesh, we are committed to fostering economic progress, supporting entrepreneurship, and enhancing the quality of life for our customers and communities.

4.1 Investment in Brand

We continuously invest in our brand through customer engagement activities, such as Corporate Nights and Treasury Nights, celebrating our relationships with growth partners and stakeholders. These initiatives help reinforce our brand value and strengthen our market position.

4.2 Assuming Environmental Stewardship

Our "Green Banking Policy" is a cornerstone of our sustainability strategy. We have established a Green Banking Unit (GBU) to lead our environmental initiatives, including financing projects with significant environmental benefits, such as large-scale Effluent Treatment Plants (ETPs), auto-brick manufacturing with CO2 emission reduction, and the country's first lube recycling plant. We also promote energy-efficient practices within our operations, use eco-friendly materials, and have introduced digital solutions to reduce paper consumption.

4.3 Support to Underprivileged

As a socially responsible organization, we are committed to supporting underprivileged communities. In 2022, we allocated BDT 8.03 million for CSR activities, focusing on environmental sustainability, education, and social welfare. We continue to engage in various initiatives that contribute to the broader community.

5. Prudent Balance Sheet Management

Prudent balance sheet management is critical to our financial stability and growth. We adopt a comprehensive approach to managing our capital, funding, and liquidity to ensure resilience in both normal and stressed market conditions.

5.1 Strengthening Our Capital Base and Improving Our Funding Positions

Our capital management strategy is aligned with our risk appetite, regulatory requirements, and stakeholder expectations. In 2023, we focused on maintaining asset quality, optimizing profitability, and managing a strong capital base, resulting in a Capital Adequacy Ratio (CAR) of 14.15%. Our efforts to strengthen our capital position include issuing subordinated bonds, maintaining adequate liquidity, and managing mixed borrowings effectively.

5.2 Diversifying Our Funding Sources

We continue to diversify our funding sources through a mix of deposits, subordinated bonds, and strategic partnerships with financial institutions. In 2023, we maintained a consolidated treasury borrowing balance of BDT 27,842 million, with a substantial portion being unsecured. This strategy has helped us strengthen our liquidity position and meet regulatory capital requirements.

HUMAN RESOURCE ACCOUNTING

BDT Million

LankaBangla Finance PLC is deeply committed to human capital management, taking responsibility for both developing employee potential and harnessing their skills to drive organizational success. We continuously implement HR policies and practices designed to foster employee growth and ensure their active contribution to achieving corporate objectives. We believe that the skills and enthusiasm of our employees are pivotal in securing sustainable results.

At LankaBangla, we consider human resources from multiple

perspectives: corporate, professional, social, and national. Our approach not only recognizes the intrinsic value of human resources but also involves systematically identifying and reporting the investments made in this crucial asset.

	2023
Total employee benefits	863.52
Training Cost	9.52
Employee Benefit Per Employee	0.77
Training Cost per Employee	0.009
Gross Revenue per employee	7.53
Total Expenses per employee	6.42
Operating cost per employee	1.55
Operating profit per employee	1.12

The total value of Human Capital for the year 2023 has been

determined to be BDT 14,966 million. This valuation was calculated using the present value of future earnings model (Lev&Schwartz), which involves discounting the total benefits payable to employees. This calculation reflects the minimum expected benefits for employees up to their retirement.

	2023
Human Capital (BDT Million)	14,966
No. of employee	1,117
Per Capita Value (BDT Million)	13.40

Assumptions used in Human Capital Valuation:

- It is assumed that all existing employees will remain with the company until their respective retirement.
- The average age of LankaBangla employees is approximately 35 years, and it is projected that the current workforce will serve for an additional 25 years, until the retirement age of 60.
- Employee payouts encompass all direct and indirect benefits, including festival bonuses, provident fund contributions, and gratuity.
- Annual increments are estimated at an average of 8% over the years.
- Future benefits for all employees are discounted at a rate of 13.72%, which reflects the current 20-year Treasury bond rate plus a 2.50% risk premium.
- The value presented is based on the above assumptions

and constitutes an internal assessment, subject to adjustment if deviations from these assumptions occur.

Based on this model, we have capitalized the total value of employees as Human Capital. This year, our primary focus has been on optimizing our human resources to enhance service quality and customer satisfaction.

		BDT Million
	31 Dec 2023	31 Dec 2022
Assets		
Cash	639.27	531.36
Balance with other banks and financial institutions	9,089.95	8,790.34
Investment	6,208.51	4,749.76
Leases, loans and advances	61,719.19	61,331.19
Fixed assets including land, building, furniture and fixtures	543.25	1,890.68
Human Assets	14,976	18,697
Individuals' value	14,966	16,102
Value of Investments	9.52	5.45
Other Assets	9,276.03	8,640.78
Total Assets	102,452.19	102,041.11
Capital & Liabilities		
Borrowings	25,833.96	23,543.11
Term deposits other deposit	42,253.99	43,457.12
Shareholders' equity	9,499.84	11,168.53
Human Capital	14,976.00	7,767.11
Other liabilities	9,700.63	7,565.75
Total Capital & Liabilities	102,264.42	93,501.61

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CAPITAL MANAGEMENT REPORT

Financial Capital

- Consolidated PAT BDT 393 million
- Consolidated Shareholders' Equity BDT 10,139 million
- Consolidated Fund Under Management BDT 158,188 million

Human Capital

- 1,117 talented employees
- Total Training Hours 23.609

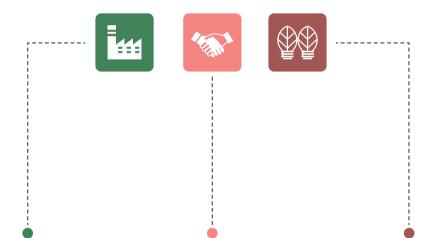
Intellectual Capital

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- Leadership in areas such as corporate finance, personal and auto loans
- Leading brokerage house in terms of transaction both in DSE and CSE
- Only NBFI in Bangladesh to have Card
 operation



Key Resources of LankaBangla



Manufactured Capital

- 60 new campaign pages
- 98.3% call disputes solved via 24/7 call center facility
- Customer satisfaction score 91%
- State of the art online trading window

Social & Relationship Capital

- Stakeholder engagement
- Voluntary contributions towards CSR
- 16% achievement on sustainable
- finance as of total loan disbursed
- Operating profit reached 1,249 mn

Natural Capital

- 16% reduction in electricity consumption at head office
- 15.50% of total loan disbursed as sustainable finance
- Contributed to 11.41% of actual CSR expenditure in environmental and disaster management sector

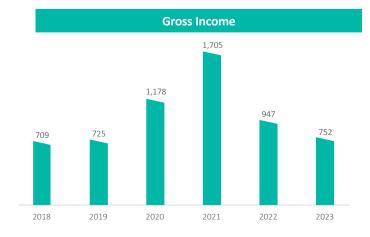
FINANCIAL CAPITAL

Material Topics influencing the Capital Development Strategy	Key Pillars	Value Creation Highlights for 2023	Linkages to other capital	SDG relevance
Profitability and Financial Stability Corporate Brand Image/ Goodwill Building Sales promotions, marketing communication, and information about the bank's products and services are all available.	Profit	 3% Y-O-Y decrease in interest income BDT 9,814 Mn revenue generated ROE: 3.75% ROA: 0.42% Gross income BDT 752 Mn 	 Strategic allocation of financial resources to cultivate delivery channels in accordance with the Company's expansion strategy will aid in the expansion of market reach Consistently optimizing financial performance over time adds to the Company's credence and strong brand image Better financial results 	B DECENT HOLD AND ECONOMIC CROWN MEDIFICATIO
	Asset Base	 Cost-to-Income Ratio is 63% Asset Base: BDT 95 Bn 	 Better Infancial results enable the Company augment value accumulated for employees through above average benefits, increasing motivation and employee satisfaction while shrinking employee turnover Solid financial outcomes will allow the Company 	
Strategic Theme for 2023	Liquidity	 Group Tier I, Tier II and CAR stood at 14.91%, 2.47% and 17.37% respectively Standalone CAR is 15.78% 	to allocate resources consistently to accommodate the needs of all major stakeholders	
Competitive Positioning Operational Excellence				

Analysis of the Statement of Profit or Loss

Gross Income

Although in 2023, the consolidated gross income declined by 41% to BDT 393 million from BDT 661 million in 2022 the Company saw a considerable amount of asset disbursement and liability mobilization in 2022. Furthermore, operating expenses increased by 0.2%. Income from investment has increased by BDT 476,659,837 during 2023 compared to 2022. Out of which capital gain realized BDT 399,401,741 from the sale of shares of the subsidiary (LBSL).



(amount in BDT mn)

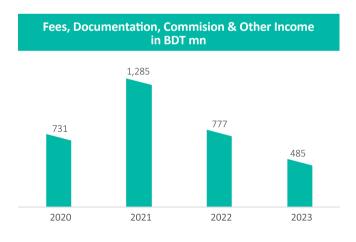
Net Interest Income

The primary source of revenue for the LankaBangla is interest income which decreased by 3% from BDT 7,197 mn in 2022 to BDT 6,972 mn in 2023 while its operating expense by increased 0.2% during the same period. Our average portfolio increased by 0.07% from 2022 to 2023 as well. 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 where as interest income reduced BDT 215,206,420 in the same compared year due to reduce of interest margin in extreme competitive market.

Non-Fund Based Income

In 2023, LankaBangla Finance PLC's Non-Interest Revenue (NIR) increased by 22% to BDT 1,927 million, up from BDT 1,576 million in 2022. This growth was primarily driven by a substantial rise in other income, which surged by 234% due to a significant profit of BDT 650 million from the sale of fixed assets. However, fees and documentation income declined by 11% to BDT 327 million, reflecting the impact of a reserved market condition and reduced loan disbursement. Additionally, issue management fees experienced a minor decrease compared to the previous year.

Despite these challenges, the credit card portfolio remained a key contributor to growth, with membership fees and other income from credit cards rising by 13% to BDT 150 million. The strength of the credit card portfolio supported the overall performance in service fees and commissions, and the company successfully mobilized BDT 18,147 million in liabilities, largely through retail term deposits. This performance highlights a balanced approach to revenue growth amidst a challenging economic environment.



Operating Expenses

Operating expenses increased by 0.2% on a Y-o-Y basis, from BDT 2,668 million in 2022 to BDT 2,672 million in 2023. LBF PLC's stringent cost optimization techniques implemented in response to the adverse macroeconomic conditions were essential in cost reduction. One of the primary priorities from the previous year was to optimize operating expenses.

Profitability

The NPAT for the year 2022 was BDT 661 million which later on dropped to BDT 393 million in 2023, reflecting a drop of 41%. Due to higher cost of fund and higher dollar rate total interest expense including foreign loan in the same compared year due to reduce of interest margin in extreme competitive market. Provisions for loans, investments and other assets of LBF PLC released status of asset client. On the other hand, provision for diminution in value of investments



Return on Equity (ROE) and Return on Asset (ROA)

Reflecting our endeavors in the returns generated from both assets and equities, the consolidated ROA stood at 0.42%, and the consolidated ROE for the year 2023 stood at 3.25%.

Analysis of Statement of Financial Position Total Assets

LankaBangla's total assets reached over BDT 94,855 million at the end of December 31, 2023, up from BDT 90,765 million at the end of the previous year, a BDT 4,090 million rise (5%).

Loans and Liabilities

In 2023, LankaBangla Finance PLC demonstrated resilience in its loans and advances amidst ongoing economic challenges, with the Group's asset portfolio reaching BDT 65,353 million, a slight increase from BDT 65,086 million in 2022. The portfolio mix consisted of 29% corporate, 26% retail, and 37% CMSME assets, with notable growth in the CMSME segment, which expanded by 8.5% to BDT 24,240 million. The corporate asset portfolio also saw a 4.4% increase to BDT 19,067 million, while the retail portfolio declined by BDT 2,212 million to BDT 16,903 million. The credit card portfolio, bolstered by heightened usage, grew by 5.2% to BDT 5,035 million, underscoring the company's commitment to strategic growth and diversification despite market uncertainties.

Equity

Total equity of LankaBangla has reached almost BDT 10,139 million at the end of 31st December 2023, down from BDT 10, 788 million at the end of the preceding year, an decrease of 6%.

Liquidity

Throughout 2023, the Company remained well capitalized, with minimal leverage and strong levels of loss absorbing ability, with all capital indicators remaining well above regulatory norms. As of December 31, 2023, the Company's core capital Tier I, supplementary capital Tier II, and Capital Adequacy Ratio were 14.85%, 2.42% and 15.62%

respectively, well exceeding the BASEL II recommended minimum capital requirements. Meanwhile, throughout the fiscal year under review, the Company maintained all liquidity ratios above the minimum standards.

Liquidity Gap – Maturity Analysis

			In BDT Million	
Particulars	2020	2021	2022	2023
Up to 1 month	3,983	1,709	1,993	1,838
1 to 3 month	-500	813	1,538	800
3 to 12 month	-1,121	-1,133	1,360	424
1 to 5 year	243	650	-1,897	338
5 year	7,889	9,035	8,174	6,099

Liquidity Gap as % of Liability

	-			In BDT Million
Particulars	2020	2021	2022	2023
Up to 1 month	57.67%	21.47%	27.00%	19.42%
1 to 3 month	-3.85%	7.19%	12.81%	6.17%
3 to 12 month	-3.62%	-3.80%	4.44%	1.32%
1 to 5 year	1.96%	3.46%	-8.95%	1.73%
5 year	256.24%	255.51%	228.49%	158.61%

Group Performance

LankaBangla Finance PLC comprises three subsidiaries: LankaBangla Securities Ltd., LankaBangla Investments Ltd., and LankaBangla Asset Management Company Ltd. Despite the challenging environment, all subsidiaries demonstrated resilient performance, reflecting their strong operational capabilities and adaptability.

Capital Market Performance

Amid the gradual recovery of the economy, Bangladesh's capital market has shown notable resilience, ranking among the top-performing markets in South Asia. As of October 2023, the market capitalization of the Dhaka Stock Exchange (DSE) stood at BDT 7,842.67 billion. However, the total number of listed securities on the DSE decreased from 668 in 2021 to 653 in 2023. Over the period from 2019 to 2023, the Bangladesh Securities and Exchange Commission (BSEC) approved 41 Initial Public Offerings (IPOs), with issuers raising a total of BDT 3,887.20 crore.

Dividend

Given the current financial market conditions, the company's financial strength, and future investment opportunities, the Board of Directors has recommended a 10.00% cash dividend, equivalent to BDT 1.00 per share with a face value of BDT 10.00 each for the year 2023. This proposed dividend is subject to approval by the shareholders at the upcoming Annual General Meeting.

HUMAN CAPITAL

GRI: 102-8,102-17, 201-3, 205-1, 401-1, 401-2, 401-3, 403, 404-1, 404-3, 405-2

			205-1, 401-1, 401-2, 401-3, 403, 404	1, 404 3, 403 2
Material Topics influencing the Capital Development Strategy	Key Pillars	Value Creation Highlights for 2022	Linkages to other capital	SDG relevance
 Talent Acquisition and Management Learning and Development Employee Engagement Employee Health and Safety 	Remuneration and Benefits	242 employees got recognized for their exemplary contribution and commitment towards business growth and core values.	 Learning and development approaches assist employees in becoming more efficient by making better use of available resources An immensely capable and competent team boosts the Company's visibility and maintain a competitive edge A performance driven value system assists the 	1 POWERY MX A A A A GOOD HEALTH A MOW WELFEARC
 Anti-Corruption Practices 	Learning and Development Governance and	 60 trainings provided to the employees BDT 5.06 mn spent on employees' training and development 213 Staff promotions 	 business strategy to attain better financial results Employees who are empowered are better capable of delivering the Company's value proposition to its customers 	B DECHT WORK AND CONVOID CROVEN CONVOID CROVEN IN CONVOID CROVEN IN CONVOID CROVEN IN CONVOID CROVEN IN CONVOID CROVEN
	Best Practices Digital Solution	 End-to-end process from sourcing, recruitment and welcoming new talents was delivered virtually 15,273 person hours spent on e-learning trainings 		
Strategic Theme for 2023				
 Learning and development Employee digital experience Operational excellence 				

Key performance indicators of HR practices and decent work responsibility

Human Resources play a crucial role in shaping the workforce and organizational culture at LankaBangla. To ensure the effective management and development of human capital, LankaBangla relies on Key Performance Indicators (KPIs) to evaluate HR practices and responsibilities. These KPIs are vital metrics that measure the efficiency, effectiveness, and impact of HR activities, aligning them with the organization's strategic objectives and the principles of decent work. By leveraging these metrics, LankaBangla gains valuable insights into the effectiveness of its HR strategies and their alignment with broader social responsibilities, ultimately supporting the organization's long-term success and sustainability.

In this section, you will gain insights into our workforce composition, employee mobility, and sustainable reward practices. We also highlight how we are modernizing our training and development methods, safeguarding employee well-being, and evolving our benefits programs to better serve our staff.

Employment: Total by Employee type, Region and Gender

The tables and graphs given below provide information on total workforce by region, employment type, age analysis, service analysis and gender.

LankaBangla Finance PLC has its branches in all the divisions in the country. Currently the total number of branches stood 27 and Head Office in Dhaka.

Bangladesh Administrative Division-Wise Breakdown of Human Capital as at December 31:

				No. of Employees
District	No. of Branches	Male	Female	Total
Dhaka	13	671	182	853
Chattogram	4	87	17	104
Sylhet	2	25	3	28
Khulna	3	39	5	44
Rajshahi	2	34	0	34
Barishal	1	12	3	15
Mymensingh	1	16	1	17
Rangpur	1	20	2	22
TOTAL	27	904	213	1117

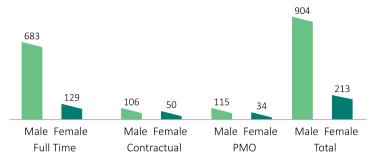
Employment Type: Full-Time, Contractual and Product Marketing Officer (PMO)

In 2023, the company made concerted efforts to align with its headcount targets by implementing a strategic approach to hiring. Adhering to a policy of restricted hiring, the company focused on recruiting for positions deemed critical to achieving its strategic goals and supporting future growth. This targeted hiring approach ensured that new employees were brought on board only for roles essential to the company's success and long-term objectives.

Employment Type	No. of Employees	Composition in%
Full-Time	2023	2023
Male	683	84%
Female	129	16%
TOTAL	812	100%
Contractual	2023	2023
Male	106	68%
Female	50	32%
TOTAL	156	100%
РМО	2023	2023
Male	115	77%
Female	34	23%
TOTAL	149	100%
All Employees of LBF PLC	2023	2023
Male	904	81%
Female	213	19%
GRAND TOTAL	1117	100%

No. of Employees

No. of Employee by Type and Gender in 2022

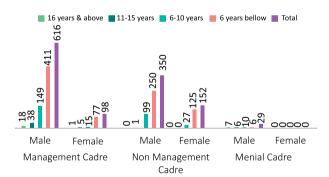


Age Analysis of Employees as at December 31:

Category	Manageme	nt Cadre	Non-Manager	ment Cadre	e Menial Cadre Total 202			2023
caregory	Male	Female	Male	Female	Male	Female	Male	Female
51-60 years	17	1	4	0	2	0	23	1
41-50 years	196	19	47	3	13	0	256	22
31-40 years	397	94	82	47	9	0	488	141
21-30 years	63	15	71	34	3	0	137	49
21 years below	0	0	0	0	0	0	0	0
TOTAL	673	129	204	84	27	0	904	213

Service Tenure Analysis of Employees as at December 31:

Category	Management Cadre		Management Cadre Cadre		Menial Cadre		Total 2023	
	Male	Female	Male	Female	Male	Female	Male	Female
16 years & above	22	1	0	0	9	0	31	1
11-15 years	40	7	3	0	9	0	52	7
6-10 years	156	19	71	25	5	0	232	44
6 years below	455	102	130	59	4	0	589	161
TOTAL	673	129	204	84	27	0	904	213



Employment Status

As previously noted, hiring has been strategically limited to positions deemed essential to the company's success and future growth. Of the total workforce, 55% are confirmed employees, while 17% are currently on probation. The remaining 27% of the workforce consists of contractual employees, of whom 49% serve as Marketing Officers. This approach ensures that our staffing aligns closely with the company's strategic priorities, optimizing our human capital for maximum impact.

Employment Status as at December 31	No. of Employees	Composition in%
Confirmed in Service	619	55%
On Probation	193	17%
Contractual	305	27%
TOTAL	1117	100%

Employees by Grade

The company classifies its workforce into three distinct grades: Management Cadre (comprising all full-time employees), Non-Management Cadre (comprising all contractual employees), and Menial Cadre (including attendants and drivers). Currently, Management Cadre represents approximately 72% of the total workforce, Non-Management Cadre accounts for 26%, and Menial Cadre makes up the remaining 2%. This structured approach to employee classification supports the company's operational needs and strategic goals by aligning staffing levels with functional requirements.

Category	No. of Employees	Percentage
Management Cadre	802	72%
Non-Management Cadre	288	26%
Menial Cadre	27	2%
TOTAL	1117	100%

New Employees Hired

In 2023, the company welcomed 291 new employees. Of these new hires, 130 were existing employees who transitioned from contractual positions within LankaBangla Finance to permanent roles. This approach underscores our commitment to recognizing and retaining talent from within the organization, aligning with our strategic focus on fostering career growth and stability for our workforce.

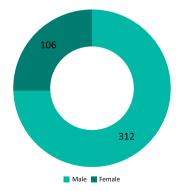
Category	No. of Employees Hired
Management Grade	230
Non-Management Grade	61
TOTAL	291

Employees Attrition

In 2023, the company faced a challenging financial market, characterized by significant declines in job opportunities due to economic instability. During this period, a total of 418 employees, including both full-time and contractual staff, resigned from their positions. Among those who resigned, 130 employees were transitioned from contractual roles to full-time positions, and the contracts of 6 employees expired; these transitions and expirations were not included in the overall attrition rate calculation. Consequently, the attrition rate for 2023 stands at 23.96%. Of the total employees who resigned, 77% were male and 23% were female.

Category	Gender-Wise Turnover	Actual Gender-Wise Turnover	Percentage of Employees	Gender-Wise Percentage of Attrition
Male	312	222	75%	32.86%
Female	106	66	25%	45.79%
TOTAL	418	288	100%	35.39%

Gender-wise Employee Turnover



Employee Attrition Rate by Age Group:

Category	No. of Employees Left
51-60 years	2
41-50 years	71

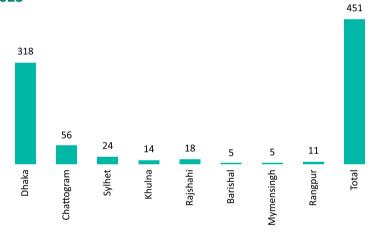
MANAGEMENT DISCUSSION AND ANALYSIS / HUMAN CAPITAL

Category	No. of Employees Left
31-40 years	264
21-30 years	81
TOTAL	418

Geography-wise Employee Turnover:

Category	Turnover (No.)	Turnover %
Dhaka	329	79%
Chattogram	40	10%
Sylhet	10	2%
Khulna	14	3%
Rajshahi	14	3%
Barishal	5	1%
Mymensingh	2	0%
Rangpur	4	1%
TOTAL	418	100%

Employee Turnover 2023



Compensation and Benefits

The company is committed to the continuous improvement of the working conditions and overall employee experience. In line with this commitment, LankaBangla Finance PLC has implemented additional measures to enhance the facilities and benefits available to its staff, reinforcing our dedication to fostering a supportive and rewarding work environment:

Cash Benefits
Festival Bonus Provident Fund Gratuity Annual Increment Performance related Bonus Performance Incentive for HRCs & PMOs

Other Benefits:

- LBF PLC plan, design and arrange various job specific soft skills and technical training based on individual need assessment and business requirement
- Orientation program for all employees (Management and Non-Management Grades including PMOs)

Occupational Health and Safety- Employee Representation on Health and Safety Committees:

LBF PLC and all of its employees are to protect and enhance the environment in which they live. All will comply with all laws and strive to do more. LBF PLC do not compromise safety or environmental protection for profit. LBF PLC believes environmental stewardship as an obligation and support this commitment with the necessary personnel and financial resources.

The following principles will guide and measure our corporate goals and objectives in Health, Safety and Environment:

- We are committed to continuously improving our Health, Safety and Environment performance
- We will continually promote employee safety on and off the job
- We conduct our business so it meets or exceeds all applicable laws and regulations and minimises risk to our employees, the public and the environment
- We will endeavour to do business with companies and contractors that share our expectations for Health, Safety and Environment performance and commitment and we will regularly assess their performance
- We will use our influence with companies in which we have partial ownership so they will want to meet the Health, Safety and Environment Commitment of the Company
- We believe all employees are responsible and accountable for Health, Safety and Environment performance

LBF provides necessary training to ensure that all personnel are aware of the importance of our HSE policy, understand the relevant laws and regulations, and possess the skills to implement our policy and comply with HSE requirements.

Working Remotely

LankaBangla Finance PLC has implemented a "Working Remotely" policy applicable to all employees. This approach, reflecting a significant global trend, has demonstrated its effectiveness and positive impact on our business operations, employee well-being, operational cost management, talent retention, and work-life balance. The policy provides clear guidelines on eligibility, mandatory practices, and obligations for both employees and the company, establishing a comprehensive framework for remote work.

Learning & Development: Learning and Professional Development

Learning and development remain key elements of our people strategy at LankaBangla Finance PLC. We are committed to helping our employees continuously improve through engaging, personalized, and varied learning experiences accessible to all staff at every stage of their careers. In 2023, the company invested BDT 9.52 million in training and educational programs, reflecting our commitment to enhancing the professional competencies and performance of our workforce.

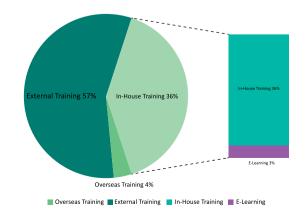
All employees undergo an annual performance review, which provides feedback on their performance, development needs, and potential. The company follows a systematic approach to identifying high performers, with leadership competencies being developed through targeted training, creating a talent pool that supports the company's longterm strategic needs.

During the year, a total of 58 training programs were conducted, engaging 2,818 participants. These included in-house, external, and foreign training sessions, with employees also participating in international training via digital platforms. Specifically, the company organized 21 in-house trainings, 33 external trainings, and 2 foreign trainings. Notably, employees collectively undertook 23,609 man-hours of training across various knowledge-building programs. In line with our commitment to fostering a learning culture, we are also focused on providing training opportunities to our contractual employees.

Training Type	No. of Programs	No. of Participants	Person Hours
Overseas Training	2	2	144
External Training	33	307	10,076
In-House Training	21	1,426	6,891
E-Learning	2	1,083	6,498
TOTAL	58	2,818	23,609

Composition of Training Program:

During the year under review, LankaBangla Finance PLC (LBF) placed a strategic emphasis on external training programs over internal ones. Customized course content was developed, and external specialists were engaged as needed to deliver these programs, ensuring that training was tailored to meet specific organizational needs. For internal training, LBF leveraged its own resources and expertise to conduct sessions effectively. In 2023, the composition of the training programs was as follows: 36% were internal trainings, 3% were delivered through e-Learning platforms, and 57% comprised external trainings.



Training Hours by Employee Grade

To foster a culture of continuous learning and development throughout LankaBangla Finance PLC, training programs have been extended to both contractual staff and sales forces. This ongoing learning process is designed to enhance their skills, enabling them to penetrate the market more effectively and efficiently. Embracing the philosophy of "Growing Together," we are committed to designing and implementing targeted training programs for our sales teams and contractual employees in the future.

Category	Male	Female
Management Grade	2,000	357
Non-Management Grade	150	97
Product Marketing Officer	174	40
TOTAL	2,324	494

Career Development Review & Succession Planning

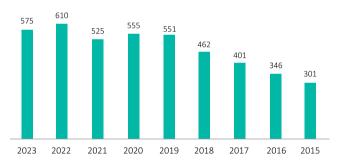
In the context of the industry's complex and dynamic conditions, the primary assets of a business are its people's talents, rather than the tangible and financial assets reflected on the balance sheets. Recruiting and replacing key talent is both costly and time-consuming. To address this, LankaBangla Finance PLC. (LBF) has implemented a comprehensive procedure for career development and succession planning. This approach focuses on the continuous development and retention of talent through appropriate recognition and career enhancement opportunities. Additionally, our policy includes precautionary measures to mitigate the impact of the sudden departure of key staff, ensuring that our operations remain stable and uninterrupted through effective manpower planning.

- Human Resources Planning: Through Human Resources Planning (HRP), we analyse our human resources needs under changing conditions and develop the activities necessary to satisfy these needs. It helps to ensure that the right numbers of the right kinds of people are available at the right times and in the right places to shape the organisational plans into reality.
- Human Resources Information: In order to use the HR data effectively, it is important to update and manage Human Resources Information System in a structured manner. The data can be easily managed by a customised database to suit the management decision process of the Company regarding HR. The following information is essential in order to come to a sound and transparent decision regarding all HR issues such as transfer, promotion or redundancy:
 - Education record
 - Basic Personal Information
 - Training received
 - Job history
 - Performance rating
 - Extraordinary awards achieved
- Career Management: Based on the accumulated data, the management decides on the career progression

of the key employee. This can happen along with the promotion or performance appraisal decisions. At the same time, the management may decide to groom potential talent among the staff through training and development efforts and also ensuring the retention of the said talent within the Company. The HR Committee will review and develop structured Talent Identification Process along with required development interventions in this connection.

 Succession Planning: Succession plans establish the identity of the individual who will step in and assume the role of departed key employees, allowing companies to manage the transition and continue performing. To ensure this, we provide a mandatory 15 days or more Annual Block Leave at stretch to employees so that their senior team member can play the role of leader and can have hands-on experience of leading a team.

In 2023, all employees of the company, regardless of gender, underwent formal performance and career development reviews. These annual performance evaluations, along with reviews conducted upon the completion of probationary periods, are instrumental in identifying and enhancing employees' potential skills, and in facilitating their development as required. Additionally, as part of our commitment to promoting internal talent, 130 contractual employees were transitioned to Management Grade positions during the year.



Employee Counseling

For the sake of development of performance of employees receiving "C+" or "C" grade in their annual appraisal, they are counselled on one to one basis by his/her respective supervisor in presence of HR and Cross Functional Representative and provide deadline for improvement. HR will review the improvement along with the Concerned Division Head and decide next course of action. In case of Divisional/Departmental Head himself/herself, MD/DMD will counsel the personnel and take corrective measures. After the given time if the employee fails to deliver a satisfactory result, HR in consultation with the Division Head & the management, can take any decision regarding the concerned employees.

Reward and Recognition

Reward and Recognition is a way to express appreciation for another employee's hard work, dedication and contribution to the Company. There are many levels of Reward and Recognition, to ensure both small contributions as well as the larger ones is recognized. Public recognition creates an environment in which all employees feel positive about the

work place and sets a good example and motivates others to perform at a higher level. Moreover, the person feels that his/her contribution is valued by the organization. We have different reward categories:

- Chairman's Eminence Award: Once in a year
- MD's Brilliance Award: Twice in a year
- Departmental Proficiency Award: Twice in a year
- Individual Aptitude Award: Twice in a year
- "ICON" A Recognition Program for Best Branch Managers (BMS): Twice in a year
- Dine with MD: Quarterly basis
- HEROES@WORK: By-monthly basis
- Integrity Award: Once in a year (As per Bangladesh Bank Guideline)
- SHIKHA Award: Once in a year
- Long-Service Award

In addition to above, we run several campaign for both assets and liability product throughout the year.

Grievance Management

LankaBangla Finance PLC. is committed to provide the best possible working conditions for its employees and associated members. LBF strives to ensure fair and honest treatment for all employees. Head of the Divisions, Managers, Supervisors and Employees are expected to treat each other with mutual respect.

Part of this commitment, LBF does encourage an open and frank atmosphere in which any grievance may be shared with management to get it resolved. LBF does believe that most of the work related problems can be resolved through mutual understanding and discussion without initiating formal grievance procedure.

Nonetheless, employees do get dissatisfied with various aspects of employment at workplace that may not be resolved through informal procedure. Hence, this policy is framed to ensure that employees can seek redress for any work related grievances from superior authority.

Whistleblowing Policy

The Company is committed to maintaining the highest possible standards of ethical and legal conduct especially a system of integrity within the Company. The concept of integrity is not only to include combating abuse of power or corruption but also to conform to standards in service delivery. In line with this commitment and in order to enhance good governance and transparency, the main objective of whistleblowing policy is to provide an avenue for raising concerns related to fraud, corruption, conflict of interest, negligence to protect the interest of the company and/or any other misconduct and to assure that the persons who disclose such information will be protected from retaliation or any kind of harassment.

The Management Committee is designated as the advocate for complainants or whistleblowers and is authorized to implement this Policy. The Chief Risk Officer (CRO) or any other employee as advised by the Audit Committee shall be responsible for undertaking investigations under this Policy.

Strengthening the Overall HR Policy Framework

- We have redesigned our performance management system, now known as "Managing and Appraising Performance." This revamped system integrates the total talent management framework, enabling us to identify key resources and critical roles essential for the company's success.
- In compliance with PCI DSS and ISO/IEC 27001 standards, we have incorporated confidentiality and non-disclosure agreements with outgoing employees to safeguard sensitive information.

Proposed Action for 2024

- We will focus on enhancing the change management process by increasing automation and digitalization, thereby allowing team members engaged in traditional routine tasks to be reskilled and redeployed to more value-adding roles.
- We plan to develop alternative work arrangement solutions to improve productivity and support a better work-life balance for employees.
- We aim to enhance our e-learning platform to ensure it delivers high-quality learning experiences that contribute value to the company.
- We will develop an ERP-based Performance Appraisal System to provide timely feedback to employees regarding their performance.
- We intend to create an internal high-potential talent pool to meet our talent needs and ensure the smooth operation of the business.
- We will review and revamp LBF's HR function to build a future-ready HR Division capable of driving the company to new levels of success.

INTELLECTUAL CAPITAL

Material Topics influencing the Capital Development Strategy	Key Pillars	Value Creation Highlights for 2023	Linkages to other capital SDG relevance
 Corporate Brand Image/ Goodwill Building Digitalization Strategy Business Continuity Schemes Information Security Customer Privacy Customer Convenience Financial Inclusion Agenda Communal Development 	Brand Strength Information Security Business Continuity Planning	 Launched Bangla website to reach mass audience One-stop digital financial services launch Strong presence on different media platforms Secured VPN for work from anywhere Digital Financial Services Agreements PCI DSS and ISO certification for fourth consecutive year Major sponsoring events, signing events with different business bodies and campaigns were held 	 required to enhance the productivity of all distribution channels Sets a firm platform for employees to carry out their responsibilities quickly and effectively The Company's strong competitive positioning enables it to routinely enhance its financial
 Strategic Theme for 2024 Competitive Positioning Customer Experience Operational Excellence Community Stewardship 			

Brand Marketing and Communications Horizon

At LankaBangla Finance, we are steadfast in our commitment to developing, managing, and protecting our brand's reputation as a trusted, reliable, and customer-centric financial institution. Our comprehensive branding efforts span both internal and external communications, encompassing brand strategy development, event planning, customer engagement programs, and the deployment of both offline and online media.

In 2023, we maintained a strong presence across multiple channels, delivering impactful communications to build brand visibility and engagement. Our focus has been on optimizing digital channels while maintaining a balanced approach to traditional media. We distributed approximately 130 print advertisements in various platforms, including daily newspapers, magazines, and sponsored publications, alongside 21 public relations (PR) pieces across multiple channels. We actively participated in nearly 15 major sponsoring events and organized around 40 business signing ceremonies, significantly enhancing our brand presence.

Our digital strategy remains central to our communication efforts, with over 1,500 creative digital posts published across various platforms to engage and inform our audience. We also launched 15 new campaign pages, revamped our website, creating 60 new pages, and developed numerous video materials, including customer and apex body testimonials, and product and service animations. These activities have been complemented by the successful delivery of nearly 600 Electronic Direct Mail (EDM) communications to our valued customers, all aligned with our measurable Key Performance Indicators (KPIs).

Highlighting Events and Activities of 2023

2023 was a year of remarkable achievements and numerous milestones for LankaBangla Finance PLC, reflecting our commitment to growth, innovation, and excellence. Over the past year, we have been honored with several prestigious awards, including the 23rd ICAB National Award for Best Presented Annual Report 2022, the Awards for Excellence in Mastercard Credit Business (Domestic) 2022-23, and Excellence in Mastercard Contactless (Issuing) 2022-23. Additionally, LankaBangla Credit Cards achieved a significant milestone by surpassing a BDT 5 billion portfolio, solidifying our position as a leader in the financial services industry.

We continued to build on our digital transformation journey with the successful launch of the Online Credit Approval System (OCAS), designed to provide loans to CMSME entrepreneurs across the nation. This initiative demonstrates our dedication to supporting small and medium-sized enterprises and enhancing financial inclusion through technology.

Throughout 2023, we conducted multiple awareness campaigns, including those focused on breast cancer awareness and women entrepreneurship. These initiatives were aimed at empowering

our women target audience and increasing our women clientele, which has been a key priority for us this year. We also celebrated the success of our CMSME clients through a compelling marketing campaign that highlighted inspiring stories of their journeys, underscoring our role as a trusted growth partner.

We further expanded our network and service offerings through the completion of multiple Memorandums of Understanding (MoUs) with various organizations. These strategic collaborations have enabled us to reach more clients and provide enhanced offerings to both existing and future customers.

Product and Service Campaigns and Communications

We executed a series of impactful marketing campaigns to promote our diverse range of products and services, including CMSME loans, credit cards, deposit schemes, and alternative payment channels. These campaigns utilized a mix of print, television, digital advertising, direct mail, email marketing, and social media promotions, aiming to enhance brand visibility, drive customer engagement, and build long-term loyalty. We strategically targeted both new and existing customers through tailored campaigns, ranging from specific merchant partnerships to broader e-commerce initiatives, ensuring a comprehensive approach to market outreach and customer acquisition.

Deposit Campaigns

In 2023, we initiated numerous advertising campaigns for our deposit schemes in both digital and print media. A variety of deposit products are available to individuals, including CMSME deposits for entrepreneurs, special deposits for senior citizens and women, and insurance-backed deposits for children. Our deposit range is so diverse and adaptable that anyone can select any quantity and deposit it at any time from any location using our extensive payment system. Almost 171 posts were published in digital media last year, with paid advertisements to optimize the budget. Additionally, 50% of our print media advertisements were placed in the deposit area. In addition to our emphasis on communication, we are also involved in a variety of fairs and programs that emphasize deposit products. Our endeavors were not in vain; we received approximately 1,400 leads online. We are extremely active throughout the year with our deposit offer, preparing a variety of creative materials, website pages, and sending SMS and EDS.



CMSME Campaign

In 2023, we executed numerous advertising campaigns to promote our diverse selection of CMSME Loans, including the Shikha Anannya CMSME Loan, which is specifically designed for women. Our CMSME range is so extensive that it meets the needs of all types of entrepreneurs with ease. In the previous year, we distributed nearly 232 posts on digital media platforms with paid advertisements to optimize their effectiveness within the allocated budget. Additionally, 20% of our print media advertisements were distributed in the CMSME sector. In addition to our emphasis on communication, we are also involved in a variety of fairs and programs that emphasize CMSME products. We were able to generate approximately 5000 online leads as a result of our efforts. We are extremely active throughout the year with our CMSME offer, preparing a variety of creative content, website pages, and sending SMS and EDM.



Credit Card Campaign

We have conducted numerous advertising campaigns in 2023 to promote our diverse selection of credit card products, including those for women and general consumers. We are maintaining our dominant position in the competitive market. Our exhaustive digital campaign gained the attention of the market and audiences. In 2023, we achieved a portfolio milestone of BDT 5 billion. In the previous year, we allocated nearly \$478 in digital media advertising within the budget. Additionally, 10% of our print media advertisements were placed in credit card advertisements. In addition to our emphasis on communication, we are also involved in a variety of fairs and programs that emphasize deposit products. Our efforts were financially rewarding, as we received approximately 9000 online leads. We are extremely active throughout the year with our credit card offer, preparing a variety of creative materials, website pages, and sending SMS and EDS.



Retail Products Campaign

We have implemented numerous advertising campaigns in 2023 to promote our diverse selection of personal home loan and auto lease financing products. We are maintaining our dominant position in the competitive market. Our exhaustive digital campaign gained the attention of the market and audiences. We distributed nearly 100 posts on digital media platforms with paid advertisements within the budget last year. In addition to our emphasis on communication, we are also involved in a variety of fairs and programs that emphasize deposit products. Our efforts were worthwhile, as we received approximately 3000 online leads. We are extremely active throughout the year with our credit card offer, preparing a variety of creative materials, website pages, and sending SMS and EDS.



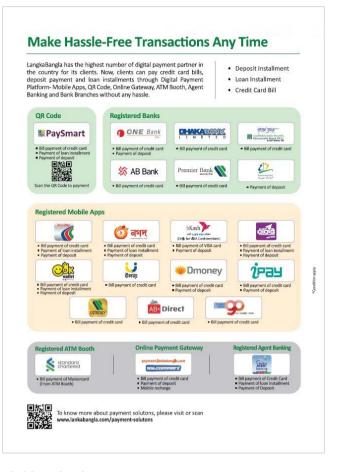
FinSmart:

We have a mobile apps, where customer can get their desire information regarding their accounts and cards. Also can receive our new offering. Throughout the year 2023 we have ran multiple advertisement campaigns based on our official apps. Customer can get information without going branches or calling contact center. And we are continuously upgrading the apps for providing better services to customers.



Payment Network:

We are countries largest payment network where we have agreement with Banks, MFS, & DFS. With this help customers don't need to go to the branched or banks for paying our deposit, credit card or loan EMI. In 2023, we have ran multiple advertisement campaigns with our partner MFS providers.



Shikha Chatbot:

Customer or any visitor can get information about us by visiting our Chatbot, we called it Shikha Chatbot.



NEW SERVICE LAUNCHED

PaySmart

With PaySmart Customer can pay their credit card, loan and deposit bills by simply just scanning the QR code



SoftLoan

With SoftLoan Mastercard cardmembers can utlize their unused credit limit



Smart IVR

With Smart IVR credit card customer can easily get the service through their smartphone



DIGITAL PLATFORMS

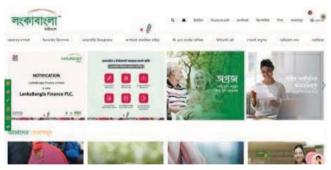
Reflection of Passion

LankaBangla organizes a photo contest for its employees on various contemporary theme each year. Images shortlisted by a panel of experts are picked for LankaBangla's yearly calendar. This competition is a unique way to spark creativity among our employees and encourages their spontaneous participation.



Bangla Website

Bangla Website of LBF PLC was launched in April 2023 in order to improve communication with mass number of audience in Bangladesh.



Tax Application

Tax application was developed for the convenience of the customers of LBF PLC to easily submit the Online Tax Return.



Financial Literacy Campaign:

Government of Bangladesh has taken the initiative to educate and aware the people on financial matters. Lanka Bangla Finance has also introduced Financial Literacy campaign to equip individuals with sound knowledge on banking, investment, savings which would strengthen people's financial decision making.



LTD to PLC. Communication

We have communicated in leading newspaper, social media and in our website in accordance with Bangladesh Bank Circular to changing into PLC. in the company name.



ISO 27001-2013 Certi PCI DSS Compile

A A S O LE SCUN



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NOTIFICATION

LankaBangla Finance Limited

is now

LankaBangla Finance PLC.

NIS Campaign:

We have ran Integrity campaign throughout the year.

Building a better Bangladesh is the ultimate goal of citizens and government institutions alike. Keeping this in mind, the National Integrity Strategy (NIS) was formulated in 2012. LankaBangla Finance PLC. expresses its solidarity with the principles of NIS and has given emphasis to implement its core objectives.



SPECIAL DAY COMMUNICATIONS

Celebrating Special Days

Apart from our regular business communications and campaigns we celebrated various days and prepare communication materials.



PR AND VALUATION

In 2023, we distributed 21 press releases to a variety of news outlets and publications, with a total value of approximately BDT 16,128,000.00. We are strategically increasing our PR penetration while considering cost.

PR Historical Progression

Valuation Summary					
Year	Valuation				
2021	35	43,000,000.00			
2022	45	70,000,000.00			
2023	21	16,128,000.00			

Coverage Summary							
Year	Content	Print	Online	Total Coverage			
2021	35	212	439	651			
2022	45	459	532	991			
2023	21	163	126	301			

DIGITAL MARKETING

Digital creative contents

In 2023, LBF reached its target audience using different online platforms, such as Facebook, Instagram, LinkedIn, Youtube, Google Ad Networks, and Local Ad Networks. By using different platforms LBF PLC has not only raised awareness about their services but has also generated valuable leads, which are then converted as customers of LBF PLC.

Description	2023	2022	2021
Posts Designed	364	330	200
Finsmart Banners	12	45	40
Panel Edit	56	30	30
Post Edit & Resize	175	150	90
Wallpaper	23	-	-
E-learning login page (Design)	8	-	-
Carousel	112	80	70
Videos	94	45	62
Icons	47	8	17
GDN & Local Ads	106	168	-
Short Link for SMS and Email	784	-	-
Total	1781	856	509

MANAGEMENT DISCUSSION AND ANALYSIS / INTELLECTUAL CAPITAL





Facebook: Through Facebook, LBF PLC can reach a specific audience based on demographics, interests, and behaviors, allowing them to effectively promote its products to potential customers. The highest number of social interactions are collected from this platform for LBF PLC.



2022

6.7M

otal View

VIEW METRICS

2023

8.3 M

Total View

VIEW METRICS

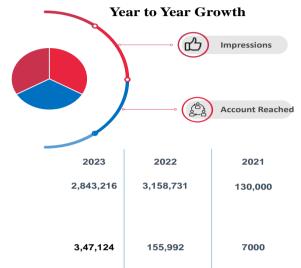
Video Performance of Facebook

2021

999.5K

Total Views

VIEW METRICS



has been effective for LBF PLC to promote its products and services

by publishing static or motion graphic content. Promoting products

on Instagram can be specifically targeted. To capture the attention

of the younger generation to partake in financial decisions, LBF

PLC's ads on Instagram play an important role

YouTube: Since YouTube is a global online video sharing, this has been effective for LBF PLC to promote its products and services by publishing motion graphic contents. YouTube shorts is a trendy right now.



The Total Number of Views that was obtained from LankaBangla Finance's Youtube channel was 3,415,576 in 2023. Total watch time (hours) is 26387.5



⁷⁰ views · 8 months ago



LinkedIn: To reach new corporate clients, LBF PLC targets a specialized group of business professionals and decision-makers on LinkedIn. Along with that, LBF PLC also showcases its CSR activities and awareness campaigns in LinkedIn



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Product and Special Day Video





লংকাবাংলা ফাইন্যাস-এর সাথে স্থপুরপের সফলতার গম্প শূনুন আমাদের অফিসিয়াল পেজ... 285K views + 10 months ago





ব্যাপারী-এর সফলতার গম্প

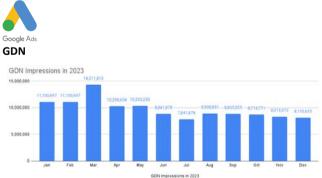
472 views + 11 months ago

গংকাবাংলা ভাইন্যাল-এর সংখ হল্পপুরণের সফলতার গম্প শূনুন আমাদের অফিসিয়াল পেজ... 142K views + 11 months ago

সারিয়া এপ্যারেলস-এর বয়বিকারী নিপা কবির-: এর সফলরার গম্প 70K views - 1 year ago

O International Women's Day SHİKHA LankaBangla m?

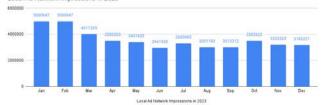




On average, 9,725,017.583 Impressions per month was obtained for the year 2023. In 2023, 85% of the Target was achieved



Local Ad Network Impressions in 2023

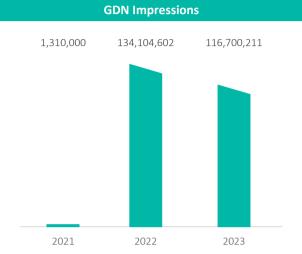


Note: Local Ad Network's Activity started from April 2022. On average, Impressions per month 3588249.667 was obtained for the year 2023. In 2023, 95.9 % of the Target was achieved.



E-NewsPaper

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On average, 9,725,017.583 Impressions per month was obtained for the year 2023. In 2023, 85% of the Target was achieved

DIGITAL LEAD GENERATION

Through Web/ Digital to E-CRM

Demontracent	2023	2022	2021
Department		Total	
Personal Financial Services	6498	6,161	1821
Corporate Financial Services	106	36	24
SME Financial Services	4035	3,090	383
Deposit Schemes	104	192	2
Total Leads	10711	9,479	2230

Online Application:

Application	Sumbitted	Pending
Credit Card	658	2865
Deposit	25	876
Personal Loan	35	4103
SME	927	NA
Home Loan	1178	NA
BEFTN	1050	NA
Auto Loan	4	8

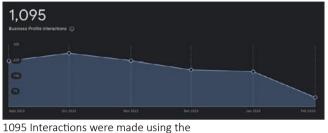
Website Performance Growth Matrices 2021-2023

Year	User Growth	New User Growth	Page Views	Number of Session Per User	Page View Session
rear		Total		Average	
2023	525,287	415,718	415,718	1.25	4.01
2022	622,351	593,819	593,819	1.55	3.41
2021	463,950	456,455	456,455	1.63	3.96

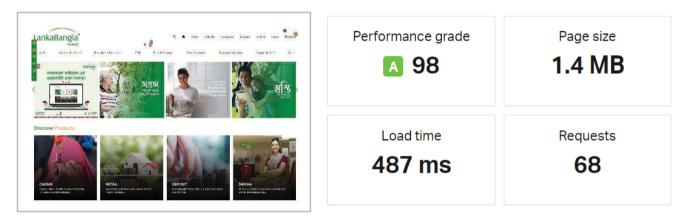
- On an average our website user growth rate is year to year 3.04%
- On an average our website New User growth Rate is year to year .05%
- On an average our website Page Views growth rate is year to year-4.51%
- On an average our website Number session per user growth rate is year to year 30.33%

Google Business Profile Performance

LankaBangla Business Profile.



266 Calls were made using the LankaBangla Business Profile.



Number of Content and Deliverables of Website

Рорир	30
UTM Based Link	374
Landing Page Creation	35
Online Applications (On Going)	14
Total	453

A total of 35 Landing Pages were developed for multiple advertising campaigns, lead generation campaigns and product promotions for the year 2023. Some of the most important campaigns include Valentine's Day Campaign, Women's Day Campaign, Boishakhi Campaign, Wedding Campaigns, World Cup Campaigns, Asian Cup Campaigns as well as the year end Campaign Offer

MANUFACTURED CAPITAL

Material Topics influencing the Capital Development Strategy	Key Pillars	Value Creation Highlights for 2023	Impact on other capitals	SDG relevance
 Physical Channel Digitalization Agenda Customer Convenience Customer Health and Safety 	Branch Network	 27 branches LBF PLC Contact Center 24/7 98.23% dispute calls solved 	 Elevated system upkeep and core system sturdiness have a favorable impact on the Company's reputation and improve brand equity 	7 AFFORDABLE AND CLEAN ENERGY
	Digital Channel	 Prospect generations and online application system 60 new campaign pages 	 Various digital and corresponding channels will increase income and profitability for the Company Greater emphasis on digitalized solutions will reduce the consumption of paper, lessening the Company's environmental effect A broader assortment of channels aids in building confidence among various sustamer company 	9 NOUSTRY, INNOVATION AND INFRASTRUCTURE
	IT Infrastructure	Tier III Data CenterCutting-edge IVRWebsite relaunch		12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Strategic Theme for 2	024		various customer segments	
Digital FootprintPaperless OperationsOperational Distinction				

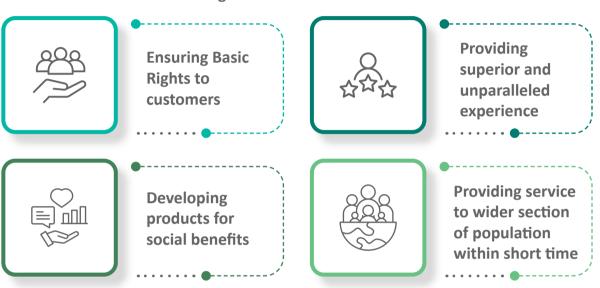


GRI: 204-1

Branch Network

In 2023, LankaBangla Finance PLC (LBF PLC) continued to enhance its branch network strategy to optimize customer service delivery and operational efficiency. The company undertook a comprehensive realignment of branch operations, emphasizing digital integration and streamlined services. The 24/7 call center maintained high customer satisfaction scores, utilizing advanced analytics and AI-based solutions to deliver personalized support and strengthen customer retention and acquisition.

LBF PLC's robust business continuity plans facilitated a hybrid working model, ensuring uninterrupted service delivery and operational efficiency. The company expanded its client base by leveraging data-driven insights and targeted outreach, deepening existing customer relationships while capturing new market segments. Moving forward, LBF PLC will continue to prioritize digital transformation and operational excellence to deliver enhanced value to all stakeholders.



Creating values to our customers

Providing Assistance to a Larger Population in a Short Span of Time

LankaBangla Finance PLC (LBF PLC) remains committed to delivering prompt and efficient solutions to client needs, ensuring swift assistance to any issues raised. Leveraging the IT department's expertise, LBF PLC has strengthened its capabilities to provide rapid, effective resolutions through its nationwide branch network. The company actively addresses client concerns during the claims adjustment process, identifying root causes to prevent future occurrences and enhancing overall service quality.

Bangla Website of LBF PLC was launched in April 2023 in order to improve communication with mass number of audience in Bangladesh.



Customer Referral



The existing clients of LBF PLC can refer to another prospect using the Customer Referral Online Application for the products and services available for LBF PLC.

Customer Feedback



The customer Feedback Application is used to gather the customer experience about the services in the different branches

Digitalization for Geographical Expansion

In line with its strategic priorities, LBF PLC is developing a huband-spokes model to drive the growth of its CMSME business line, which is a key focus for future expansion. This model will not only facilitate geographic expansion and deeper market penetration but also enhance operational efficiency and reduce costs, particularly through lower energy consumption. By streamlining resources and reducing the number of physical workplaces required, LBF PLC aims to create a more sustainable operational footprint while reaching new markets.

Way Forward

- Enhance customer experience through digital channels
- Execute lead generation programs for the retail and CMSME divisions
- Develop and implement the hub-and-spokes model for better business functionality
- Expand the number of spokes to support the hubs
- Achieve deeper market penetration with a broader geographic reach, especially in the CMSME sector
- Increase brand awareness
- Expand at minimal cost
- Maximize resource utilization

SOCIAL AND RELATIONSHIP CAPITAL

Material Topics influencing the Capital Development Strategy Customer Convenience Customer Health and	Key Pillars	Value Creation		SDG
		Highlights for 2023	Linkages to other capital	relevance
 Safety Sales Promotions, Marketing Communication and Information Availability on Bank's Products and Services Research and Development Community Development Financial Inclusion Agenda Strategic Theme for 2024 Customer Experience Digital Leadership 	Product Relevance Product Innovation Digital Adoption Customer Engagement	 Improved performance of credit card portfolio and retail basket Active participation on government led refinancing schemes CMSME-led growth Execution and monitoring of Lead Generation Program through digital channels Shikha credit card soft launched Virtual Digital Assistance launched Use of digital channel to serve the clients better System of online application on any platform for CMSME and Retail products BDT 4,264 contributed to Sustainable Finance 	 Customer insights aid in the prioritization of the company's investments across physical and digital channels Customer feedback aids in the development of employee capacity by boosting the applicability of training sessions. Optimizing the total customer experience allows the Company to expand its revenue systems Building great relationships with its customers and the community benefits LBF PLC's brand reputation over time 	1 POVERTY 1
 Community Stewardship Competitive Positioning Operational Excellence 				

CMSME-led growth plans

LankaBangla Finance PLC (LBF PLC) continues to prioritize CMSME-led growth as a central strategy, alongside diversifying its liability portfolio. The company has developed a robust approach to enhancing the performance of its retail liability basket and remains committed to expanding its footprint in the CMSME sector. In 2023, the CMSME segment achieved a significant asset disbursement of BDT 10,514 million, reflecting a growth of 6.9% from the previous year. This segment contributed 18% to the company's total mobilization efforts, underscoring its importance in LBF PLC's overall business strategy.

LBF PLC remains steadfast in its mission to empower women through targeted financial products and services. The company has actively engaged in regulatory schemes and strategic initiatives aimed at expanding its women-centric portfolio. These efforts have positively impacted the community at large, reinforcing LBF PLC's position as a leader in promoting women's empowerment and equity.

Throughout 2023, LBF PLC launched numerous campaigns and awareness programs for women, both within the company and across the broader community. The company also engaged in various Corporate Social Responsibility (CSR) activities, with a focus on enhancing women's education and fostering communal engagement.

Moreover, through the foundation's credit wholesaling program, LBF PLC has facilitated access to finance for entrepreneurs in promising sectors, sub-sectors, clusters, and clientele groups, including members of associations, chambers, and women entrepreneurs. These entrepreneurs are eligible for loans from the revolving fund, enabling them to achieve sustainable growth and contribute to the economic development of their communities.

LBF PLC's CMSME-led growth strategy, combined with its unwavering commitment to women empowerment and community development, continues to drive its sustainable growth and reinforce its market position.

Financial Inclusiveness Under Community Stewardship

LankaBangla Finance PLC (LBF PLC) remains committed to fostering financial inclusiveness under its community stewardship initiatives. The company continues to extend financial assistance to underserved populations in backward regions, with the goal of improving their living conditions and enabling access to essential services. As part of its efforts, LBF PLC provides targeted financial support for the education of disadvantaged children, aiming to enhance their financial literacy and empower them to become active participants in the economy.

Socially Responsible Financing Under Community Engagement

LBF PLC is dedicated to utilizing its Corporate Social Responsibility (CSR) funds to promote socially responsible financing. This includes providing financing at reduced interest rates, where the interest rate is below the weighted average cost of funds. The concessional amount of interest will be recognized as a CSR expense, demonstrating LBF PLC's commitment to supporting social causes through financial inclusiveness.

Looking ahead, LBF PLC plans to continue its community investments in areas addressing climate resilience and disaster management, offering financial support at concessional rates. Furthermore, the company is actively encouraging financing in green and clean transportation projects, reinforcing its commitment to environmental sustainability.

Community Development

LBF PLC firmly believes that its CSR policies and principles will enable it to achieve a balance of economic, environmental, and social imperatives, following a "Triple-Bottom-Line Approach." In alignment with this approach, the company has undertaken several initiatives, including an agreement with Bangladesh Bank under the "Refinance Scheme against Term Loan" for the CMSME sector. Additionally, a "Revolving Fund" has been established within the SME Foundation, guided by the Finance Department of Bangladesh, to facilitate access to affordable financing for small and mediumsized enterprises (SMEs).

Through these initiatives, LBF PLC has significantly improved its corporate processes, governance, and compliance standards, ensuring seamless and effective operations. The company is committed to protecting the interests of its stakeholders while contributing to the creation of a more sustainable society.

The LankaBangla Foundation, a key arm of LBF PLC's CSR activities, continues to provide assistance to the less privileged members of the community, focusing on their education, health, and overall well-being. By maintaining this focus, LBF PLC aims to build a more inclusive and equitable society for all.

Amount (in Million Taka)

Area	Total Fund Allocation		Total fund	Utilization
Area	2022	2023	2022	2023
Education	1.50	2.20	1.28	2.23
Health	1.50	2.10	5.09	9.45
Social welfare				
Sports				
Disaster Management	1.00	0.40	1.17	1.85
Cultural Activities				
Other (specify)	1.00	2.30	0.65	1.74



SME Financing Fair in Chattogram



LankaBangla Finance PLC. participated in the SME Financing Fair in Chattogram, organized by the Chattogram Women Chamber of Commerce & Industry.

LankaBangla Finance PLC. and Dhaka North City Corporation (DNCC) signs an MoU for a sustainable tomorrow through tree plantation program



The Dhaka North City Corporation (DNCC) has signed a memorandum of understanding with three organizations, LankaBangla Finance PLC., Green Savers, and Community Town Federation, for an envisioned tree plantation program in the DNCC region

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Customer or any visitor can get information about us by visiting our Chatbot, we called it Shikha Chatbot.

Women's Day 2023



On 6th March, 2023 LankaBangla Finance PLC.'s Corporate Head Office celebrated "International Women's Day 2023" by organizing an event at Hotel Sarina, adjacent to Banani, Dhaka

New e-Learning Portal



As part of the continuous commitment to the learning and development, the Human Resources Division of LankaBangla Finance has developed a e-Learning portal where employees can access a wide variety of articles and learning materials that are intended to enhance their skills, knowledge, and professional development.

Value for customers

LankaBangla Finance PLC (LBF PLC) remains steadfast in its commitment to expanding financial operations by offering tailored financial services and diverse products designed to meet the needs of clients across all segments of society. Embracing the philosophy of "growing with our customers," LBF PLC continues to innovate and deliver user-friendly products and services that enable all customer types to thrive alongside the company.

Since its inception, LBF PLC has been dedicated to fulfilling its responsibilities to customers, recognizing them as a cornerstone of its success. To enhance the client experience, LBF PLC has invested in strengthening its brand, simplifying loan amortization processes, and developing customized services that cater to specific client needs. The company firmly believes in its ability to deliver reliable, convenient, and accessible products and services that align with customer needs and preferences, ensuring mutual growth and value creation.

LBF PLC's focus on customer-centricity remains central to its growth strategy, reinforcing its position as a trusted financial partner in the community.

Way Forward

- Enhance Market Research: Expand market research initiatives to gain deeper insights into evolving customer demographics and to understand rapidly changing customer behavior patterns, enabling more targeted and effective strategies.
- Accelerate Digital Transformation: Prioritize the development and introduction of innovative digital solutions designed to transform the local financial landscape, enhancing customer experience and operational efficiency.
- Leverage Refinancing Opportunities: Focus on leveraging refinancing schemes offered by regulatory bodies to optimize funding sources and reduce costs, supporting sustainable growth.
- Expand Women-Centric and CMSME Offerings: Continue to grow the portfolio of women entrepreneurial products and CMSME businesses, furthering LBF PLC's commitment to financial inclusion and economic empowerment.
- Strengthen CSR Initiatives: Establish a dedicated CSR wing with members from the Sustainable Finance Committee to provide strategic assistance and advisory support to the Sustainable Finance Unit, ensuring effective and impactful CSR activities.

NATURAL CAPITAL

Material Topics influencing the CapitalDevelopment Strategy	Key Pillars	Value Cration Highlights for 2023	Linkages to other capital	SDG rel vance
 Protection and Conservation Corporate Brand Image / Goodwill Building 	Resource Efficiency Responsible Lending Environmental CSR	 16% reduction in electricity consumption at head office Operating profit reached 1,249 mn 15.50% of total loan disbursed as sustainable finance Contributed to 11.41% of actual CSR expenditure in nvironmental and disaster management sector 	 Provides the opportunity to introduce innovative new solutions to update or replace traditional models Higher market share in the green financing area will help drive revenue and profit targets Enhances LBF PLC's reputation as an NBFI that prioritizes sustainable operations 	C CLEAN WATER C CLEAN WATER
Strategic Theme for 2024		I		
Competitive Positioning				
 Digital Leadership 				
Operational Excellence				
Paperless Operations				

LBF PLC's operations cause very little direct impact on the environment. Nonetheless, stemming from its ambition to be a truly sustainable corporate entity, it has always made a circumspective endeavor to accomplish even the slightest environmental impact arising through its business. Per se, it considers Environmental Management to be a material topic driving its strategic accomplishments.

Mindful consumption of energy and resources

Leading its journey towards becoming a truly sustainable NBFI is a wide-ranging Environmental and Social Management System (ESMS), which is supported by a solid operation structure that outlines strong lines of responsibility accompanied byspecific goals to achieve its environmental performance and drive endless development. One of the Environmental-Social- Governance (ESG) goals as the Company embarked on its journey towards sustainability reporting in 2021 was to ensure thereduction of natural and renewable energy usage, and it rightfully did so at many parameters.

The Company started to get back to normalcy, keeping pace with that of the country and its regular business post pandemic, and thus, the paper consumption saw a marginal increase from that of the base year, depicting that the Company was mindful of its set goals and maintained a check and balance all over the branches of the Company.

Responsible Lending

As one of the promising NBFI of Bangladesh LBF PLC's fundamental approach to preserve Natural Capital is premised on responsibly managing the environmental and social risks associated with its own operations as well as the client businesses, in order to minimize the negative impacts on the environment and its stakeholders.

Total Green Finance	Total Sustainable Finance	Total Term Loan Disbursement (excl. staff loan)	Achievement Green Finance	Achievement Sustainable Finance
BDT 630 mn	BDT 4,264 mn	BDT 7,129 mn	2.39%	15.50%

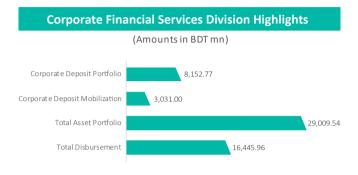
Way Forward

- Promote Green Financing to minimize and mitigate our environmental impact
- Responsible consumption of resources to reduce GHG emissions and resource wastages
- Support tree plantation programs as part of our CSR activities

CORPORATE FINANCIAL SERVICES

Overall performance

LankaBangla Finance's Corporate Financial Services Division thrived in 2023, achieving BDT 16.45 billion in disbursements and growing its asset portfolio to BDT 29.01 billion. While deposit mobilization saw a strategic decrease, focusing on quality, the division maintained strong relationships with its 345 corporate clients.



Large Corporate (LC)

Large Corporate unit provides a diverse array of solutions for the corporate houses to expand their business and realize their vision. Large Corporate also actively takes part in refinancing schemes provided by Bangladesh Bank and other foreign funds like Fund from ADB, JICA, Sustainable Finance, Lead Certified Building, ETP Plantation, etc. Major products & services under Large Corporate Unit are Term Finance, Short Term Finance, Revolving Finance, Lease Finance, Loan against Deposit, Work Order Finance, Club Finance, Bridge Finance etc.

- In 2023, Large Corporate disbursed BDT 1,863.12 Million. Around 77 nos. of customers were served
- At the year-end 2023, portfolio stood at BDT 16,077.94 Million
- Percentage of Non-Performing loan was 3.42%
- Total collection over the year of 2023 was BDT 3,737.86 Million

Emerging Corporate (EC)

Emerging Corporate unit offers comprehensive suite of products & services to cater the growing needs of emerging corporate customers from various business segments. Emerging Corporate of LBF PLC started its operation on a full-fledged basis from 2019 and since then, it has been evolved as one of the most preferred financial partners of the emerging corporate customers. Major products & services under Emerging Corporate Unit are Term Finance, Short Term Finance, Revolving Finance, Lease Finance, Loan against Deposit, Work Order Finance etc.

- In 2023, Emerging Corporate Disbursed BDT 2,670.37 Million. Around 40 nos. of customers were served
- At the year-end 2023, portfolio stood at BDT 7,504.58 Million. Budget Achievement was 112.56%
- Percentage of Non-Performing loan was 1.36%
- During the year EC achieved total Fee based Income of BDT 2.59 Million
- Total collection over the year of 2023 was BDT 2,969.55 Million

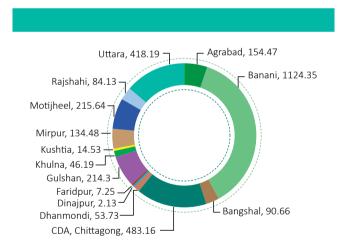
Project, Structured and Sustainable Finance (PSSF)

Project, Structured and Sustainable Finance unit is one of the key focus unit of LBF PLC. Major product & services under Project, Structured and Sustainable Finance unit are: Syndicated Project Finance (Term Loan), Alternative Modes of Capital Raising (i.e. Bonds, Preference Shares etc.), Offshore/DFI/low cost structured solutions, Green/Sustainable Finance, Corporate Advisory Services etc.

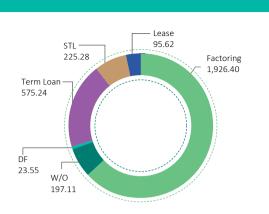
- At the year-end of 2023, Project, Structured and Sustainable Finance Unit has a portfolio of BDT 2,383.41 Million. Most of which are IPFF refinance
- Throughout the year 2023, Project, Structured and Sustainable Finance Unit has disbursed BDT 1,214.5 million against Bangladesh Bank refinance facility
- In the year 2023, PSSF also sanctioned BDT 750.00 Million under refinance scheme, which is supposed to be disbursed in 2024

Supply Chain Finance (SCF)

Supply Chain Finance (SCF) is one of the prospective and enigmatic units under Corporate Financial Services Division of LankaBangla Finance PLC (LBF). All are aware that it is very challenging to keep the steadiness and upward trend in the portfolio of SCF considering the product nature. Our focus is to ensuring the quality portfolio and lowering NPL ratio in 2023.



In 2023, Supply Chain Finance disbursed BDT 10,636.92 Million against the core products-Factoring, Work Order Finance, Distributor Finance and Reverse Factoring and also against the additional products- Short Term Finance, Term Loan, Lease Finance, Short Term Revolving Loan, etc. Around 160 nos. of customers were served among which 3% is women entrepreneurs. At the year-end of 2023, loan portfolio stood at BDT 3,043.20 Million covering 14 nos of branches throughout the country. However, the portfolio is lower than the previous year but we have lowered our percentage of Non-Performing loan (NPL) ratio positively at 5.24% that is initially 11.15%.



Our SCF portfolio is a combination of a remarkable portion of Agreement based Financing of Factoring facility with Pran Group. In 2024, our special attention for maintaining healthy portfolio will be for the Agreement based Factoring and Distributor Financing; MOU based Reverse Factoring with various potential customers.

Corporate Liability

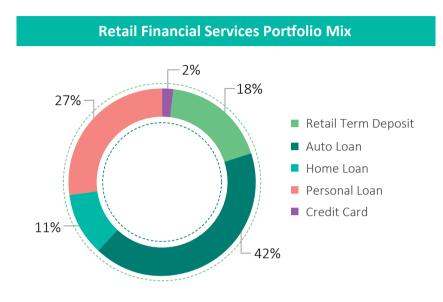
Corporate Liability portfolio has been focused on providing deposit services to corporate clients. During the year 2023, the portfolio witnessed a decrease of deposit mobilization by 32.20% than that of 2022, which can be attributed to minimizing of concentration risk, diversifying of deposit portfolio, and dealing with an unstable money market scenario. However, through effective branding LBF PLC has been able to build strong relationships with its corporate customers, resulting in customers considering LBF PLC as their collaborative partner.

- In 2023, Corporate Liability collected deposit fund amounted to BDT 3,031 Million
- Around 345 nos. of customers were served
- At the year-end 2023, the deposit portfolio stood at BDT 8,152.77 Million

RETAIL FINANCIAL SERVICES

Overall performance

In 2023, LankaBangla Finance strategically focused on solidifying its position in the retail financial services sector. While navigating diverse market dynamics, we achieved **robust performance**, disbursing **BDT 16,238 million** across core products like auto loans, home loans, personal loans, and credit cards. Notably, retail deposit mobilization witnessed an encouraging **10.92% increase**, reaching **BDT 9,675 million**.



Particulars	Auto Loan	Home Loan	Personal Loan	Credit Card		
Total Disbursement in 2023 (in Mn)	207.97	105.56	674.41	15,249.57		
Portfolio as on 31/12/2023 (in Mn)	3,421.09	7,756.74	2,011.35	5,034.78		
Retail Deposit Mobilization in 2023 (in Mn)	9,674.49					
Retail Deposit Portfolio as on31/12/2023 (in Mn)	24,891.73					
NPL Status as on 31/12/2023	18,224					

Home Loan:

We strategically rebalanced our home loan portfolio in 2023. While experiencing a managed decrease of 12.35%, the portfolio remains healthy at BDT 7,757 million. This reflects our agility in adapting to market shifts and prioritizing portfolio quality.

Auto Loan:

We witnessed a strategic shift in the auto loan segment, with disbursements contracting by 87% compared to 2022. The portfolio size also adjusted accordingly, reaching BDT 3,421 million. This reflects our proactive adaptation to evolving market trends and risk management strategies.

Personal Loan:

The personal loan portfolio experienced a measured contraction of 26% in 2023, reaching BDT 2,550 million. This primarily resulted from significant loan takeovers by banks and proactive client settlements. We remain confident in the long-term potential of this segment.

Credit Card:

In 2023, we issued 17,152 new credit cards, showcasing sustained growth in our cardholder base. The credit card portfolio grew by 5.19%, reaching BDT 5,035 million. Notably, active cardholder count witnessed a positive increase, and average monthly card usage rose to BDT 1,271 million, highlighting increasing user engagement.

Retail Liability:

Our total retail liability portfolio experienced a healthy growth of 1.55%, reaching BDT 24,892 million. This reaffirms our commitment to building a strong deposit base and fostering financial inclusion.

Product wise Disbursement Status 15,249.57 674.41 207.97 105.56

Auto Loan Home Loan Personal Loan Credit Card

Geographical segmentation of portfolio

Portfolio	Auto Loan	Home Loan	Personal Loan	Credit Card	Retail Liability
Dhaka Zone	70.88%	81.62%	80.85%	81.06%	76.50%
Chattogram Zone	11.76%	12.13%	8.79%	10.53%	13.46%
South Zone	15.62%	1.20%	4.83%	2.70%	3.93%
North Zone	1.00%	2.27%	3.24%	1.85%	3.39%
East Zone	0.75%	2.78%	2.28%	3.86%	2.72%

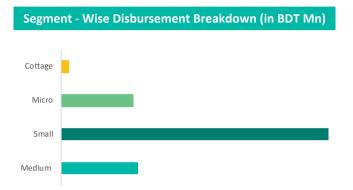
Geographical segmentation of disbursement/mobilization

Disbursement / Mobilization	Auto Loan	Home Loan	Personal Loan	Credit Card	Retail Liability
Dhaka Zone	86.70%	84.05%	74.84%	56.77%	74.98%
Chattogram Zone	8.85%	1.65%	6.33%	10.99%	15.70%
South Zone	0.89%	1.42%	11.34%	2.88%	3.91%
North Zone	2.60%	5.31%	4.39%	1.43%	2.88%
East Zone	0.96%	7.58%	3.10%	27.94%	2.53%

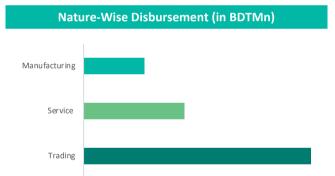
CMSME FINANCIAL SERVICES

Overall performance

CMSME is a significant economic driver, accounting for 25% of the country's GDP. As a result, the company has 27 branches and 50 mobile loan officers, covering 47 districts around the country. CMSME Financial Services by LankaBangla Finance PLC promotes inclusive growth and financial inclusion.



The 'Small business' segment accounts for 63.17% of the disbursement among the four segments under the CMSME Financial Services division, followed by the 'Medium business' segment, which contributes for 18.17%.



Amongst the disbursement volume by the CMSME Financial Services Division, Trading businesses account for 58.50% with BDT 12,071 million, Service oriented businesses account for 25.84% with BDT 5,332 million and Manufacturing businesses account for 15.66% with BDT 3,230 million respectively.

Portfolio Status

LankaBangla Finance has a long-term portfolio in the industry. The organization has a total portfolio of BDT 61,719 million in its own basket, of which BDT 24,039 million, or 38.95%, is in the CMSME Financial Services Division. Furthermore, the CMSME Financial Services Division follows a shared growth finance approach. The underlying ideology is basic, but it has far-reaching consequences. The client will take the loan, expand his business, completely repay the lender, and maximize his income. There are numerous success stories and examples of mutual growth in the industry with LankaBangla Finance PLC.

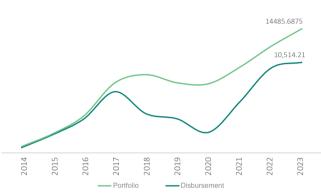
Deposit mobilization status

CMSME Financial Services has its own liability mobilization team. Besides, relationship officers of the asset team also work on amassing a liability portfolio. In 2023, the liability wing of the Division collected BDT 2,758 million in liability from the market. The team work in dual roles, collecting deposits and sourcing CMSME loans from the market.

Deposit portfolio status

As a young team in the division, the CMSME Liability team has a portfolio of BDT 5,130 million. This team overcame the systematic and unsystematic risks of the portfolio and maintained a persistent portfolio in 2023. There is a separate product specially customized for female clients under SHIKHA platform. Under this product BDT 811.51 million portfolio has been collected from 1,983 clients.

CMSME Disbursement and Portfolio over time (In Million)

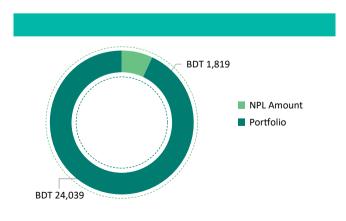


DPS Exposure

The CMSME Liability team of the CMSME Financial Services Division also collects DPS from clients. This team currently has a portfolio of BDT 194.28 million. With a significant portion being collected from female clients under SHIKHA DPS.

NPL status

CMSME Financial Services has a non-performing loan rate of 7.57% on its overall portfolio, totaling BDT 1,819 million in the portfolio. Maximum accounts have become NPL due to the pandemic and post pandemic effect. As businesses are recovering from the systematic effects, an optimistic view can be drawn upon the fate of these non-performing loans.



TREASURY DIVISION

The Treasury division adeptly navigated a challenging year, ensuring liquidity, servicing debt obligations on time, and making strategic investments

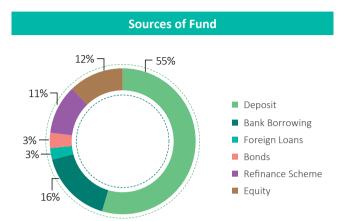
The Treasury division adeptly navigated a challenging year, ensuring liquidity, servicing debt obligations on time, and making strategic investments In 2023, global challenges persisted, with ongoing conflicts in the Middle East and Ukraine, rising geopolitical tensions, and widespread economic uncertainty marked by inflation, volatile markets, and surging energy and food prices. Bangladesh's economy faced its own hurdles, with inflation above 9%, declining forex reserves, rising interest rates, a muted stock market, and liquidity pressures in the financial sector, creating a difficult landscape for treasury management.

Despite the unsettling backdrop, the Treasury division maintained an optimum liquidity buffer throughout the year, ensuring adequate liquidity coverage for both regular and unforeseen cash outflows. They played a pivotal role in keeping the company resilient through prudent projection, keeping borrowing lines open, and proper implementation of liquidity management plans.



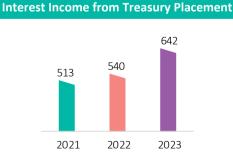
The division ensured timely repayment of all its debt obligations both in local and foreign currencies—and met all withdrawal requests from depositors. Additionally, Treasury played a key role in controlling the company's overall cost of funds, although market liquidity constraints and rising interest rates, following the withdrawal of the interest rate cap, led to some increase in costs.





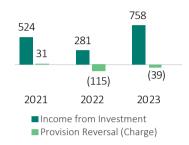
In 2023, the Treasury Division successfully completed the full subscription of the 3rd Zero-Coupon Bond of BDT 3,000 million, securing an incremental subscription of BDT 1,548 million. They also obtained regulatory approvals from the Bangladesh Bank and the Bangladesh Securities & Exchange Commission for issuing the 4th Zero-Coupon Bond of BDT 2,000 million. Furthermore, the division secured term loans totalling 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.

Throughout the year, the Treasury division focused on identifying, assessing, and mitigating balance sheet risks to ensure long-term sustainability and growth. Through the Asset-Liability Management Committee (ALCO), the division implemented effective liquidity risk management strategies and periodically reviewed interest rates to maintain a competitive position in the market. By remaining supple and actively engaging in the money market, the division earned sizable revenue in the form of interest income in addition to ensuring liquidity from the short-term placements of fund in the money market.





Income from Investment & Provision Reversal (Charge)



By the end of 2023, the company's investment portfolio reached BDT 6,209 million, marking a 30.71% year-on-year growth, driven by increased investments in risk-free government securities that bolstered liquidity and generated substantial 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. With a strong equity portfolio, any positive market shift could reverse provisions and yield further gains.

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

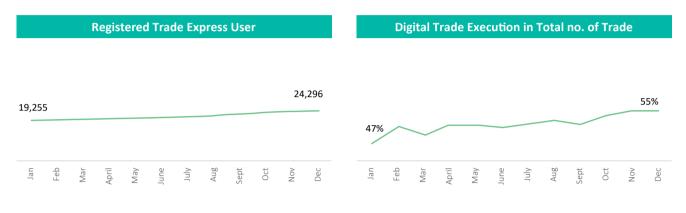
On the other hand, LBSL was more focused to reduce its operating cost and managed to reduce it 3.09% compare to the last year of 2022. Direct charges expense reduced significantly up to 34.66% because of the decrease of daily trade volume. Overall profitability of the company reduced to 68.14% but the 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
Total	734	489	512	445	773	647	1129	893	651	763	840	1,075	8,951

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

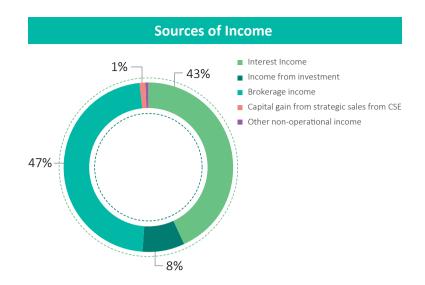




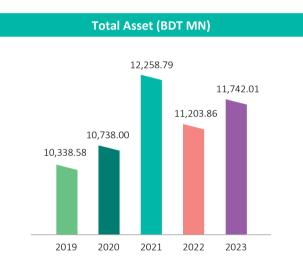
During the year 2023, LBSL was very active to increase its registered TradeXpress users and currently almost 40% of LBSL's exixting clients are using TradeExpress. Currently, 55% of LBSL's daily trade volume have been genreated through Digital platform and 38% of TradeXpress users actively contribute to genreate 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.



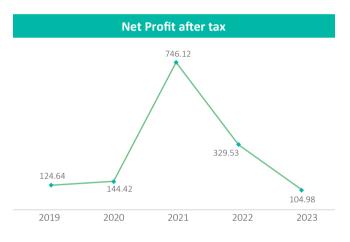
Total liability of the company was BDT 6,003.61 million at the end of the year 2023 which was BDT 5484.57 million at the end of the year 2022.

Revenue from brokerage (BDT MN)



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 LBF PLC 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.

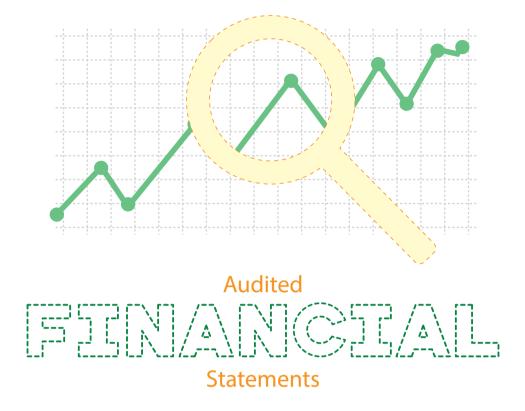
The capital market had a disappointing year in 2023, with the broad market index (DSEX) showing a marginal growth of only 0.6% in FY 2023. In FY 2022, the local currency, the Taka, devalued significantly by 22.2% against the US Dollar. This trend continued into FY 2023, with the Taka devaluing an additional 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 unleased 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.



Over the last few years, LankaBangla has exhibited newer dimensions in performance and redefined its financial position as an enterprise in the unpredictable financial market of Bangladesh. Our energetic effort and endless inspiration have led us to introduce an understandable, relevant, reliable, and comparable financial statements to our stakeholders.

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M. J. ABEDIN & CO এম. জে. আবেদীন এন্ড কোং Chartered Accountants

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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.

addressed in our audit
on to the key audit matters described,
aisal, loan disbursement procedures, ing process.
uding early warning and default warning
ication of Loans (CL).
of the general and specific provisions in sh Bank guidelines.
k circulars and other guidelines related to

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M. J. ABEDIN & C	00
Chartered Accounta	nts

Description of key audit matters	How the matters were addressed in our audit
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).	Our substantive procedures in relation to the provisions for leases, loans and advances portfolio comprised the following: Reviewed adequacy of the company's general and specific
We have focused on the following significant judgments and estimates which could intensify the probability of material misstatement or management bias: 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	provisions as per Quick Summary Report FIID(I-19/02)/2024-650 dated 28th July 2024. Assessed the methodologies on which the provision amounts were based, recalculated the provisions and tested the completeness and accuracy of the underlying information. Reviewed disbursement procedure related to SME stimulus
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;	packages as per Bangladesh Bank guidelines. Finally, the appropriateness and presentation of disclosures were assessed against relevant accounting standards and Bangladesh Bank guidelines.
Provision measurement primarily depends on key assumptions relating to the probability of default, the ability to repossess collateral, and recovery rates. The gross interest income & net interest of LankaBangla group has	
decreased by 3.14% & 36.05%, respectively, from last year. And Interest suspense has Decreased by 4.08% from last year. See note no 2.28.1, 12.3 & 12.4 to the financial statements	
-	Our audit procedures, in relation to key audit matters includes the
2. Carrying value of investments in subsidiaries by LankaBangla Finance PLC and impairment assessment of unquoted	Our audit procedures, in relation to key audit matters includes the following approach:
investments	Reviewed to confirm whether the management's analysis of fair
The LankaBangla Finance PLC (the "Company") has invested in equity shares of its subsidiaries LankaBangla Securities Limited,	value assessment and recoverable value calculation of subsidiaries were in accordance with IFRS 13 and IAS 36.
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).	Assessed to confirm whether adequate processes and controls were in place to ensure all major investment decisions were taken with proper due diligence.
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	Recalculated the investment on a sample basis and checked the results and disclosures against relevant accounting standards and Bangladesh Bank Guidelines.
indirect unobservable market data and hence require an elevated level of judgment.	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
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	and corroborating information was obtained with reference to external market information and third-party sources.
measured at fair value through other comprehensive income.	The impact has been disclosed in Note 15A of the notes to the financial statements.
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.	
See note no. 2.5, 2.17 & 9 to the financial statements.	
3. Investment and provision for diminution in value of the investment	Our audit procedures included updating our understanding of the business processes employed by the company for accounting for, and valuing, their investment portfolio.
Group investments comprise marketable ordinary shares of BDT 5,150.77 million, non-marketable ordinary shares of BDT 344.14 mil- lion, subordinate bonds of BDT 683.47 million, perpetual bonds of BDT 500 million and discretionary corporate fund of BDT 259.58 million.	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:
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.	Obtained sufficient & 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

Description of key audit matters	How the matters were addressed in our audit
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. 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. We focused on this area because of the significance of the investments in the financial statements and departure from the	supporting the identification, measurement and oversight of valuation risk of financial assets. 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 & Firms appropriate. 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 & BSEC/ surveillance/mukhopatro (5th type)/2019/196. We have checked the adequacy of provision of marketable securities from Quick
recognition and presentation criteria of IFRS 9, IFRS 7 & 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. See notes no. 2.17, 2.5, 6 & 12 to the financial statements.	Summary Report FIID(I-19/02)/2024-650 dated 28th July 2024.
4. Measurement of deferred tax assets	Our procedures, in relation to the key audit matters described,
LankaBangla Finance Ltd. has not recognized deferred tax assets regarding unabsorbed tax losses, unabsorbed capital allowance, and other timing differences. There is inherent uncertainty involved in forecasting future taxable profits, which determines the extent to which the deferred tax assets are recognized. LankaBangla Finance PLC reported net deferred tax assets totaling BDT 20.67 million as of 31st December 2023. Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over several years.	 included, among others: 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 PLC's future taxable income. Assessed the completeness and accuracy of the data used to estimate future taxable income. 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. Assessed the adequacy of the company's disclosures setting out the basis of deferred tax asset balances and the level of estimation
See notes no 2.39(b), 2.5(6) and 9.1.1.1 to the financial statements.	involved. Also assisted in evaluating the tax implications and the reasonableness of estimates and calculations determined by management.
	Finally, we assessed the appropriateness and presentation of disclosures against IAS 12- Income Tax.
5. Legal and regulatory matters 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	Our procedures, in relation to the key audit matters described, included, among others: 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.
uncertain, and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been es- tablished and other contingent liabilities.	Enquired to those charged with governance to obtain their views on the status of all significant litigation and regulatory matters. 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.
isting legal matters that have a probable and significant impact the group's financial position.	Assessed the methodologies on which the provision amounts were based, recalculated the provisions, and tested the com- pleteness and accuracy of the underlying information.
See note no 1 to the financial statements.	Also assessed the group's provisions and contingent liabilities
6. IT systems and controls	disclosure. Our procedures, in relation to the key audit matters described,
Our audit procedures focused on IT systems and controls due to	included, among others:



M. J. ABEDIN & CO Chartered Accountants

Description of key audit matters	How the matters were addressed in our audit
and the reliance on automated and IT-dependent manual controls. Our areas of audit focus included: IT Security management. IT risk management. Service delivery management. Infrastructure security management. Access control. Business Continuity and Disaster Recovery Management, etc.	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.
	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. 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.
	Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant changes were made to the IT land- scape during the audit period and tested those changes that significantly impacted financial reporting.
7. Preparation of consolidated financial statements	Our procedures, in relation to the key audit matters described, included, among others: 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. 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.
LankaBangla Finance PLC has a direct ownership interest in Lanka Bangla Securities Limited since 2010, LankaBangla Investments Limit- ed since 2010 and LankaBangla Asset Management Company Limited since 2007. LankaBangla Finance PLC also has an indirect owner- ship interest in LankaBangla Information Systems Limited since 2013, BizBangla Media Limited since 2015.	
Determination of significant control requires careful assessment of different elements.	
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.	Finally, we reviewed the appropriateness and presentation of disclosures relevant to respective accounting standards and guidelines.

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.

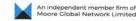
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained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

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M. J. ABEDIN & CO Chartered Accountants

- 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

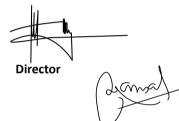
Consolidated Balance Sheet

As at 31 December 2023

As at 31 December 2023			
	Notes	Amount	
	Notes	31.12.2023	31.12.2022
PROPERTY AND ASSETS			
Cash		640,091,314	531,769,059
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
	_		
Balance with other banks and financial institutions	5	11,212,977,281	10,463,818,938
Inside Bangladesh		11,212,977,281	10,463,818,938
Outside Bangladesh		-	-
Money at call and short notice		-	-
luce a face and	c	40.047 540.460	0.056.404.005
Investment	6	10,917,540,468	8,856,104,805
Government securities		2,747,165,122	739,101,032
Other investments		8,170,375,346	8,117,003,772
	_		
Leases, loans and advances	7	65,353,462,614	65,085,799,903
Loans, cash credit and overdraft etc.		65,353,462,614	65,085,799,903
Bills discounted and purchased		-	-
- · · · · · · · · · · · · · · · · · · ·	0	4 405 000 056	
Fixed assets including land, building, furniture and fixtures	8	1,495,902,256	2,859,587,060
Other costs	0	E 22E 4CC CE2	2 007 022 024
Other assets	9	5,235,466,653	2,967,933,624
Non Panking accosts			
Non-Banking assets		-	-
TOTAL PROPERTY AND ASSETS		94,855,440,586	90,765,013,389
IOIAL PROPERTI AND ASSETS			30,703,013,383
LIABILITY AND SHAREHOLDERS' EQUITY			
Liabilities			
Borrowings from Bangladesh Bank, other banks and financial institutions	10	27,841,689,709	25,591,800,088
borrowings nom bungladesin bunk, other bunks and manelar institutions	10	27,041,005,705	23,331,000,000
Deposits and other accounts	11	42,222,060,865	42,907,413,489
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
	11.2	107,770,127	100,001,007
Other liabilities	12	13,840,131,072	11,269,741,234
TOTAL LIABILITIES		83,903,881,646	79,768,954,811
Shareholders' Equity		10,138,882,800	10,787,714,540
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
			, , , ·_
Non controlling interest	17	812,676,140	208,344,037
		, , , ,	, ,
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		94,855,440,586	90,765,013,389
Net asset value per share- (NAV)	36	18.82	20.02

Notes	Amount	
OFF-BALANCE SHEET ITEMS	31.12.2023	31.12.2022
CONTINGENT LIBILITIES		
Acceptances and endorsements Letter of guarantee	- 40,497,973	- 33,150,000
Irrevocable letters of credit		-
Bill for collection	-	-
Other contingent liabilities TOTAL CONTINGENT LIBILITIES	40,497,973	
	40,457,575	55,150,000
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	40,497,973	33,150,000

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



Company Secretary

Director

Chief Financial Officer

Acting Managing Director

M_M.

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

Consolidated Profit and Loss Account

For the year ended 31 December 2023

	Notes	Amount	t in Taka
	Notes	December 2023	December 2022
Operating Income			
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
Net interest income		1,396,522,126	2,183,725,640
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
Total operating income	22	4,237,858,002	4,310,685,944
		4,237,030,002	4,310,003,344
Operating Expenses			
Salary and allowances	23	1,260,010,713	1,360,531,402
Rent, taxes, insurance, electricity etc.	23	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
Total operating expenses		2,672,480,279	2,668,016,406
Net Operating Income		1,565,377,723	1,642,669,538
Provisions for loans, investments and other assets	33	813,251,643	696,095,883
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)
Profit before tax and reserve		752,126,080	946,573,655
Provision for tax	34	359,363,631	285,197,666
Current tax		357,443,402	282,664,913
Deferred tax		1,920,229	2,532,753
Net profit after tax		392,762,449	661,375,989
- P			
Attributed to			
Shareholders of the Company		377,512,436	649,812,556
Non-controlling interest	39.4	15,250,014	11,563,433
	55.1	392,762,449	661,375,989
		<u>JJL,/ UL,445</u>	001,373,505
Appropriations		53.911.302	104,478,175
Statutory reserve		33,989,506	35,697,813
General reserve		55,505,500	(3,348,036)
Capital Reserve		19,921,796	72,128,398
Retained surplus		323,601,134	
netailieu sulpius		525,001,134	545,334,381
Earning per share (EPS)	35	0.70	1.21
במווווה אבו אומוב (ברש)	33	0.70	1.21
The annexed notes form an integral part of these consolidated financial statements.			

Director

Company Secretary

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Director

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Chief Financial Officer

Acting Managing Director

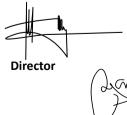
M. J. ABEDIN & CO Chartered Accountants DVC:2408130850AS339712

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	-		0	in Tales
		Note	Amount	
			December 2023	December 2022
A)	Cash flows from operating activities			
	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)
	Cash generated from operating activities before changes in operating assets		(301,347,000)	(001,100,000)
			1 122 000 155	1 642 552 006
	and liabilities		1,137,996,155	1,643,553,096
	Increase/(decrease) in operating assets & liabilities:			
			(707 500 000)	(2, 2, 2, 4, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2,
	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)
	Total increase/(decrease) in operating assets & liabilities		(484,749,335)	(8,428,435,775)
	Net cash flows from /(used in) operating activities		653,246,821	(6,784,882,678)
B)	Cash flows from investing activities			
-,	Investment in securities		(95,659,584)	(430,809,131)
	Treasury bills			(688,688,379)
			(1,888,134,963)	
	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)
	Net cash flows from /(used in) investing activities		(1,645,994,369)	(1,503,063,954)
C)	Cash flows from financing activities			
	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)
	Net cash flows from/(used in) financing activities		1,850,212,900	6,253,403,214
	Net tash nows nonry (used in) mancing activities		1,850,212,500	0,233,403,214
D)	Net increase/(decrease) in cash & cash equivalents		857,465,352	(2,034,543,418)
E)	Effect of exchange rates on cash and cash equivalents		15,245	18,847
-/ F)	Cash and cash equivalents at the beginning of the period		10,995,587,998	13,030,112,569
G)	Cash and cash equivalents at the end of the period		11,853,068,595	<u>10,995,587,998</u>
	* Closing cash and cash-equivalents			
	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		11,853,068,595	10,995,587,998
	Net Operating Cash Flows Per Share - (NOCFPS)	36	1.21	(12.59)
The	annexed notes form an integral part of these consolidated financial statements.			/

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



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Director

Acting Managing Director

Chief Financial Officer

Dhaka, 12 August 2024

Company Secretary

Consolidated Statement of Changes in Equity For the year ended 31 December 2023

2023
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									Amount in Taka
		Eq	Equity attributable to the shareholders of the Company	to the sharehold	lers of the Com	ipany		Non Controlling	
Particulars	Share Capital	Share Premium	Statutory Reserve	General Reserve	Capital Reserve	Retained Earnings	Total	Non Controlling Interest	Total Equity
Balance as at 01 January 2023	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
Prior year adjustment	•	•	•	(47,489,333)	•	•	(47,489,333)	(1,635,650)	(49,124,983)
Restated opening balance	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
Items Involved in Changes in Equity									
Changes in non-controlling interest	I	I	I	I	I	(440,016,220)	(440,016,220)	625,344,487	185,328,267
Net profit for the year	I	I	I	I	I	377,512,436	377,512,436	15,250,014	392,762,449
Appropriation to statutory reserve	I	I	33,989,506	I	I	(33,989,506)	I	I	I
Capital Reserve	I	ı	I	1	19,921,796	(19,921,796)	1	1	1
Increase/(decrease) in revaluation reserve	1		1	1	I	. 1		1	1
Dividend									
Cash dividend (10.00%) for 2022	I	I	1	1	I	(538,838,623)	(538,838,623)	(34,626,748)	(573,465,371)
Balance as at 31 December 2023	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
-									
Balance as at 01 January 2022	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
Items Involved in Changes in Equity									
Changes in non-controlling interest	I	I	I	I	I	(2,058,237)	(2,058,237.31)	1,558,237	(500,000)
Ţ-	I	I	I	1	I	649,812,556	649,812,555.83	11,563,433	661,375,989
Appropriation to statutory reserve	I	1	35,697,813	1	I	(35,697,813)	I	I	1
Appropriation to general reserve	I	1	I	(3,348,036)	I	3,348,036	1	1	1
Capital Reserve	I	I	I	1	72,128,398	(72,128,398)	I	I	I
Dividend					I				
Cash dividend (10.00%) for 2021	1	-	I	1	I	(538,838,623)	(538,838,623.00)		(538,838,623)
Balance as at 31 December 2022	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.	hese consolidate.	d financial statem	ients.						
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Director

Director

Acting Managing Director

Company Secretary (rownsyl



Chief Financial Officer

LankaBangla Finance PLC

Balance Sheet

As at 31 December 2023

As at 31 December 2023			
	Notes	Amount	
	Notes	31.12.2023	31.12.2022
PROPERTY AND ASSETS			
Cash	_	639,269,621	531,357,244
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
Balance with other banks and financial institutions	5	9,089,951,342	8,790,336,478
Inside Bangladesh	5	9,089,951,342	8,790,336,478
Outside Bangladesh		9,089,931,342	8,790,330,478
outside bangladesh			
Money at call and short notice		-	-
Investment	6	6,208,507,734	4,749,756,326
Government securities	0	2,623,793,666	739,101,032
Other investments		3,584,714,068	4,010,655,294
		3,301,711,000	1,010,000,201
Leases, loans and advances	7	61,719,186,662	61,331,185,920
Loans, cash credit and overdraft etc.		61,719,186,662	61,331,185,920
Bills discounted and purchased		-	-
Fixed assets including land, building, furniture and fixtures	8	543,252,258	1,890,677,292
Other assets	9	9,276,025,839	8,640,779,551
Non-Banking assets		-	-
TOTAL PROPERTY AND ASSETS		87,476,193,455	85,934,092,812
LIABILITY AND SHAREHOLDERS' EQUITY			
Liabilities			
Borrowings from Bangladesh Bank, other banks and financial institutions	10	25,833,962,950	23,543,109,021
Deposits and other accounts	11	42,441,762,741	43,656,711,247
Current deposits and other accounts	11	42,441,702,741	43,030,711,247
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
Other liabilities	12	9,700,630,888	7,565,746,599
TOTAL LIABILITIES		77,976,356,579	74,765,566,866
Shareholders' Equity		9,499,836,877	11,168,525,945
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
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TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		87,476,193,455	85,934,092,812
Net asset value per share-(NAV) (restated 2022)	35	17.63	20.73

	N - to -	Amount	in Taka
	Notes	31.12.2023	31.12.2022
OFF-BALANCE SHEET ITEMS			
CONTINGENT LIBILITIES			
Acceptances and endorsements Letter of guarantee		- 40,497,973	- 33,150,000
Irrevocable letters of credit Bill for collection		-	-
Other contingent liabilities		_	
TOTAL CONTINGENT LIBILITIES		40,497,973	33,150,000
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		40,497,973	33,150,000

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

Company Secretary



Dhaka

12 August 2024

Director

Chief Financial Officer

Acting Managing Director

MARLin

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

LankaBangla Finance PLC

Profit and Loss Account

For the year ended 31 December 2023

Tor the year ended of December 2020			to Taba
	Notes	Amount	
		December 2023	December 2022
Operating Income	10	C 405 445 0 40	
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
Net interest income		1,047,520,224	1,819,992,297
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
Total operating income		2,977,351,713	2,642,516,672
Operating Expenses			
Salary and allowances	23	863,522,445	917,645,562
Rent, taxes, insurance, electricity etc.	23	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	20	836,600	642,400
Auditors' fees	30	690,000	690,000
Repairs, maintenance and depreciation	30	264,475,921	236,630,000
Other expenses	31	409,212,580	370,420,845
	52		
Total operating expenses		1,728,519,647	1,684,031,907
Net Operating Income		1,248,832,066	958,484,765
Provisions for loans, investments and other assets	33	836,378,130	654,828,254
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	-
Profit before tax and reserve		412,453,936	303,656,511
Provision for tax	34	242,506,407	125,167,444
Current tax		242,506,407	125,167,444
Deferred tax		-	-
Net profit after tax		169,947,529	178,489,067
Appropriations		33,989,506	35,697,813
Statutory reserve		33,989,506	35,697,813
General reserve		55,565,500	55,057,015
Capital Reserve			
Retained surplus		135,958,023	142,791,254
Earning per share (EPS)	35	0.32	0.33

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

Company Secretary

Director

Director

Chief Financial Officer

Acting Managing Director

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

Dhaka 12 August 2024

LankaBangla Finance PLC

Statement of Cash Flows

For the year ended 31 December 2023

Note December 2023 December 2023 A) Cash flows from operating activities Interest paid Interest paid 6,499,195,905 6,697,066,654 Interest paid 132,535,394 328,555,151 Dividend received 386,087,935 418,422,317 Income from investment 509,938,982 92,129,405 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 135,826,793 121,978,270 Gash generated from operating activities before changes in operating assets and liabilities (604,403,742) (483,778,859) Increase/(decrease) in operating assets & liabilities: (1714,831,556) (2,724,292,644) Other assets (167,258,155) 17,083,946 Other assets (12,14,948,505) (4,524,553,923) Other liabilities 580,138,137 (117,626,381) Total Increase/(decrease) in operating assets & liabilities (12,14,948,505) (7,349,389,002)				Amount	in Taka
Interest received6,697,066,654Unidend received132,535,394Dividend received132,535,394Tees and commission received132,535,394Income from investment136,087,995Cash paid to employees (including directors)(25,942,892)Cash paid to suppliers(103,680,265)Income taxes paid(25,942,892)Income taxes paid(25,942,892)Income taxes paid(24,783,212,4020)Increase/(decrease) in operating activities(24,783,212,4020)Increase/(decrease) in operating activities(24,783,212,4020)Increase/(decrease) in operating assets & liabilities:(24,783,212,4020)Loans and advances to customers(12,14,948,070)Other assets(12,14,948,070)Other assets(12,14,948,070)Investment in securities(12,246,038)Investment in securities(12,246,038)Investment in securities(12,246,038)Investment in securities(12,246,038)Investment in securities(12,246,038)Investment in securities(12,246,038)Investment in securities(12,246,038) <th></th> <th>Ν</th> <th>lote</th> <th></th> <th></th>		Ν	lote		
Interest paid (4,687,645,247) Dividend received 132,535,34 322,555,151 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) (900,169,196) Cash paid to suppliers (245,783,212) (285,108,471) Received from other operating activities 135,326,793 121,978,270 Cash generated from operating activities 135,326,793 121,978,270 Cash generated from operating activities 1,142,410,203 1,188,769,760 assets and labilities 1,142,410,203 1,188,769,760 Deposits from customers (167,258,155) 17,083,946 Other assets (147,258,155) 12,724,292,644 Deposits from customers (147,258,153) (145,245,339,231) Other lassets (147,258,155) 17,083,946 Increase/(decrease) in operating activities 112,261,330 (152,460,638) Investment in socurities (147,297,809) (688,688,279) Parchase of fixed assets (152,460,638) (152,460,638) Investment in socurities <	A)	Cash flows from operating activities			
Dividend received132,335,394328,555,151Fees and commission received336,087,935(11,422,317Income from investment509,938,98292,129,405Cash paid to employees (including directors)(25,942,892)(103,680,265)Cash paid to suppliers(25,942,892)(103,680,265)Income tarves paid(25,942,892)(103,680,265)Paid for other operating activities(25,942,892)(245,783,217)Paid for other operating activities(25,942,892)(26,978)Sasets and labilities(26,793)(21,978,270)Cash generated from operating assets & liabilities:(26,774,859)(27,74,859)Cash ad advances to customers(12,14,948,756)(2,724,292,644)Other assets(12,14,948,756)(1,214,948,95760)(2,724,393,402)Deposits from customers(12,14,948,9576)(1,214,948,936,002)(1,245,453,33)Other inbilities(12,14,948,9376)(15,2460,638)Total Increase/(decrease) in operating assets & liabilities(37,489,876)(6,6160,619,242)BCash flows from investing activities(37,4489,876)(15,2460,638)Investment in subcalaries(12,77,930)(68,68,8379)Purchase of fixed assets(12,77,930)(68,68,8379)Purchase of foxed assets(12,70,297,800)(68,68,379)Purchase of foxed assets(12,353,54,663)(1,97,758)Investment in subcalaries(12,240,638)(12,240,638)Purchase of foxed assets(12,77,730)(68,68,879)Purchase of foxe		Interest received		6,499,195,905	6,697,066,654
Fees and commission received386,087,935418,422,317Income from investment509,938,98292,129,405Cash paid to suppliers(25,642,802)(103,682,65)Income taxes paid(245,783,212)(285,104,471)Received from other operating activities(245,783,212)(285,104,471)Received from operating activities(246,783,212)(285,104,471)Cash generated from operating activities(26,403,778,321)(285,104,471)Cash generated from operating activities(245,783,212)(285,104,471)Loans and advances to customers(167,258,155)(17,283,778,532)Other assets(167,258,155)(17,283,137)Deposits from customers(117,258,155)(17,249,328,902)Other labilities(117,258,155)(17,249,328,902)Net cash flows from /(used in) operating activities(311,261,380)(152,460,638)Investment in securities(117,262,381)(117,262,381)Investment in securities(117,262,381)(117,262,381)Investment in securities(12,24,00,638)(12,24,00,638)Investment in securities(12,24,00,638)(12,24,00,638)Investment in securities(142,03,11,883)(139,9705,272)Sale proceeds of fixed assets(142,03,11,883)(139,9705,272)Investment in subciolaries(142,03,12)(12,24,00,638)Net cash flows from financing activities(246,375,994)(2,24,63,375,994)Cash flows from financing activities(246,375,994)(2,216,237,169)D) Net increase/(decreas		Interest paid		(4,759,903,803)	(4,687,645,247)
Income from investment509,938,88292,129,405Cash paid to employees (including directors)(385,141,156)(909,169,196)Cash paid to suppliers(25,942,802)(103,680,265)Income taxes paid(245,738,212)(245,108,471)Received from other operating activities(245,738,212)(245,108,471)Paid for other operating activities(246,738,212)(245,108,471)Senserated from operating activities(246,738,212)(248,178,259)assets and liabilities(1714,831,556)(2,724,292,644)Other assets(167,258,155)17,008,3946Deposits from customers(12,124,448,205)(4,724,545,393,394)Other liabilities(152,690,079)(7,349,389,002)Net cash flows from /(used in) operating activities(311,261,380(152,460,638)Investment in securities(117,67,277,809)(68,868,379)Treasury bilis(152,460,638)(152,460,638)Treasury bilis(17,767,297,809)(68,868,379)Purchase of fixed assets(476,311,883)(152,460,638)Investment in subsidiaries(152,460,638)(19,972,256)Investment in discriptionary corporate fund(53,201,14)(50,907,259)Investment in discriptionary corporate fund(53,201,14)(504,93,253)Investment in discriptionary corporate fund(53,201,54)(59,078,239)Investment in discriptionary corporate fund(54,073,833)(2,18,233)Investment in discriptionary corporate fund(51,27,237,469)(54,856,800)Net cash flo		Dividend received		132,535,394	
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Receipt of term loan, overdraft and REPO2,346,375,9947,211,762,184Payment 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)Net cash flows from/(used in) financing activities1,743,997,1296,618,826,430D)Net increase/(decrease) in cash & cash equivalents407,511,995(777,147,675)E)Effect of exchange rates on cash and cash equivalents1,5,24518,847F)Cash and cash equivalents at the beginning of the year9,321,693,7229,321,693,722G)Cash and cash equivalents9,729,220,9629,321,693,722* Closing cash and cash-equivalents631,935701,455Balance with Bangladesh Bank and its agent bank (s)638,637,686530,655,790Balance with other banks and financial institutions9,089,951,3428,790,336,478Money at call and short notice9,729,220,9629,321,693,722	C)	Cash flows from financing activities			
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Payment of lease liabilities-Office premises Dividend paid(54,703,853) (52,168,233)Net cash flows from/(used in) financing activities1,743,997,129D)Net increase/(decrease) in cash & cash equivalents Effect of exchange rates on cash and cash equivalents F)407,511,995 (777,147,675)E)Effect of exchange rates on cash and cash equivalents F)9,321,693,722 9,321,693,722G)Cash and cash equivalents at the beginning of the year 9,729,220,9629,321,693,722 9,321,693,722* Closing cash and cash-equivalents Cash in hand (including foreign currencies) Balance with Bangladesh Bank and its agent bank (s) Balance with other banks and financial institutions Money at call and short notice631,935 9,089,951,3429,729,220,9629,321,693,7229,729,220,9629,321,693,722					, , ,
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Net cash flows from/(used in) financing activities1,743,997,1296,618,826,430D)Net increase/(decrease) in cash & cash equivalents407,511,995(777,147,675)E)Effect of exchange rates on cash and cash equivalents15,24518,847F)Cash and cash equivalents at the beginning of the year9,321,693,7229,321,693,722G)Cash and cash equivalents at the end of the year9,729,220,9629,321,693,722* Closing cash and cash-equivalents631,935701,455Cash in hand (including foreign currencies)638,637,686530,655,790Balance with Bangladesh Bank and its agent bank (s)9,089,951,3428,790,336,478Money at call and short notice9,729,220,9629,321,693,722					
E)Effect of exchange rates on cash and cash equivalents15,24518,847F)Cash and cash equivalents at the beginning of the year9,321,693,72210,098,822,551G)Cash and cash equivalents at the end of the year9,729,220,9629,321,693,722* Closing cash and cash-equivalents Cash in hand (including foreign currencies) Balance with Bangladesh Bank and its agent bank (s) Balance with other banks and financial institutions Money at call and short notice631,935701,4559,729,220,9629,321,693,7229,089,951,342709,336,4789,729,220,9629,729,220,9629,321,693,722					
E)Effect of exchange rates on cash and cash equivalents15,24518,847F)Cash and cash equivalents at the beginning of the year9,321,693,72210,098,822,551G)Cash and cash equivalents at the end of the year9,729,220,9629,321,693,722* Closing cash and cash-equivalents Cash in hand (including foreign currencies) Balance with Bangladesh Bank and its agent bank (s) Balance with other banks and financial institutions Money at call and short notice631,935701,4559,729,220,9629,321,693,7229,089,951,342709,336,4789,729,220,9629,729,220,9629,321,693,722	5)			407 544 005	
F)Cash and cash equivalents at the beginning of the year9,321,693,72210,098,822,551G)Cash and cash equivalents at the end of the year9,729,220,9629,321,693,722* Closing cash and cash-equivalents Cash in hand (including foreign currencies) Balance with Bangladesh Bank and its agent bank (s) Balance with other banks and financial institutions Money at call and short notice631,935701,4559,089,951,342 9,729,220,9629,321,693,7229,089,951,3429,089,951,3429,729,220,962 9,321,693,7229,321,693,7229,321,693,722					
G) Cash and cash equivalents at the end of the year9,729,220,9629,321,693,722* Closing cash and cash-equivalents Cash in hand (including foreign currencies) Balance with Bangladesh Bank and its agent bank (s) Balance with other banks and financial institutions Money at call and short notice631,935701,4559,089,951,342 9,089,951,342530,655,7909,089,951,3428,790,336,4789,729,220,962 9,729,220,9629,321,693,7229,321,693,722					
* Closing cash and cash-equivalents Cash in hand (including foreign currencies) Balance with Bangladesh Bank and its agent bank (s) Balance with other banks and financial institutions Money at call and short notice631,935 638,637,686 9,089,951,342701,455 530,655,790 8,790,336,478Money at call and short notice9,089,951,342 9,729,220,9629,321,693,722					
Cash in hand (including foreign currencies)631,935701,455Balance with Bangladesh Bank and its agent bank (s)638,637,686530,655,790Balance with other banks and financial institutions9,089,951,3428,790,336,478Money at call and short notice9,729,220,9629,321,693,722-	G)	Cash and cash equivalents at the end of the year		9,729,220,962	9,321,693,722
Cash in hand (including foreign currencies)631,935701,455Balance with Bangladesh Bank and its agent bank (s)638,637,686530,655,790Balance with other banks and financial institutions9,089,951,3428,790,336,478Money at call and short notice9,729,220,9629,321,693,722-		* Closing cash and cash-equivalents			
Balance with other banks and financial institutions9,089,951,3428,790,336,478Money at call and short notice9,729,220,9629,321,693,7229,729,220,9629,321,693,7229,321,693,722				631,935	701,455
Money at call and short notice				638,637,686	530,655,790
<u>9,729,220,962</u> <u>9,321,693,722</u>				9,089,951,342	8,790,336,478
		Money at call and short notice		-	
Net Operating Cash Flows Per Share - (NOCFPS)36(0.69)(11.43)				9,729,220,962	9,321,693,/22
	Net	Operating Cash Flows Per Share - (NOCFPS)	36	(0.69)	(11.43)

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



Company Secretary

Director

Acting Managing Director

Chief Financial Officer

Dhaka, 12 August 2024

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

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

Director

Director

Dhaka, 12 August 2024







Statement of Changes in Equity

LankaBangla Finance PLC

Consolidated Statement of Liquidity As at 31 December 2023	ty				
Particulars	Not more than 1 month term	1-3 months term	1-3 months term 3-12 months term 1-5 years term above 5-yea	1-5 years term	above 5-yea

Particulars	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	above 5-years term	Total
Assets						
Cash in hand (including balance with Bangladesh Bank)	252,102,489	I	387,988,825	1	I	640,091,314
Balance with banks and financial institutions	8,963,533,038	1,350,567,433	898,876,810	I	I	11,212,977,281
Money at call and short notice	I	I	I	I	I	I
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	I	I	5,235,466,653
Non-banking assets	I	I	I	1	I	I
Total Assets	14,472,167,597	17,786,030,870	37,127,441,298	20,364,348,162	5,105,452,659	94,855,440,586
Liabilities						
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
Total Liabilities	10,466,390,548	14,834,293,115	33,791,746,918	20,328,866,780	4,482,584,285	83,903,881,646
Net Liquidity Surplus or (Gap)	4,005,777,049	2,951,737,755	3,335,694,379	35,481,382	622,868,374	10,951,558,940

Amount in Taka

LankaBangla Finance PLC **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
Assets						
Cash in hand (including balance with Bangladesh Bank)	251,280,796	I	387,988,825	I	I	639,269,621
Balance with banks and financial institutions	6,908,625,456	1,309,687,315	871,638,571	I	I	9,089,951,342
Money at call and short notice	I	I	I	I	I	I
Investments	1,880,414,103	116,777,550	1,777,887,202	1,420,631,821	1,012,797,058	6,208,507,734
Leases, loans and advances	2,015,261,441	12,171,033,445	26,256,491,725	18,096,449,396	3,179,950,655	61,719,186,662
Fixed assets including land, building, furniture and fixtures	14,458,026	28,916,051	130,122,231	369,755,950	I	543,252,258
Other assets	235,814,670	150,811,705	3,137,491,464	I	5,751,908,000	9,276,025,839
Non-banking assets	I	ı	I	I	I	1
Total Assets	11,305,854,491	13,777,226,066	32,561,620,017	19,886,837,167	9,944,655,714	87,476,193,455
Liabilities						
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	25,833,962,950
Deposits and other accounts	3,541,017,658	9,085,731,753	21,452,571,464	6,462,996,640	1,899,445,226	42,441,762,741
Other liabilities	705,618,038	1,014,462,166	2,518,475,334	3,516,276,589	1,945,798,760	9,700,630,888
Total Liabilities	9,467,651,238	12,976,963,934	32,137,823,829	19,548,420,023	3,845,497,554	77,976,356,579
Net Liquidity Surplus or (Gap)	1,838,203,253	800,262,132	423,796,188	338,417,144	6,099,158,159	9,499,836,877

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 PLC 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.

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

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

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

SI.	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 Ioan, 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 (IFRS¹), 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 item2 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 departure3.

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".

³ 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:

SI.	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"	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. 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. 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.	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. 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. And As per circular of Bangladesh Securities and Exchange Commission	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. 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.
			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.	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	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.

SI.	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.	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.	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 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.	23, 2009 which will strictly be followed by all banks and NBFIS. The templates of financial	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.	7 dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against	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.

SI.	Nature of Departure	Title of IFRS	Treatment of IFRS	Treatment Adopted as per Bangladesh Bank/BSEC	Financial or Presentation Effect of the Departure
7	Departure 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.	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,	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.	Date-23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the	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.

SI.	Nature of	Title of IFRS	Treatment of IEBE	Treatment Adopted as per	Financial or Presentation
51.	Departure	TITLE OF IFRS	Treatment of IFRS	Bangladesh Bank/BSEC	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, 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.	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'.	Date-23 December 2009, complete set of financial statements does not contain 'Other comprehensive income' and thus any change	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):

- a. Consolidated and Separate Balance Sheet as at 31 December 2023;
- b. Consolidated and Separate Profit and Loss Account for the year ended 31 December 2023;
- c. Consolidated and Separate Statement of Cash Flows for the year ended 31 December 2023;
- d. Consolidated and Separate Statement of Changes in Equity for the year ended 31 December 2023;
- e. Consolidated and Separate Liquidity Statement for the year ended 31 December 2023;
- f. 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 remeasurements 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:

Fixed assets	Rate
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
General Provision on: Unclassified leases, loans, advances	
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%
Specific Provision On: Classified leases, loans, advances	
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%
General Provision on: Off-Balance Sheet Exposure	
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 more trans 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 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 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 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 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 charges 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 Ioan 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).

			Number o	f Credit Propositions		
Particulars (Approved Credit Proposition in Number) Dated: January 01, 2023 –December 31, 2023	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%
Total	214	89	125	70	19	79%

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 thirdparty interests.

2.51 BASEL II and its implementation

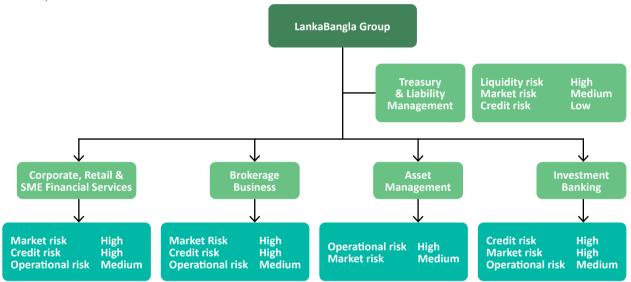
To cope with the best international practices and to make the capital more risk sensitive as well as more shock resilient, guidelines on 'Basel Accord for Financial Institutions (BAFI)' have been introduced from January 01, 2011 on test basis by the Bangladesh Bank. At the end of test run year, Basel 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
- 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.

		LankaBan	LankaBangla Group		Finance PLC
		31.12.2023 Taka			31.12.2022 Taka
3.	Cash in hand See accounting policy in note (2.16)				
	Local currency Foreign currency	1,453,628 - 1,453,628	1,113,270 	631,935 	701,455

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.

4. Balance with Bangladesh Bank and its agent banks

Foreign currency

bearing current account.

See accounting policy in note (2.16) Local currency 638,637,686 530,655,790

 638,637,686
 530,655,790
 638,637,686
 530,655,790

 Balance with Bangladesh Bank has been maintained as Cash Reserve Requirement (CRR) of Bangladesh Bank through non-interest
 638,637,686
 530,655,790

638,637,686

530,655,790

4.1 Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)

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

Cash reserve requirement (CRR) 1.5%

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
Surplus/(deficit) (2023: 0.47%, 2022: 0.20%)	183,961,346	79,811,641	183,961,346	79,811,641

Statutory Liquidity Requirements (SLR) 5.00%

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%) Actual reserve held (2023: 14.41%, 2022: 5.07%) Total surplus/(deficit) (2023: 9.41%, 2022: 0.07%)	2,129,638,824 6,138,415,896 4,008,777,072	2,160,100,733 2,189,789,573 29,688,840	2,129,638,824 6,138,415,896 4,008,777,072	2,160,100,733 2,189,789,573 29,688,840
Balance with other banks and financial institutions See accounting policy in note (2.16)				
Inside of Bangladesh <i>Local Currency</i> 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) Fixed deposit receipt account (Note - 5.3)	8,688,275,778 2,248,701,431 11,212,811,546	6,792,218,357 <u>3,608,411,116</u> 10,463,668,449	6,633,368,196 2,180,583,074 9,089,785,607	5,185,314,621 3,541,832,392 8,790,185,988
Foreign Currency Dhaka Bank LtdUSD A/C (Exchange Rate Tk. 109.50)	119,399	110,130	119,399	110,130
Dhaka Bank LtdPOUND A/C (Exchange Rate Tk. 139.97) Dhaka Bank LtdEURO A/C (Exchange Rate Tk. 139.97) Dhaka Bank LtdEURO A/C (Exchange Rate Tk.121.48)	37,203 9,133	32,294 8,065	37,203 9,133	32,294 8,065
	<u>165,735</u> <u>11,212,977,281</u>	<u>150,489</u> <u>10,463,818,938</u>	<u>165,735</u> 9,089,951,342	<u>150,489</u>
Outside of Bangladesh	-		-	-
	1,212,977,281	10,463,818,938	9,089,951,342	8,790,336,478

5.

		LankaBangla Group		LankaBangla Finance PLC	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		Taka	Taka	Taka	Taka
5.1	Non interest bearing current account				
	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 Dhaka Bank Limited	17,281,839 122,645	270,202 78,965	17,281,839 122,645	270,202 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 ONE Bank Limited	255 880,597	255 1,511,436	255 880,597	255 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 Mobile Financial Services	30,216 61,548,094	506	30,216 61,548,094	506
	MODIle Filialicial Selvices	275,834,337	63,038,975	275,834,337	63,038,975
		273,034,337	03,030,573	273,034,337	03,030,575
5.2	Interest bearing short term deposit account				
	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 Brac Bank Limited	1 126,902,219	2,999 22,259,127	1 417,498	2,999
	Bangladesh Development Bank Limited	171,481	160,391	417,498	-
	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 Meghna Bank Limited	57,199 250,197,243	0.0 3,620	0.0 250,197,243	0.0 3,620
	Megania 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 Shahajalal Islami Bank Limited	4,067,150	2,147,673	4,067,150 632,434	2,147,673 52,588,989
	Social Islami Bank Limited	632,434 1,892,699	52,588,989 2,279,709	- 052,454	52,566,969
	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 Trust Bank Limited	9,790,099 1,031,270,811	132,784,190	9,790,099 1,031,270,811	132,784,190
	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
		8,688,275,778	6,792,218,357	6,633,368,196	5,185,314,621
	Pland days attracted at				
5.3	Fixed deposit receipt account	200,000,000	700 000 000		700 000 000
	Agrani Bank Limited Dhaka Bank Limited	360,000,000 200,000,000	700,000,000 400,000,000	360,000,000 200,000,000	700,000,000 400,000,000
	Mercantile Bank PLC	200,000,000	312,050,000	200,000,000	312,050,000
	National Credit and Commerce Bank Limited	200,000,000	212,030,000	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 Union Capital Limited	500,000,000 290,000,000	400,000,000 290,000,000	500,000,000 290,000,000	400,000,000 290,000,000
	omon capital Linited	2,248,701,431	<u>3,608,411,116</u>	2,180,583,074	<u></u>

LankaBan	igla 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 institution: Upto 1 month Over 1 month but not more than 3 months Over 6 months but not more than 3 months Over 6 months but not more than 1 year 7,425,033,045 6,908,625,456 5,751,420,864,596 2,166,446,596 2,908,229,325 5,751,420,864,596 2,908,221,320 5,81,559,531 5,81,092,381 5,81,645,991 2,908,225,120 5,81,559,531 5,81,092,381 5,87,033,647 5,87,033,647 5,87,033,647 5,87,033,647 2,908,221,930 5,81,645,991 0,928,221,920 5,81,559,531 6,908,625,456 6,908,625,456 6,908,625,456 6,908,625,456 6,908,625,456 7,929,036,478 6,908,625,456 7,929,0326,478 6,908,625,456 7,929,0326,478 6,908,625,456 7,929,0326,478 6,908,625,456 7,929,0326,478 6,908,625,456 7,929,0326,478 6,908,625,456 7,929,0326,478 6,908,625,456 7,929,0326,478 6,908,625,478 6,908,625,478 6,908,625,478 6,908,625,478 6,908,625,478 6,908,625,478 6,908,625,478 6,908,625,478 6,908,626,478 6,908,625,478 6,908,625,478 6,908,625,478 6,908,625,478 7,929,421,429,758 1,134,7292 1,134,87,292 1,134,8		,		8		6
Up to 1 month 8,963,533,038 7,425,033,045 6,908,825,465 5,751,420,895 Over 1 month but not more than 6 months 1,330,567,456,56 1,309,867,346 5,751,420,895 Over 1 month but not more than 5 years 290,779,766 290,779,766 290,782,503 290,779,766 290,822,995 Over 1 year but not more than 5 years 11,212,977,281 10,463,818,938 9,089,951,342 8,709,336,478 6 Investment See accounting policy in note (2.17) 2,747,165,122 739,101,032 2,623,793,666 739,101,032 7 Treasury Bils 1,865,205,498 443,865,860 1,833,773,938 243,865,860 1,334,773,938 243,865,860 1,334,773,938 243,865,860 1,343,7292 113,437,292 113,437,292 1,134,972,231,120,86 500,000,000 5,431,80,764 5,150,771,180 1,39,592,558 1,39,592,558 1,33,593,538 5,900,000,000 5,900,000,000 5,900,000,000 5,900,000,000 5,900,000,000 1,39,592,558 1,343,7292 1,343,7292 1,343,7292 1,343,7292 1,343,7292 1,256,000,000 1,343,97292 1,256,000,000 5,900,0	E /	Maturity grouping of balance with other banks and fi	nancial institution	-		
Over 1 month but not more than 3 months 1,35,057,433 2,166,446,596 1,206,446,596 290,546,1991 290,546,1991 Over 5 months but not more than 1 year 299,625,026 581,599,531 381,092,381 581,645,991 Over 5 years 11,212,977,281 10,463,816,938 9,089,951,342 8,709,336,478 6 Investment See accounting policy in note (2.17) 739,101,032 2,623,793,666 739,101,032 2,623,793,666 739,101,032 2,623,793,666 739,101,032 2,623,793,666 739,101,032 2,623,793,666 739,101,032 </th <th>5.4</th> <th></th> <th></th> <th></th> <th></th> <th></th>	5.4					
Over 3 months but not more than 1 year 299 (25) (33 290 (75) (75) (75) (75) (75) (75) (75) (75)						
Over 6 months but not more than 1 year Over 5 years Seal, 552, 521, 206 Seal, 559, 531 Seal, 902, 381 Ssal, 645, 931 6 Investment See accounting policy in note (2.17) 739, 101, 032 2.423, 739, 686 739, 101, 032 2.423, 739, 686 739, 101, 032 2.423, 739, 686 739, 101, 032 2.423, 739, 686 739, 101, 032 2.423, 739, 686 739, 101, 032 2.423, 739, 686 738, 739, 739, 739, 739, 739, 739, 739, 739				, , ,		, , ,
Over 1 years but not more than 5 years .						
Over S years 11.212.977.281 10.463.818.938 9.089.951.3422 3.790.336.478 6 Investment See accounting policy in note (2.17) 2.747.165.122 739.101.032 2.623.793.666 739.101.032 7 reasury Bils Treasury Binds 2.747.165.122 739.101.032 2.623.793.666 739.101.032 Other investments Treasury Binds 2.747.165.122 739.101.032 2.623.793.666 739.101.032 Non marketable shares and mutual funds Investment in Perpteula bond Investment in Perpteula bond Investment in Subordinated bond Discretionary corporate fund-IBAMCOL Maximizer 8.170.377.546 8.117.003.772 3.584.714.068 4.010.655.294 10.317.540.468 8.835.104.805 5.208.507.734 4.749.756.326 11.345.7292 113.437.292 113.437.292 113.437.292 113.437.292 113.437.292 113.437.292 113.437.292 113.595.584.219 526.208.507.734 4.749.756.326 10.917.540.468 8.835.104.805 5.208.507.734 4.749.756.326 326.701.336 4.749.756.66 3.265.101.032 4.679.756.66 3.265.101.032 4.679.756.66 3.265.101.032 4.749.756.66 3.265.101.032 4.749.756.66 3.265.101.03			599,251,206	581,559,531	581,092,381	581,645,991
II.212.977.281 ID.463.818.938 9.089.951.942 8.790.336.478 6 Investment See accounting policy in note (2.17) 2.474.165.122 739.101.032 2.623.793.666 739.101.032 7 Treasury Bills Treasury Bills 2.474.165.122 739.101.032 2.623.793.666 739.101.032 0 Treasury Bills 2.43.865.860 1.836.773.938 2.43.865.860 4.95.235.172 7 Other investments 8.170.937.264 8.170.037.72 3.584.714.068 4.001.655.294 Non marketable shares and mutual funds (Note- 6.2) 3.44.141.791 2.24.891.792 113.437.292			-	-	-	-
6 Investment See accounting policy in note (2.17) Z47,165,122 739,101,032 Z423,793,666 739,101,032 Z423,857,806 739,101,032 Z423,857,806 739,101,032 Z43,857,806 739,101,032 Z43,857,806 739,101,032 Z43,857,806 Z43,857,806 Z43,857,806 Z43,857,806 Z43,855,806 Z43,855,800 Z53,000,000 Z55,000,000 Z55,000,000 Z55,000,000 Z55,000,000 Z55,000,000 Z55,000,000 Z55,000,000 Z53,000,000 Z53,000,000 Z53,000,000 Z53,000,000 Z53,000,000 Z53,000,000 Z53,200,000 <thz1,256,24,264< th=""> Z41,241,291</thz1,256,24,264<>		Over 5 years	-	-	-	-
See accounting policy in note (2.17) Covernment securities Treasury Bills Z,47,155,122 Z93,101,032 Z,623,793,666 Z93,101,032 Z43,865,860 Treasury Bills 1,865,205,449 243,865,860 1,836,773,938 243,865,860 1,836,773,938 243,865,860 Non marketable shares and mutual funds (Note-6.1) 344,141,791 224,881,792 311,343,7292 113,437,292			11,212,977,281	10,463,818,938	9,089,951,342	8,790,336,478
See accounting policy in note (2.17) Covernment securities Treasury Bills Z,47,155,122 Z93,101,032 Z,623,793,666 Z93,101,032 Z43,865,860 Treasury Bills 1,865,205,449 243,865,860 1,836,773,938 243,865,860 1,836,773,938 243,865,860 Non marketable shares and mutual funds (Note-6.1) 344,141,791 224,881,792 311,343,7292 113,437,292	<i>c</i>	Louis stars and				
Government securities Treasury Bills Treasury Bills Treasury Bills 2,747,165,122 739,101,032 2,623,793,666 739,101,032 243,865,860 1,836,773,393 243,865,860 1,836,773,393 243,865,860 1,836,773,393 243,865,860 1,836,773,393 243,865,860 1,836,773,393 243,865,860 1,836,773,393 243,865,860 1,3347,292 1,13,437,292 1,13,437,292 1,13,437,292 1,13,437,292 1,13,437,292 1,13,437,292 1,13,437,292 1,13,437,292 1,13,437,292 1,13,437,292 1,13,437,292 1,13,437,292 1,13,437,292 1,13,69,33,393 500,000,000 1,13,437,292 1,13,437,292 1,13,437,292 1,13,437,292 1,13,437,292 1,13,437,292 1,13,437,292 1,13,437,292 1,13,437,292 1,13,437,292 1,13,437,292 1,13,437,292 1,13,437,292 1,13,437,292 1,13,437,292 1,3,437,292 1,3,437,292 1,3,437,292 1,3,437,292 1,3,437,292 1,3,437,292 1,3,437,292 1,3,437,292 1,3,437,292 1,3,437,292 1,3,437,292 1,3,437,292 1,3,437,292 1,3,437,292 1,3,437,292 1,3,437,292 1,3,437,292 1,3,437,	6					
Treasury Bills Treasury Bonds 1,865,205,498 243,865,860 1,836,773,938 243,865,860 Other investments Non marketable shares and mutual funds (Note- 6.1) Marketable bares and mutual funds (Note- 6.2) Investment in Subordinated bond Discretionary corporate fund-IBAMCOL Maximizer 8,170,375,346 8,117,003,772 3,584,714,068 4,010,655,294 113,437,292 113,437,292 113,437,292 113,437,292 113,437,292 1,265,000,000 1,265,600,000 1,265,600,000 1,30,692,553,938 Investment in Subordinated bond Discretionary corporate fund-IBAMCOL Maximizer 10,917,540,468 8,856,104,805 6,208,507,734 4,749,756,326 Investment is Designated as follows: Held for Trading Held for Trading 5,426,603,756 4,173,819,194 1,115,419,958 1,023,516,646 10,917,540,468 8,856,104,805 6,208,507,734 4,749,756,326 0,017,540,468 8,856,104,805 6,208,507,734 4,749,756,326 113,437,192 113,437,292 113,437,292 1,023,516,646 0,017,540,468 8,856,104,805 6,208,507,734 4,749,756,326 113,437,191 224,891,992 113,437,292 113,437,292 113,437,292 10,175,104,105 8,356,104,805 6,208,507,734		See accounting policy in note (2.17)				
Treasury Bills Treasury Bonds 1,865,205,498 243,865,860 1,836,773,938 243,865,860 Other investments Non marketable shares and mutual funds (Note- 6.1) Marketable bares and mutual funds (Note- 6.2) Investment in Subordinated bond Discretionary corporate fund-IBAMCOL Maximizer 8,170,0375,346 8,117,003,772 3,584,714,068 4,010,655,294 Investment in Subordinated bond Discretionary corporate fund-IBAMCOL Maximizer 3,44,141,791 224,891,792 113,437,292 1,136,552,554,353 Investment is Designated as follows: Held for Trading Held for Trading Available for Sale Others 5,426,603,756 4,173,819,194 1,115,419,958 1,023,516,646 10.917,540,468 8.856,104,805 6.208,507,734 4,749,756,326 10.917,540,468 8.856,104,805 6,208,507,734 4,749,756,326 10.917,540,468 8.856,104,805 6,208,507,734 4,749,756,326 10.917,540,468 8.856,104,805 6,208,507,734 4,749,756,326 113,437,192 1,13,437,292 1,13,437,292 1,033,516,646 10,917,540,468 8.856,104,805 6,208,507,734 4,749,756,326 111,11,11,11,11,11,11,11,11,11,11,11,11		Concernant or consisting	2 747 465 422	700 404 000	2 622 702 666	700 101 000
Treasury Bonds 881,959,624 495,235,172 787,019,728 495,235,172 Other investments Non marketable shares and mutual funds Investment in Perpetual bond Discretionary corporate fund-LBAMCOL Maximizer 8,170,375,346 8,117,003,772 3,584,714,068 4,010,655,294 Investment in Perpetual bond Discretionary corporate fund-LBAMCOL Maximizer 12,56,000,000 113,437,292 113,437,292 113,437,292 113,437,292 113,437,292 113,437,292 113,437,292 113,437,292 113,437,292 113,457,393 500,000,000 500,000,000 500,000,000 680,000,000 6,08,561,013,56 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>						
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Non marketable shares and mutual funds Marketable shares and mutual funds Marketable shares and mutual funds Investment in Derpetual bond Investment in Derpetual bond Discretionary corporate fund-LBAMCOL Maximizer 1344,141,791 932,000,000 5,451,180,771,180 5,00,000,000 5,500,000,000 83,000,000 259,584,219 113,437,292 113,437,292 932,000,000 5,500,000,000 1,139,692,581 1,162,593,838 5,00,000,000 259,584,219 113,437,292 1,265,000,000 5,500,000,000 800,000,000 250,000,000 250,000,000 250,000,000 259,584,219 113,437,292 1,265,000,000 1,530,000,000 250,000,000 250,000,000 259,584,219 113,437,292 1,365,053 500,000,000 250,000,000 250,000,000 250,000,000 250,000,000 250,000,000 259,584,219 113,437,292 4,749,756,326 Investment is Designated as follows: Held for Trading Held to Maturity Available for Sale Others 5,426,603,756 4,173,819,194 4,862,633,694 3,445,101,032 284,161,227 344,141,791 224,891,792 1,115,419,958 1,023,516,646 3,245,101,032 284,3161,227 2143,437,292 113,437,292 113,437,292 6.1 Non marketable shares Non marketable shares Asiatic Laboratories Limited Base Textles Limited Base Textles Limited Base Textles Limited Base Textles Limited Base Textles Limited Financial Excellence Limited LankaBangla 15t PE Fund LankaBangla 15t PE		Other investments	9 170 275 246	9 117 002 772	2 594 714 069	4 010 655 204
Non marketable preference shares Marketable shares and mutual funds (Note- 6.2) Investment in Subordinated bond Discretionary corporate fund-UBAMCOL Maximizer 932,000,000 5,451,180,764 5,500,000,000 683,468,572 1,226,5000,000 890,000,000 880,000,000 259,584,219 1,236,923,938 500,000,000 880,000,000 259,584,219 Investment in Subordinated bond Discretionary corporate fund-UBAMCOL Maximizer 10,917,540,468 8.856,104,805 6.208,507,734 4,749,756,326 Investment is Designated as follows: Held to Trading Held to Maturity Available for Sale Others 5,426,603,756 4,173,819,194 1,115,419,958 1,023,516,646 Non marketable shares Others 5,426,603,756 4,173,819,194 1,115,419,958 1,023,516,646 Non marketable shares and mutual funds Non marketable shares (Note- 6.1.2) 121,1773,949 123,023,950 21,569,450 21,569,450 Non marketable shares Asiatic Laboratories Limited Base Textiles Limited Bengal Meat Processing Industries Limited Chittagong Stock Exchange Limited* 4,750,000 4,750,000 22,569,450 21,569,450 Dhaka Stock Exchange Limited* 3,704,500 3,704,350 3,704,350 2,000,000 2,000,000 Burger Meat Processing Industries Limited* 3,704,500 4,750,000 4,750,000 2,569,450 1,569,450 Dh						
Marketable shares and mutual funds Investment in Perpetual bond Investment in Subordinated bond Discretionary corporate fund-LBAMCOL Maximizer 5,451,180,764 500,000,000 683,468,572 5,150,771,180 500,000,000 800,000,000 800,000,000 259,584,219 1,136,952,558 500,000,000 800,000,000 259,584,219 Investment is Dosignated as follows: Held for Trading Held to Maturity Available for Sale Others 1,0917,540,468 8,856,104,805 6,208,507,734 4,749,756,326 Investment is Designated as follows: Held for Trading Held to Maturity Available for Sale Others 5,426,603,756 4,173,819,194 1,115,419,958 1,023,516,646 10,917,540,468 8,856,104,805 6,208,507,734 4,749,756,326 Others 1,115,419,958 1,023,516,646 3,245,101,032 4,565,793,666 3,245,101,032 Available for Sale Others 10,917,540,468 8,856,104,805 6,208,507,734 4,749,756,326 6.1 Non marketable shares Asiatic Laboratories Limited Base Textles Limited 121,773,949 123,023,950 21,569,450 21,569,450 Bu Venture Limited Base Textles Limited 3,749,999 5,000,000 3,000,000 - - Bu Venture Limited Chittagong Stock Exchange Limited* 3,749,999 5,000,0000 - -		(, , , , , , , , , , , , , , , , , , ,				
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Investment is Designated as follows: Held for Trading Held to Trading Held to Maturity Available for Sale Others 10,917,540,468 8,856,104,805 6,208,507,734 4,749,756,326 1.1 Non marketable shares Non marketable shares 5,426,603,756 4,173,819,194 1,115,419,958 1,023,516,646 1.0 3,245,101,032 283,856,819 3,245,101,032 283,856,819 3,67,701,356 0.1 Non marketable shares and mutual funds Non marketable shares (Note- 6.1.1) 121,773,949 123,023,950 21,569,450 91,867,842 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td></t<>						
Investment is Designated as follows: 5,426,603,756 4,173,819,194 1,115,419,958 1,023,516,646 Held for Trading 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 10,917,540,468 8,856,104,805 6,208,507,734 4,749,756,326 6.1 Non marketable shares and mutual funds (Note- 6.1.1) 121,773,949 123,023,950 21,569,450 91,867,842 Non marketable shares (Note- 6.1.2) 222,367,842 101,867,842 91,867,842 91,867,842 Asiatic Laboratories Limited 4,750,000 - - - - BD Venture Limited 30,000,000 30,000,000 20,000,000 20,000,000 - Bengal Meat Processing Industries Limited 3,749,999 5,000,000 - - - Chritagong Stock Exchange Limited* 3,000,000 3,000,000 - - - Heid for Trading 2,000,000 3,000,000 - - - </td <td></td> <td>Discretionary corporate fund-LBAMCOL Maximizer</td> <td>259,584,219</td> <td>185,340,800</td> <td>259,584,219</td> <td>254,264,064</td>		Discretionary corporate fund-LBAMCOL Maximizer	259,584,219	185,340,800	259,584,219	254,264,064
Investment is Designated as follows: 5,426,603,756 4,173,819,194 1,115,419,958 1,023,516,646 Held for Trading 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 10,917,540,468 8,856,104,805 6,208,507,734 4,749,756,326 6.1 Non marketable shares and mutual funds (Note- 6.1.1) 121,773,949 123,023,950 21,569,450 91,867,842 Non marketable shares (Note- 6.1.2) 222,367,842 101,867,842 91,867,842 91,867,842 Asiatic Laboratories Limited 4,750,000 - - - - BD Venture Limited 30,000,000 30,000,000 20,000,000 20,000,000 - Bengal Meat Processing Industries Limited 3,749,999 5,000,000 - - - Chritagong Stock Exchange Limited* 3,000,000 3,000,000 - - - Heid for Trading 2,000,000 3,000,000 - - - </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>						
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Held for Trading Held tor Maturity Available for Sale Others 5,426,603,756 4,826,633,694 3,295,101,032 284,161,227 1,115,419,958 3,295,101,032 284,161,227 1,023,516,646 3,245,101,032 283,856,819 2113,437,292 6.1 Non marketable shares and mutual funds Non marketable shares (Note- 6.1.1) 121,773,949 123,023,950 223,826,812 21,569,450 91,867,842 21,569,450 91,867,842 6.1 Non marketable shares (Note- 6.1.1) 222,367,842 113,437,292 113,437,292 6.1.1 Non marketable shares (Note- 6.1.2) 222,367,842 123,023,950 21,569,450 91,867,842 91,867,842 91,867,842 91,867,842 91,867,842 113,437,292 113,437,292 113,437,292 6.1.1 Non marketable shares Asiatic Laboratories Limited 4,750,000 20,000,000 20,000,000 20,000,000 BD Venture Limited BD Venture Limited 30,000,000 30,000,000 20,000,000 20,000,000 Bengal Meat Processing Industries Limited 50,000,000 50,000,000 - - Chittagong Stock Exchange Limited* 3,749,999 5,000,000 - - Johaka Stock Exchange Limited* 3,749,999 5,000,000 - - Financial Excellence Limited*		have store at the Desite stand as following				
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Available for Sale Others 284,161,227 344,141,791 1,162,292,787 224,891,792 283,856,819 113,437,292 367,701,356 113,437,292 6.1 Non marketable shares and mutual funds Non marketable shares (Note- 6.1.1) 222,367,842 123,023,950 20,000,000 21,569,450 21,569,450 6.1. Non marketable shares (Note- 6.1.2) 121,773,949 123,023,950 21,569,450 21,569,450 9.1.867,842 91,869,850 - - -						
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10.917,540,468 8,856,104,805 6,208,507,734 4,749,756,326 6.1 Non marketable shares and mutual funds Non marketable mutual funds (Note- 6.1.1) 121,773,949 123,023,950 21,569,450 91,867,842 91,867,842 344,141,791 224,891,792 113,437,292 113,437,292 113,437,292 6.1.1 Non marketable shares Asiatic Laboratories Limited BD Venture Limited 4,750,000 4,750,000 20,000,000 20,000,000 Bargal Meat Processing Industries Limited 30,000,000 30,000,000 - - - Central Depositary (Bangladesh) Limited 1,569,450 1,569,450 1,569,450 1,569,450 1,569,450 - - Dhaka Stock Exchange Limited* 3,749,999 5,000,000 - - - - Dhaka Stock Exchange Limited* 3,704,500 8,704,500 - - - - G.1.2 Non marketable mutual funds 2,000,000 3,000,000 - - - - Limancial Excellence Limited 3,000,000 3,000,0000 - -						
6.1. Non marketable shares and mutual funds Non marketable mutual funds (Note- 6.1.1) 121,773,949 123,023,950 21,569,450 20,000,000 20,000,0		Others	· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·	
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Non marketable shares Non marketable mutual funds (Note- 6.1.2) (Note- 6.1.2) 121,773,949 222,367,842 123,023,950 101,867,842 21,569,450 91,867,842 21,569,450 91,867,842 6.1.1 Non marketable shares Asiatic Laboratories Limited BD Venture Limited Base Textiles Limited Central Depositary (Bangladesh) Limited Chittagong Stock Exchange Limited* 4,750,000 20,000,000 4,750,000 20,000,000 - - 6.1.2 Non marketable shares 4,750,000 Base Textiles Limited 4,750,000 20,000,000 20,000,000 30,000,000 20,000,000 20,000,000 20,000,000 20,000,000 20,000,000 20,000,000 20,000,000 20,000,000 20,000,000 20,000,000 20,000,000 20,000,000 20,000,000 20,000,000 21,569,450 1,569,450 1,569,450 1,569,450 1,569,450 21,569,450 21,569,450 21,569,450 21,569,450<	6 1	Non marketable charge and mutual funde				
Non marketable mutual funds (Note- 6.1.2) 222,367,842 101,867,842 93,867,842 <td>0.1</td> <td></td> <td>121 772 040</td> <td></td> <td></td> <td></td>	0.1		121 772 040			
344,141,791 224,891,792 113,437,292 113,437,292 6.1.1 Non marketable shares Asiatic Laboratories Limited BD Venture Limited 4,750,000 4,750,000 20,000,000 21,569,450 1,569,450 1,569,450 1,569,450 1,21,273,949 123,023,950 21,569,450 21,569,450		()				
6.1.1 Non marketable shares 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 Depositary (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* 3,000,000 3,000,000 - - Financial Excellence Limited 3,000,000 3,000,000 - - 6.1.2 Non marketable mutual funds 2,000,000 2,000,000 - - CAPM Unit Fund 2,000,000 2,000,000 2,000,000 - - LBAMC Al-Arafah Shariah Unit Fund 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 39,80,0		Non marketable mutual runus (Note- 6.1.2)		· · · · · · · · · · · · · · · · · · ·		
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 Depositary (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 - - - 6.1.2 Non marketable mutual funds 2,000,000 2,000,000 - - - CAPM Unit Fund 2,000,000 2,000,000 2,000,000 - - - LBAMC Al-Arafah Shariah Unit Fund 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 LB Multi Asset Income ETF 120,000,000 - - - - - LankaBangla 1			344,141,791	224,891,792	113,437,292	113,437,292
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 Depositary (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 - - - 6.1.2 Non marketable mutual funds 2,000,000 2,000,000 - - - CAPM Unit Fund 2,000,000 2,000,000 2,000,000 - - - LBAMC Al-Arafah Shariah Unit Fund 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 LB Multi Asset Income ETF 120,000,000 - - - - - LankaBangla 1	611	Non markatable shares				
BD Venture Limited 20,000,000 <th< td=""><td>0.1.1</td><td></td><td>4 750 000</td><td>4 750 000</td><td></td><td></td></th<>	0.1.1		4 750 000	4 750 000		
Base Textiles Limited 30,000,000 30,000,000 - - Bengal Meat Processing Industries Limited 50,000,000 50,000,000 - - Central Depositary (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 - - - 121,773,949 123,023,950 21,569,450 2,000,000 - - G.1.2 Non marketable mutual funds 2,000,000 2,000,000 - - - LBAMC Al-Arafah Shariah Unit Fund 2,000,000 10,000,000 - - - - LB Multi Asset Income ETF 120,000,000 - - - - - - LBABangla 1st Balanced Unit Fund 50,000,000 50,000,000 50,000,000 50,000,000 50,000,000						
Bengal Meat Processing Industries Limited 50,000,000 50,000,000 Central Depositary (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 3,000,000 121,773,949 123,023,950 21,569,450 2,000,000 G.1.2 Non marketable mutual funds 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 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 39,867,842 39,800,000 <td< td=""><td></td><td></td><td></td><td></td><td>20,000,000</td><td>20,000,000</td></td<>					20,000,000	20,000,000
Central Depositary (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 - - - 121,773,949 123,023,950 21,569,450 21,569,450 - - 6.1.2 Non marketable mutual funds 2,000,000 2,000,000 2,000,000 2,000,000 2,000,000 2,000,000 2,000,000 2,000,000 2,000,000 2,000,000 2,000,000 2,000,000 2,000,000 2,000,000 2,000,000 2,000,000 2,000,000 - <td></td> <td></td> <td></td> <td></td> <td>-</td> <td>-</td>					-	-
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 - - - 6.1.2 Non marketable mutual funds 2,000,000 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 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					1 5 60 450	1 5 60 450
Dhaka Stock Exchange Limited* 8,704,500 8,704,500 8,704,500 -					1,569,450	1,569,450
Financial Excellence Limited 3,000,000 3,000,000 - - 121,773,949 123,023,950 21,569,450 21,569,450 6.1.2 Non marketable mutual funds 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					-	-
121,773,949 123,023,950 21,569,450 21,569,450 6.1.2 Non marketable mutual funds 2,000,000 <td></td> <td></td> <td></td> <td></td> <td>-</td> <td>-</td>					-	-
6.1.2 Non marketable mutual funds 2,000,000 </td <td></td> <td>Financial Excellence Limited</td> <td></td> <td></td> <td>-</td> <td></td>		Financial Excellence Limited			-	
CAPM Unit Fund 2,000,000			121,773,949	123,023,950	21,569,450	21,569,450
CAPM Unit Fund 2,000,000		New weather have been dealer and the second				
LankaBangla 1st PE Fund 10,500,000 10,000,000 - - - LBAMC Al-Arafah Shariah Unit Fund 39,867,842 39,867,	6.1.2		2 222 222	2 000 000	2 000 000	2 000 000
LBAMC Al-Arafah Shariah Unit Fund 39,867,842 </td <td></td> <td></td> <td></td> <td>, ,</td> <td>2,000,000</td> <td>2,000,000</td>				, ,	2,000,000	2,000,000
LB Multi Asset Income ETF 120,000,000 -					-	-
LankaBangla 1st Balanced Unit Fund 50,000,000<				39,867,842	39,867,842	39,867,842
				-	-	-
<u> 222,367,842 101,867,842 91,867,842 </u>		LankaBangla 1st Balanced Unit Fund				
			222,367,842	101,867,842	91,867,842	91,867,842

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

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

					F ' D 10
		LankaBan			Finance PLC
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		Taka	Taka	Taka	Taka
6.2	Marketable shares and mutual funds				
	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	-	-
		5,451,180,764	5,150,771,180	1,139,692,558	1,136,953,938

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 Guidline.*

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

6.3	Maturity wise grouping of investment	s				
0.0	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
			10,917,540,468	8,856,104,805	6,208,507,734	4,749,756,326
7	Leases, loans and advances					
	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	,	-	-	-	-
			65,353,462,614	65,085,799,903	61,719,186,662	61,331,185,920
7.1	Loans , cash credit and overdraft etc.					
	See accounting policy in note (2.18), (2	.19) and (2.20)				
	Corporate finance					
	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
			19,067,321,755	18,267,879,485	20,584,037,205	19,844,559,935
	Detail finance					
	<u>Retail finance</u> 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- 7.1.2) (Note- 7.1.3)	5,034,776,244	4,786,388,280	5,034,776,244	4,786,388,280
	Home loan	(Note- 7.1.3) (Note- 7.1.4)	7,678,771,975	8,659,975,377	7,678,771,975	4,780,388,280 8,659,975,377
	Personal loan	(Note- 7.1.4)	2,000,166,972	2,534,197,460	1,992,696,266	2,529,942,276
		(10012-7.1.3)	16,902,616,369	<u>19,147,578,701</u>	16,895,145,663	<u>19,143,323,517</u>
			10,502,010,505	15,147,570,701	10,055,145,005	13,143,323,317
	CMSME Finance					
	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
			, , ,=	, , , ,	, , ,	, , , , = =

		Level - Deve		Laula Danala	E's an an DI C
		LankaBan 31.12.2023	gla Group 31.12.2022	LankaBangla 31.12.2023	Finance PLC 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 Home Loan	18,655,203 77,965,873	20,531,164 189,746,020	18,655,203 77,965,873	20,531,164 189,746,020
	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	24,240,003,794	14,539,560 22,343,302,468		<u>14,539,560</u> 22,343,302,468
		24,240,003,794	22,343,302,408	24,240,003,794	22,343,302,400
	<u>Others</u>				
	Debit balance of share trading clients	4,723,683,752	4,912,498,328	-	-
	Margin loan to share trading clients	419,836,943 5,143,520,696	<u>414,540,920</u> 5,327,039,248	-	
		3,143,320,030			
		65,353,462,614	65,085,799,903	61,719,186,662	61,331,185,920
	Place of disbursement In Bangladesh	65,353,462,614	65,085,799,903	61,719,186,662	61,331,185,920
	Outside of Bangladesh				
		65,353,462,614	65,085,799,903	61,719,186,662	61,331,185,920
7.1.1	Term loan to subsidiaries				
/.1.1	LankaBangla Investments Limited	-	-	1,516,715,450	1,576,665,450
	LankaBangla Securities Limited	-		-	15,000
				1,516,715,450	1,576,680,450
7.1.2	Auto Loan				
	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
		2,188,901,179	3,167,017,584	2,188,901,179	3,167,017,584
7.1.3	Credit card receivables				
	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 ezypay VISA card ezypay	442,948,340 94,675,073	465,960,713 116,023,018	442,948,340 94,675,073	465,960,713 116,023,018
	visk card czypay	5,034,776,244	4,786,388,280	5,034,776,244	4,786,388,280
7.1.4	Home loan 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
		7,678,771,975	8,659,975,377	7,678,771,975	8,659,975,377
7.1.5	Personal Loan				
	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 2,000,166,972	93,371,538 2,534,197,460	75,477,212 1,992,696,266	89,116,354 2,529,942,276
		2,000,100,972	2,334,197,400	1,552,050,200	2,323,342,270
7.1.6	Maturity wise grouping of leases, loans and advances				
	On demand Not more than 3 months	2,124,733,375	2,954,001,879	2,015,261,441	2,050,088,328 10,075,563,040
	More than 03 month to 01 years	12,219,771,616 29,542,875,064	2,032,911,460 30,134,720,689	12,171,033,445 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
		65,353,462,614	65,085,799,903	61,719,186,662	61,331,185,920
7.1.7	Classification wise leases, loans and advances				
	Unclassified	F1 222 072 F 42			
	Standard (UC) Special Mention Accounts (SMA)	51,333,973,542 9,443,543,156	57,720,220,503 2,937,759,781	47,699,697,591 9,443,543,156	53,965,606,521 _2,937,759,781
		<u>60,777,516,698</u>	60,657,980,285	57,143,240,747	<u>56,903,366,302</u>
	Classified				
	Sub-standard (SS) Doubtful (DF)	1,697,765,931	779,721,236	1,697,765,931	779,721,236
	Bad/loss (BL)	568,704,268 2,309,475,716	575,690,080 3,072,408,302	568,704,268 2,309,475,716	575,690,080 3,072,408,302
	· · · · ·	4,575,945,915	4,427,819,618	4,575,945,915	4,427,819,618
				C1 740 400 000	(1 334 407 535
		65,353,462,614	65,085,799,903	61,719,186,662	61,331,185,920

		LankaBan	gla Group	LankaBangla	Finance PLC
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		Taka	Taka	Taka	Taka
	ses, Loans and advances on the basis of significant	concentration			
	oans, advances and leases to the institutions in	-	-	1,516,715,450	1,576,680,450
	ch Directors have interest	C2 007 C40	00 111 000	C2 007 C40	00 111 00
	pans, advances and leases to Chief Executive and other ior executives	62,907,649	99,111,690	62,907,649	99,111,690
	oans, advances and lease to customer groups:				
	Real estate finance	7,255,891,063	8,204,030,371	7,255,891,063	8,204,030,37
'	Car loan	2,121,119,928	3,064,439,538	2,121,119,928	3,064,439,538
	Personal loan	1,368,466,881	1,956,239,006	1,368,466,881	1,956,239,000
	Loan against deposits (LAD)	548,752,173	484,586,916	548,752,173	484,586,916
	Small and medium enterprises	24,240,003,794	22,343,302,468	24,240,003,794	22,343,302,468
	pecial program loan (Bangladesh Bank refinancing scheme) Staff Ioan	177,866,489 395,743,591	217,418,662 434,475,928	177,866,489 388,272,885	217,418,662 430,220,744
	Industrial loans, advances and leases	19,067,321,755	18,267,879,485	20,584,037,205	19,844,559,93
	Other loans and advances	10,178,296,939	10,113,427,529	5,034,776,244	4,786,388,280
,		65,353,462,614	65,085,799,903	61,719,186,662	61,331,185,92
_	Details of industrial loans, advances and leases	40.046.707.040	44 750 000 747	42 04 6 707 040	44 750 000 74
1	Trade and commerce	13,016,797,049	11,758,939,747	13,016,797,049	11,758,939,74
2	Industry				
-	A. Garments & Knitwear	2,088,192,696	2,363,320,011	2,088,192,696	2,363,320,01
	B. Textiles	1,822,336,877	1,948,908,590	1,822,336,877	1,948,908,59
	C. Food Production, Processing & Rice Mills	5,438,789,011	5,224,599,198	5,438,789,011	5,224,599,19
	D. Jute & Jute products	126,107,806	121,192,963	126,107,806	121,192,96
	E. Plastic & Rubber Industry	1,188,085,609	1,303,189,262	1,188,085,609	1,303,189,26
	F. Leather & Leather goods G. Iron, Steel & Engineering	1,121,442,774 1,797,806,411	288,161,755 2,059,872,546	1,121,442,774 1,797,806,411	288,161,75 2,059,872,54
	H. Pharmaceuticals & Chemicals	1,845,675,090	1,355,005,432	1,845,675,090	1,355,005,43
	I. Cement & Allied Industry	1,553,529,195	1,711,807,597	1,553,529,195	1,711,807,59
	J. Paper, Packaging, Printing, Publishing & Allied Industry	642,634,126	512,714,522	642,634,126	512,714,52
	K. Wood, Furniture & Fixture	156,260,731	151,133,819	156,260,731	151,133,81
	L. Glass, Glassware & Ceramic Industry	188,202,727	1,279,270	188,202,727	1,279,27
	M. Ship Manufacturing & Breaking	- 1 210 E26 EE7	- 1 425 122 664	-	1 425 122 66
	N. Electronics & Electrical Products O. Power, Gas, Petrollium, Water & Sanitary	1,319,536,557 539,745,524	1,425,132,664 597,146,197	1,319,536,557 539,745,524	1,425,132,66 597,146,19
	P. Transport & Aviation	1,941,396,843	2,244,738,382	1,941,396,843	2,244,738,38
	Q. Others				2)2 : :), 00)00
3	Agriculture				
	A. Crops	-	-	-	_
	B. Forestry	847,429 426,680,712	879,669 342,654,152	847,429	879,66
	C. Poultry & Livestock D. Fisheries	426,680,712 18,676,401	4,725,281	426,680,712 18,676,401	342,654,15 4,725,28
	E. Others (Cold Storage, Biofuel, Seed, Feed,	964,773,849	863,394,537	964,773,849	863,394,53
	Agri-related Other Institutions & Services)				,,
Ļ	Mining & Quarrying	-	5,593,156	-	5,593,15
;	Housing			-	
	A. Individual/Retail Housing	7,104,784,905	8,181,277,370	7,104,784,905	8,181,277,37
	B. Project/Commercial Housing	-	-	-	
,	Financial Corporation A. Bank		_		
	B. Financial Institution	-	-	-	
	C. Insurance Company	-	1,001,495	-	1,001,49
	D. NGO	3,092,432,365	2,152,656,336	3,092,432,365	2,152,656,33
	E. Audit & Accounting firm	12,114,800	11,625,859	12,114,800	11,625,85
	F. Credit Rating Agency		-	-	
	G. Merchant Banking				1 576 600 45
	i. Loans to Own Subsidiaries ii. Loans to Other FI/Bank Subsidiaries	-	-	1,516,715,450	1,576,680,45
	iii. Loans to Brokerage House	- 554,900,500	- 375,337,774	- 554,900,500	375,337,77
	H. Other Financial Auxiliaries				575,557,77
	Service				
	A. Education, Career & Training (Institutional),	183,858,475	251,414,481	183,858,475	251,414,48
	Consultancy Supervisory				
	B. Tourism, Hospitality & Logistics	918,660,289	1,034,989,830	918,660,289	1,034,989,83
	C. Health Sector	363,658,485	388,258,121	363,658,485	388,258,12
	D. Media, Advertising & Event Management	54,152,874	92,945,422	54,152,874	92,945,42
	E. Beautification & Gym	7,234,847	5,231,912	7,234,847	5,231,91
		0 224 617	10 070 001	0 224 617	10 070 00
	F. Tailoring & Laundry	8,234,617	13,073,961	8,234,617	13,073,96
		8,234,617 - 54,937,267	13,073,961 - 61,458,169	8,234,617 - 54,937,267	13,073,96 61,458,16

		LankaBan	gla Group	LankaBangla	Finance PLC
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
	J. Others	Taka	Taka	Taka	Taka
	8 Consumer Finance	1,160,944,126	1,328,721,021	1,160,944,126	1,328,721,021
	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 D. Credit Card	389,142,980 5,034,776,244	433,773,788 4,786,388,280	389,142,980 5,034,776,244	433,773,788 4,786,388,280
	E. Loan Against Deposit	455,525,193	526,151,388	455,525,193	526,151,388
	9 Others	5,143,520,696	5,327,039,248	-	
		65,353,462,614	65,085,799,903	61,719,186,662	61,331,185,920
7.1.8	Particulars of loans, advances and leases 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.	-	-	-	-
		65,353,462,614	65,085,799,903	61,719,186,662	61,331,185,920
	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
		6,162,168,597	6,288,906,456	6,162,168,597	6,288,906,456
	c) Amount of interest credited to the interest suspense account	(39,750,764)	(79,236,306)	78,597,225	(79,236,306)
	xi) Cumulative amount of written off loans:				
	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 Balance of written off loans and advances yet to be recovered	(36,912,104) 3,591,846,157	(33,552,850) 2,921,002,798	(36,912,104) 1,805,244,630	(33,552,850) 1,327,501,075
		J.J.J.L.UTU.LJ/			

			LankaBar 31.12.2023	gla Group 31.12.2022	LankaBangla 31.12.2023	Finance PLC 31.12.2022
			Taka	Taka	31.12.2023 Taka	Taka
	Leases, Loans, and advances -geograp Inside Bangladesh	hical location-w	ise			
	<u>Urban</u> 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
			5,353,462,614	65,085,799,903	61,719,186,662	61,331,185,920
	Outside Bangladesh		E 2E2 462 614	E 09E 700 002	61 710 196 662	61 221 195 020
			5,353,462,614	5,085,799,903	61,719,186,662	61,331,185,920
	Fixed Assets including Land, Building,				5 40 050 050	
	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
			1,495,902,256	2,859,587,060	543,252,258	1,890,677,292
	Assets used for Administrative purpos	e				
	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)		202,000,451		130,000,130
	Right-of-use assets	(Note- 8.1.4)	199,085,307	288,615,906	77,581,865	129,502,170
	Right of use assets	(NOLC 0.1.4)	1.495.902.256	1,395,453,557	543,252,258	426,543,789
	Details are given in Annexure - A and	Annexure - B				
.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
		(NOLE- 0.1.1.2)	1,101,425,835	903,957,220	334,849,796	138,181,429
			1,101,423,033		334,043,730	
1.1	Land			707 540 000		707 510 000
	Opening Balance		-	787,519,083	-	787,519,083
	Add : Addition/(Disposal) during the ye	ar	-	-	-	-
			-	787,519,083	-	787,519,083
	Less: Transfer to Investment property		-	787,519,083	-	787,519,083
					-	
.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		, , -,0	,	, _, ,	,,,,,,,
	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	69,183,732
	с с ,		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 Muitten deues velue Tetel (A.D.)		1 101 435 035	002.057.220	224 040 700	120 404 422
	C. Written down value Total (A-B)		1,101,425,835	903,957,220	334,849,796	138,181,429

			LankaBan	gla Group	LankaBangla	Finance PLC
			31.12.2023	31.12.2022	31.12.2023	31.12.2022
			Taka	Taka	Taka	Taka
8.1.2	Intangible assets System Software	(Note- 8.1.2.1)	195,391,115	202,880,431	130,820,597	158,860,190
	System Soltware	(1010 0.1.2.1)	195,391,115	202,880,431	130,820,597	158,860,190
0171	System software					
0.1.2.1	System software					
	A. Cost		576 044 004		205 600 244	
	Opening Balance Add: Addition during the year		576,911,884 55,820,129	487,767,949 89,143,935	385,688,314 14,373,454	309,508,660 76,179,654
	Add. Addition during the year		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. Accumulated amortization					
	Opening Balance		374,031,453	313,217,740	226,828,124	187,876,377
	Less : Amortized during the year		<u>63,309,445</u> 437,340,898	<u>60,813,713</u> 374,031,453	42,413,046 269,241,171	<u>38,951,747</u> 226,828,124
	Less: Adjustment during the year		4,362,500		-	
			432,978,398	374,031,453	269,241,171	226,828,124
	C. Written down value		195,391,115	202,880,431	130,820,597	158,860,190
_						
8.1.3	Capital work in progress-tangible asse Opening balance	ets		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
			-	-	-	-
8.1.4	Right-of-use Assets					
0.1.4	Right-of-use Assets					
	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
			199,085,307	288,615,906	77,581,865	129,502,170
8.1.4.1	5					
	A. Cost Opening Balance		37,529,908	54,352,908	28,101,000	24,857,000
	Add: Addition during the year		- 37,329,908	3,244,000	- 28,101,000	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. Accumulated amortization					
	Opening Balance		31,374,405	49,368,844	24,089,196	23,076,759
	Add : Charged during the year		<u>1,572,642</u> 32,947,047	<u>2,072,561</u> 51,441,405	<u>1,143,902</u> 25,233,098	<u>1,012,437</u> 24,089,196
	Less: Adjustment during the year		-	20,067,000	-	
			32,947,047	31,374,405	25,233,098	24,089,196
	C. Written down value		4,582,861	6,155,503	2,867,902	4,011,804
					· ·	
8.1.4.2	Right-of-use assets-office premises A. Cost					
	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
	Less: Adjusted during the year		506,170,022 54,330,443	563,480,361 77,863,156	277,715,438 47,670,400	309,422,761 31,707,323
	Less. Aujusteu uuring the year		451,839,579	485,617,205	230,045,038	277,715,438
			, -,3	,	, ,,3	
	B. Accumulated amortization			157 102 000	152 225 072	117 000 047
	Opening Balance Add : Charged during the year		203,156,803 108,054,781	157,183,098 116,240,535	152,225,073 50,776,403	117,820,047 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
	C. Written down value		194,502,445	282,460,402	74,713,963	125,490,365
			_			
	Can an any setting a setting in setting 2, 10					

See accounting policy in note 2.18.

			LankaBan			Finance PLC
			31.12.2023 Taka	31.12.2022 Taka	31.12.2023 Taka	31.12.2022 Taka
			Turka	Turku	Turku	Turku
8.02	Investment property					
	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
			-	<u>1,464,133,503</u>	-	1,464,133,503
0 00 04	Level.					
8.02.01	Dening balance					
	Add : Addition/Designated from As	sets used for	787,519,083	- 787,519,083	787,519,083	- 787,519,083
	Administrative purpose	3013 4304 101		707,515,005		707,515,005
	Less : Sale during the year		(787,519,083)	-	(787,519,083)	_
	Less . Suie during the year		-	787,519,083	-	787,519,083
8.02.02	Building					
	Opening balance		676,614,420	-	676,614,420	-
	Add : Addition/Designated from As	sets used for	286,288,941	676,614,420	286,288,941	676,614,420
	Administrative purpose		(0.52,002,251)		(0.02,002,201)	
	Less : Sale during the year		(962,903,361)	676,614,420	(962,903,361)	676,614,420
				070,014,420		070,014,420
9.	Other assets					
	See accounting policy in note (2.24 and	d 2.17.4)				
	Non income generating assets					
	Advances and prepayments	(Note- 9.1)	4,884,521,082	2,619,708,431	3,360,675,979	1,233,399,983
	Income generating assets		350,945,571	348,225,193	5,915,349,860	7,407,379,568
	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
						, <u>, , , , , , , , , , , , , , , , ,</u>
	LankaBangla Securities Limited		-	-	4,114,152,099	5,280,030,655
	LankaBangla Investments Limited		-	-	1,034,905,695	965,234,067
	LankaBangla Asset Management Comp	any Limited	-	-	602,850,207	991,769,423
			F 22F 466 6F2	2 067 022 624	0.276.025.020	9 640 770 551
			5,235,466,653	2,967,933,624	9,276,025,839	8,640,779,551
9.1	Advances and Prepayments					
5.1	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	(Nata 0 1 1)	507,540	196,595	-	
	Prepayments and others	(Note- 9.1.1)	1,938,448,899 4,884,521,082	<u>194,953,960</u> 2,619,708,431	1,829,454,942 3,360,675,979	86,085,989 1,233,399,983
			+,004,321,062	2,013,700,431	3,300,073,373	1,233,377,703

*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.

9.1.1	Prepayments and others					
	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 prope	erty sale	1,735,900,156	-	1,735,900,156	-
	Other receivable		28,757,458	21,404,596	19,504,205	12,874,515
			1,938,448,899	194,953,960	1,829,454,942	86,085,989

9.1.1.1 Deferred tax asset

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".

	LankaBar	ngla Group	LankaBangla	Finance PLC
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
1	Taka	Taka	Taka	Taka
Particulars		Accounting base carrying amounts	Tax base amounts	Deductible/ (Taxable) temporary difference
Deferred tax asset is arrived at as follows				
Assets: Fixed assets net of depreciation as on 31 December 2023 Right-of-use Assets- Office premises	3	465,670,393 77,581,865	634,080,903 -	168,410,510 (77,581,865)
Liabilities: Employee gratuity as on 31 December 2023 Lease liability- Office premises		47,153,361	37,266,920	9,886,442 97,272,607
Sub-total		687,678,227	671,347,822	197,987,694
Applicable tax rate @37.5% Deferred tax asset as on 31 December 2023 Deferred tax asset as on 31 December 2022 Deferred tax income need to account for during the year				74,245,385 74,245,385 20,670,433 53,574,952

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.

Group deferred tax assets				
LankaBnagla 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		
	22,748,045	21,901,117		
Construction of the state of th				
See Note 2.5.5 for departure of IAS 12 in order to				
comply with Bangladesh Bank.				
Interest and other receivables				
Interest and other receivables 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	38,119,970	82,478,376	38,119,970	82,478,376
package for COVID-19	44.000		44.000	657 596
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	-	
	350,945,571	348,225,193	163,441,860	<u> 170,345,423 </u>

*During the year 2023, total received BDT 5.60 million as interest against investment in TDR with Union Capital Limited.

10 Borrowings from Bangladesh Bank, other banks and financial institutions

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
	Outside Daligiadesi	(NOLE- 10.2)	27,841,689,709	25,591,800,088	25,833,962,950	23,543,109,021
			27,041,005,705	23,331,800,088	23,833,902,930	23,343,103,021
10.1	Inside Bangladesh					
	Secured:					
	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
			9,568,278,150	11,051,157,486	9,069,769,375	10,500,602,674

9.2

			LankaPar	igla Group	LankaBangla	Financo DI C
			31.12.2023	31.12.2022	31.12.2023	31.12.2022
			Taka	Taka	Taka	Taka
	<u>Unsecured:</u> Call loans	(Noto 1012)				
	Short term borrowings	(Note- 10.1.3) (Note- 10.1.4)	250,000,000 5,086,413,804	۔ 4,645,982,313	250,000,000 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 Lease liability- Office premises	(Note- 10.1.7)	210,460,000	331,412,500 313,986,999	210,460,000	331,412,500
	Lease hability- Office premises	(NOTE- 10.1.7)	227,286,586 16,277,504,668	11,986,624,087	97,272,607 14,768,286,684	<u>151,976,460</u> 10,488,487,833
				22 027 781 574		
			25,845,782,818	23,037,781,574	23,838,056,059	20,989,090,506
10.1.1						
	<u>Secured by FDR</u> Standard Chartered Bank		41,685,101	(8,410,187)	41 COE 101	(0 410 107)
	Standard Chartered Bark		41,685,101	(8,410,187)	41,685,101 41,685,101	(8,410,187) (8,410,187)
			41,005,101	(0,410,107)	41,003,101	(0,410,107)
	Secured by Pari Passu sharing agree	<u>ment</u>				
	Midland Bank Limited		11,483,803	157,396,303	11,483,803	157,396,303
	BASIC Bank Limited Prime Bank Limited		89,460,138	99,956,404 29,232	89,460,138	99,956,404 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		343,806,297	729,227,287	343,806,297	729,227,287
			385,491,399	720,817,101	385,491,399	720,817,101
			000,101,000			
10.1.2	Long term loan			7 000 107 50 1		
	Opening Balance Add: Addition during the year		14,669,316,109 9,664,000,102	7,033,187,534 10,040,184,100	14,121,450,352	6,491,063,021
	Add. Addition during the year		24,333,316,211	17,073,371,634	<u>9,364,000,102</u> 23,485,450,453	<u>9,840,184,100</u> 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		15,197,119,474	14,669,316,109	14,701,306,967	14,121,450,352
	Details of the above balance is prese	ented below:				
	Secured:					
	From other than Bangladesh Bank a	nd its agents Ban	k			
	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 Banglades	h	157,849,708	-	-	-
	Mercantile Bank PLC Midland Bank Limited		661,559,279 190,177,012	1,096,320,001 320,819,586	661,559,279 131,660,013	1,096,320,001 227,240,226
	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 United Commercial Bank PLC		- 613,195,100	166,738,118 400,000,000	- 613,195,100	166,738,118 400,000,000
	Woori Bank		187,500,000	312,500,000	187,500,000	312,500,000 312,500,000
	Syndicated Term Loan*		625,000,000	3,185,351,176	625,000,000	3,185,351,176
			6,927,834,955	10,171,875,533	6,432,022,448	9,624,009,775
	Unsecured: From Bangladesh Bank and its agent	s Bank				
	Bangladesh Bank (under re-finance)- Wor		957,577,011	644,704,881	957,577,011	644,704,881
	Bangladesh Bank (under re-finance)- Bangladesh Bank (under re-finance)-		157,500,370 1,289,306,853	208,007,960 97,642,901	157,500,370 1,289,306,853	208,007,960 97,642,901
	Bangladesh Bank (under re-finance)-		125,300,160	155,427,067	125,300,160	155,427,067
	Bangladesh Bank (Under Pre-Finance)		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		504,698,869	561,683,037	504,698,869	561,683,037
	Bangladesh Bank (under re-finance)- Agro Proc		500,340,702	468,043,150	500,340,702	468,043,150
	Bangladesh Bank (under re-finance)- JICA Assist	lea Project-FSPDSME	79,990,995 8,269,284,519	<u>130,922,414</u> 4,497,440,577	79,990,995 8,269,284,519	<u>130,922,414</u> 4,497,440,577
			· · · ·			
			15,197,119,474	14,669,316,109	14,701,306,967	14,121,450,352

LankaBan	gla 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:

a. First ranking pari passu charge on present and future fixed and floating assets of LankaBangla Finance PLC with the future and existing lenders.

b. Usual charge documents (Letter of Hypothecation, Promissory Notes, Letter of Continuation, Letter of Arrangements, etc.) c. 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.

10.1.3 Call loan

10.1.3	Call Ioan				
	NRB Bank Limited	150,000,000	-	150,000,000	-
	One Bank Limited	100,000,000	-	100,000,000	-
		250,000,000		250,000,000	
1014	Chart tanna hannan in ar				
10.1.4	Short term borrowings	000 000 000	200,000,000	000 000 000	200,000,000
	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
		5,086,413,804	4,645,982,313	3,320,000,000	3,120,000,000
10.1.5	Zero Coupon Bond				
	Zero Coupon Bond	1,432,040,516	928,202,708	1,728,515,975	997,125,972

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.

10.1.6 Subordinate bond

0	Suborumate bond				
	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
		802.019.242	1.269.598.991	892.753.582	1.390.532.324

LankaBan	gla 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.

	See decounting policy in note 2.10.				
	Opening Balance Add: Addition during the year	313,986,999 20,552,817	327,563,598 97,994,286_	151,976,460	210,331,243 3,813,450
		334,539,816	425,557,884	151,976,460	214,144,693
	Less: Repayment during the year and adjustment	107,253,230	111,570,885	54,703,853	62,168,233
	Closing Balance	227,286,586	313,986,999	97,272,607	151,976,460
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
		1,995,906,891	2,554,018,515	1,995,906,891	2,554,018,515

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) guarterly 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 for eign 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 IERS 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 IERS 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.

				gla Group	LankaBangla 31.12.2023	Finance PLC 31.12.2022
			31.12.2023 Taka	31.12.2022 Taka	31.12.2023 Taka	31.12.2022 Taka
	Maturity grouping of borrowings from	n other banks ar			Tunta	Tunu
	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 27,841,689,709	<u>543,854,484</u> 25,591,800,088	253,567 25,833,962,950	<u>241,792,044</u> 23,543,109,021
11	Term deposits and other deposits		_,,0.12,003,7.03	20,002,000,000	20,000,502,500	20,0 10,200,022
	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
			42,222,060,865	42,907,413,489	42,441,762,741	43,656,711,247
11.1	Term deposits					
11.1	Product wise break-up of term deposits	it				
	Periodic return term deposits	_	3,387,104,689	2,808,298,247	3,387,104,689	2,808,298,247
	Cumulative term deposits Double money term deposits		7,529,622	12,142,852	7,529,622	12,142,852
	Double money term deposits Money builders scheme		3,183,378,488 1,580,628,250	3,219,901,816 1,564,007,603	3,183,378,488 1,580,628,250	3,219,901,816 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 Retail institution deposit		5,140,180,482 2,802,977,459	4,471,066,711 2,468,185,365	5,140,180,482 2,802,977,459	4,471,066,711 2,468,185,365
	Term deposit shohoj sanchoy		2,747,374,511	2,952,378,545	2,802,977,439	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 Term deposit Earn First Fixed Rate		1,052,561 628,841,385	42,124,255 548,068,041	1,052,561 628,841,385	42,124,255 548,068,041
	Term deposit Earn Plist Pixed Nate		3,472,217,846	4,669,660,543	3,472,217,846	4,669,660,543
	Term deposit classic TDR 2 to 3 periods	5	12,372,875,541	13,692,371,772	12,372,875,541	13,692,371,772
			42,034,290,738	42,707,819,432	42,253,992,614	43,457,117,190
11.2	Other deposits against leases, loans a	nd advances				
	Other deposits					
	Corporate Clients		147,791,478	145,737,201	147,791,478	145,737,201
	Retail Clients CMSME clients		23,545,053 16,433,596	37,250,967 16,605,889	23,545,053 16,433,596	37,250,967 16,605,889
			187,770,127	199,594,057	187,770,127	199,594,057
11.3	Group-wise break-up of term deposit Bank and Non Bank Financial Institutio		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
			42,222,060,865	42,907,413,489	42,441,762,741	43,656,711,247
11.4	Remaining maturity grouping of term	deposits and ot	her deposits			
	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 t In more than 06 months but not more		16,224,256,484 14,290,907,570	15,316,147,442 13,112,563,904	16,236,588,908 14,301,714,310	15,534,244,441 13,329,152,634
	In more than 01 year but not more tha		6,458,160,531	7,677,945,355	6,462,996,640	7,683,582,424
	In more than 05 years but not more th	an 10 years	1,710,679,845	2,568,943,989	1,899,445,226	2,568,943,989
	In more than 10 years		42,222,060,865	42,907,413,489	42,441,762,741	43,656,711,247
			42,222,000,000	42,507,413,405	42,441,702,741	
12.	Other liabilities					
	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 Balance for adjustment with client and	bank clearing	3,051,757 799,254,977	3,629,867 302,035,100	1,015,711 799,254,977	2,049,396 302,035,100
	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 Employees provident fund payable		23,288,547 11,816,836	20,521,389 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

		LankaBan	igla Group	LankaBangla	Finance PLC
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Interest suspense for other investment	Taka	Taka	Taka	Taka
	IPO subscription payable	61,077,703 51,794	14,500,000 51,794	61,077,703 51,794	14,500,000 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 Payable to LB Foundation	125,461,557 2,917,356	- 5,292,720	125,461,557 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) Provision for taxation (Note-12.5)	4,194,232,885	3,812,036,113	3,408,755,003	2,977,804,911
	Payables/(receivables)-Other MasterCard Operator	2,312,966,458 85,782,394	1,957,771,276 57,584,724	945,893,086 85,782,394	703,386,679 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 Safety net deposit-factoring and others	72,337,048 13,765,235	79,053,205 12,899,546	69,513,026 13,765,235	76,930,375 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 Other liabilities	7,503,069 296,476	10,732,612 697,824	-	-
	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
		13,840,131,072	11,269,741,234	9,700,630,888	7,565,746,599
12.1	Deferred liability - employee gratuity				
	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
	Transfer to grate it. found account	91,412,453	77,406,515	84,420,281	69,623,643
	Transfer to gratuity fund account Closing Balance	42,449,525 48,962,928	25,675,202 51,731,313	37,266,920 47,153,361	20,227,990 49,395,653
		10,502,520			
12.2	Interest payable				
	Call Ioan borrowings	268,056	-	268,056	-
	Inter Bank REPO against Govt. Treasury Bills Term deposit receipts	1,861,310 2,521,557,710	- 1,856,220,954	1,861,310 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 Long term loan-Bangladesh Bank-Agro Processing Industry	22,649,363	19,781,834	22,649,363	19,781,834 5,392,977
	Long term loan-Bangladesh Bank-JICA Assisted Project-FSPDSME	5,526,564 1,200,616	5,392,977 1,697,858	5,526,564 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 Bangladesh Bank REPO against Govt. Treasury Bonds	11,568,496 784,944	- 98,063	11,568,496 784,944	- 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
		2,795,636,120	2,043,296,045	2,730,349,326	2,005,258,922
12.3	Interest suspense account				
	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 Credit card	668,170,331 13,154,245	642,083,270 33,814,471	668,170,331 13,154,245	642,083,270 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	
		934,259,965	974,010,728	934,259,965	855,662,740
12.3.1	Interest suspense on leases, loans and advances accou	unt			
	Corporate Finance				
	Lease finance	13,025,942	5,509,063	13,025,942	5,509,063
	Term loan Syndication finance	132,101,326 11,381,173	152,000,850 11,881,173	132,101,326 11,381,173	152,000,850 11,881,173
	Synakation mance	156,508,442	169,391,086	156,508,442	169,391,086

		LankaBan 31.12.2023	gla Group 31.12.2022	LankaBangla 31.12.2023	Finance PLC 31.12.2022
		Taka	Taka	Taka	Taka
	Retail Finance				
	Auto Loan Credit Cards	25,311,327 13,154,245	29,683,586 33,814,471	25,311,327 13,154,245	29,683,586 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
		277,646,636	300,711,432	277,646,636	300,711,432
	SME Finance				
	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 Emerging and commercial	36,342,563 249,935	10,524,703 6,254,707	36,342,563 249,935	10,524,703 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	21,885,089 500,104,887	385,560,222	21,885,089 500,104,887	385,560,222
	Margin loan	-	118,347,988	-	-
		934,259,965	974,010,728	934,259,965	855,662,740
12.3.1	Movement of interest suspense account				
	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) 1,161,835,573	<u>(279,087,603)</u> 975,240,698	(232,100,875) 1,043,487,585	<u>(279,087,603)</u> 856,892,710
		1,101,033,373		1,043,407,303	000,002,710_
	Write off during the year	(227,575,609)	(1,229,970)	(109,227,621)	(1,229,970)
		934,259,965	974,010,728	934,259,965	855,662,740
12.4	Provisions for leases, loans, investments and off-balance				
	Leases, loans and advances	3,111,453,705	2,753,421,078	3,141,788,014	2,753,421,078
	Margin loan Negative equity	126,941,158 626,900,195	79,704,321 701,652,011	-	-
	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 4,194,232,885	<u>331,500</u> 3,812,036,113	404,980 3,408,755,003	<u>331,500</u> 2,977,804,911
12.4.1	Provisions for leases, loans and advances				
12.4.1	Corporate Finance				
	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 Term loan to subsidiaries	5,411,042	7,200,024 31,533,609	5,411,042 30,334,309	7,200,024 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
		576,778,460	849,561,812	607,112,769	849,561,812
	Retail Finance				
	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 Personal Loan	206,724,048 217,390,444	166,879,765 264,195,676	206,724,048 217,390,444	166,879,765 264,195,676
		1,130,634,712	1,103,804,086	1,130,634,712	1,103,804,086
	<u>SME Finance</u> 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 Home Loan	46,638 2,235,155	51,328 9,472,842	46,638 2,235,155	51,328 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 Work order finance	46,909,479 492,795	845,313 7,039,560	46,909,479 492,795	845,313 7,039,560
		<u> </u>	<u> </u>	<u>492,795</u> 1,404,040,533	<u> </u>
		3,111,453,705	2,753,421,078	3,141,788,014	2,753,421,078

		LankaBan	gla Group	LankaBangla Finance PLC	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		Taka	Taka	Taka	Taka
12.4.2	Movement of provisions for loans, investments and of	ther assets			
	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)
	Closing Balance	4,194,232,885	3,812,036,113	3,408,755,003	2,977,804,911

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
		1,013,006,743	548,459,173	1,043,341,052	548,459,173
	Specific Provision				<u> </u>
	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
		2,098,446,962	2,204,961,905	2,098,446,962	2,204,961,905
	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
		4,194,232,885	3,812,036,113	3,408,755,003	2,977,804,911
12.5	Provision for taxation				
12.5	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
	Frovision during the year	2,315,214,677	2,043,720,878	945,893,086	789,336,281
	Adjusted during the year	(2,248,219)	(85,949,602)	943,893,080	(85,949,602)
	Aujusteu uuring the year	2,312,966,458	<u>1,957,771,276</u>	945,893,086	(85,949,602) 703,386,679
		2,312,300,438	1,557,771,270	343,893,080	103,380,079
	But the sead and different				

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
	170,293,895	176,925,843	164,166,487	<u>175,167,389</u>

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

Issued, subscribed and paid up capital	5,388,386,230	5,388,386,230	5,388,386,230	5,388,386,230
Authorized capital 1,000,000,000 ordinary shares of Tk.10/- each	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000

LankaBan	gla 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

		Number of	Shares Issued		Amount of	Amount
Date of Issue	Particulars	Bonus Shares	Subscription	Paid up Shares (Cumulative)	Shares Capital (BDT)	of Shares Capital (BDT) (Cumulative)
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
Total					5,388,386,230	

Details of shares holding position are as under:

Sponsor shareholders:		Descentere	31.12	.2023	31.12	.2022
a.	Foreign sponsors	Percentage 31.12.2023	Number of shares	Taka	Number of shares	Taka
	Sampath Bank Limited, Sri Lanka	9.47%	51,036,605	510,366,050	51,036,605	510,366,050
b.	<u>Local sponsors</u> One Bank Limited, Bangladesh Individuals	24.08% 3.78% 20.30%	129,759,316 20,362,737 109,396,579	1,297,593,160 203,627,370 1,093,965,790	129,759,316 20,362,737 109,396,579	1,297,593,160 203,627,370 1,093,965,790
General shareholders		66.45% 100.00%	358,042,702 538,838,623	3,580,427,020 5,388,386,230	358,042,702 538,838,623	3,580,427,020 5,388,386,230
	Shares groups		<u>Number of</u> <u>share</u>	Percentage	<u>Number of</u> <u>share</u>	<u>Percentage</u>
	Less than 500		1,955,862	0.36%	1,947,838	0.36%

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%
		538,838,623	100%	538,838,623	100%

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 form 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.

LankaBan	gla 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

SI 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. Mahbubul 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	_	-	_
	Total			33.55%	180,816,059

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. Capital Adequacy Ratio (CAR)

13.3

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) General reserves	2,119,267,149	2,085,277,643 47,489,333	2,119,267,149	2,085,277,644
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 Sub-Total	812,676,140 10,951,558,940	208,344,037 10,996,058,578	8,662,787,670	9,031,678,764
Sub-Total	10,951,556,940	10,990,038,578	0,002,707,070	9,031,078,704
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	-
Total Eligible Tire - 1 Capital	10,615,192,271	10,996,058,578	8,326,421,001	9,031,678,764
Supplementary capital (Tier -II)				
General provision (unclassified loans up to specified	698,169,408	517,257,064	747,203,540	548,790,673
limit + SMA + off balance sheet exposure)				
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	-	-		213,004,710
Others (if any other item approved by Bangladesh	802,019,242	1,269,598,991	892,753,582	1,390,532,324
Bank) (Subordinated bond)				
Sub-Total	1,500,188,650	1,786,856,055	1,723,662,043	2,153,007,716
Deduction from Tier-1 (Supplementary capital)				
Any investment exceeding the approved limit Total Eligible Tire - 2 Capital	336,366,669 1,163,821,981	1,786,856,055	336,366,669 1,387,295,374	2,153,007,716
	1,103,821,981	1,780,850,055	1,307,233,374	2,155,007,710
A) Total capital	11,779,014,252	12,782,914,633	9,713,716,376	11,184,686,480
Total assets including off -balance sheet exposures	94,895,938,559	90,798,163,389	87,516,691,428	85,967,242,812
B) Total risk weighted assets	75,416,351,102	73,763,055,699	68,627,400,546	70,878,681,018
C) Required capital based on risk weighted assets (10% on B)	7,541,635,110	7,376,305,570	6,862,740,055	7,087,868,102
D) Surplus capital (A-C)	4,237,379,142	5,406,609,063	2,850,976,321	4,096,818,378
E) Capital Adequacy Ratio	15.62%	17.33%	14.15%	15.78%
F) Core Capital to RWA	14.08%	14.91%	12.13%	12.74%
G) Supplementary Capital to RWA	1.54%	2.42%	2.02%	3.04%
el estancinent antiente mart	1.04/0		2.02/0	

		LankaBan	gla Group	LankaBangla	Finance PLC
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Statutory reserve	Taka	Taka	Taka	Taka
	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
		2,119,267,149	2,085,277,643	2,119,267,149	2,085,277,644
	General Reserve	47 400 222	47 400 222		
	Opening balance Add: Addition during the year	47,489,333	47,489,333	-	
	Add. Addition during the year	47,489,333	47,489,333	-	
	Less: Transferred to general provision on margin loar			-	
	Closing balance	-	47,489,333	-	
	Retained earnings				
	-	2,467,095,530	2,734,958,130	1,727,962,420	2,132,551,32
	Opening Balance	2,089,583,094	2,085,145,574	1,558,014,891	1,954,062,26
	Add: Profit during the year	377,512,436	649,812,556	169,947,529	178,489,06
	Less: Adjustment during the year:	1,032,766,145	645,375,036	572,828,129	574,536,43
	Transfer to statutory reserve during the year	33,989,506	35,697,813	33,989,506	35,697,81
	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	-	520.020.02
	Cash dividend	538,838,623 1,434,329,385	538,838,623 2,089,583,094	538,838,623 1,155,134,291	538,838,62 1,558,014,89
A.	Revaluation reserve for investment in subsidiaries				
Ά.	Revaluation reserve for investment in subsidiaries See accounting policy in note 2.17.4 Investment in subsidiaries (at fair value as per IFRS LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited Investment in subsidiaries at cost LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited	I		5,751,908,000 4,114,152,099 1,034,905,695 602,850,207 4,914,858,793 1,563,908,853 2,404,999,940 945,950,000	5,280,030,65 965,234,06 991,769,42 5,100,186,96 1,749,237,02 2,404,999,94
5A.	See accounting policy in note 2.17.4 Investment in subsidiaries (at fair value as per IFRS LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited Investment in subsidiaries at cost LankaBangla Securities Limited LankaBangla Investments Limited	I		4,114,152,099 1,034,905,695 602,850,207 4,914,858,793 1,563,908,853 2,404,999,940 945,950,000	5,280,030,65 965,234,06 991,769,42 5,100,186,96 1,749,237,02 2,404,999,94 945,950,00
5A.	See accounting policy in note 2.17.4 Investment in subsidiaries (at fair value as per IFRS LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited Investment in subsidiaries at cost LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited Revaluation reserve	I		4,114,152,099 1,034,905,695 602,850,207 4,914,858,793 1,563,908,853 2,404,999,940 945,950,000 837,049,207	7,237,034,14 5,280,030,65 965,234,06 991,769,42 5,100,186,96 1,749,237,02 2,404,999,94 945,950,00 2,136,847,18
Α.	See accounting policy in note 2.17.4 Investment in subsidiaries (at fair value as per IFRS LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited Investment in subsidiaries at cost LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited	I		4,114,152,099 1,034,905,695 602,850,207 4,914,858,793 1,563,908,853 2,404,999,940 945,950,000	5,280,030,65 965,234,06 991,769,42 5,100,186,96 1,749,237,02 2,404,999,94 945,950,00
5A.	See accounting policy in note 2.17.4 Investment in subsidiaries (at fair value as per IFRS LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited Investment in subsidiaries at cost LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited Revaluation reserve Change in revaluation reserve	1	Fourity as on	4,114,152,099 1,034,905,695 602,850,207 4,914,858,793 1,563,908,853 2,404,999,940 945,950,000 837,049,207 (1,299,797,975) LankaBan	5,280,030,65 965,234,06 991,769,42 5,100,186,96 1,749,237,02 2,404,999,94 945,950,00 2,136,847,18 454,992,40 gla Group
	See accounting policy in note 2.17.4 Investment in subsidiaries (at fair value as per IFRS LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited Investment in subsidiaries at cost LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited Revaluation reserve Change in revaluation reserve Non-controlling interest See accounting policy in note (2.4)	ercentage in Non-	Equity as on 31.12.2023	4,114,152,099 1,034,905,695 602,850,207 4,914,858,793 1,563,908,853 2,404,999,940 945,950,000 837,049,207 (1,299,797,975) LankaBan 31.12.2023	5,280,030,65 965,234,06 991,769,42 5,100,186,96 1,749,237,02 2,404,999,94 945,950,00 2,136,847,18 454,992,40 gla Group 31.12.2022
	See accounting policy in note 2.17.4 Investment in subsidiaries (at fair value as per IFRS LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited Investment in subsidiaries at cost LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited Revaluation reserve Change in revaluation reserve Non-controlling interest See accounting policy in note (2.4)	1	Equity as on 31.12.2023	4,114,152,099 1,034,905,695 602,850,207 4,914,858,793 1,563,908,853 2,404,999,940 945,950,000 837,049,207 (1,299,797,975) LankaBan	5,280,030,65 965,234,06 991,769,42 5,100,186,96 1,749,237,02 2,404,999,94 945,950,00 2,136,847,18 454,992,40 gla Group
	See accounting policy in note 2.17.4 Investment in subsidiaries (at fair value as per IFRS LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited Investment in subsidiaries at cost LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited Revaluation reserve Change in revaluation reserve Non-controlling interest See accounting policy in note (2.4)	ercentage in Non- ontrolling interest	31.12.2023	4,114,152,099 1,034,905,695 602,850,207 4,914,858,793 1,563,908,853 2,404,999,940 945,950,000 837,049,207 (1,299,797,975) LankaBan 31.12.2023 Taka	5,280,030,65 965,234,06 991,769,42 5,100,186,96 1,749,237,02 2,404,999,94 945,950,00 2,136,847,18 454,992,40 gla Group 31.12.2022 Taka
	See accounting policy in note 2.17.4 Investment in subsidiaries (at fair value as per IFRS LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited Investment in subsidiaries at cost LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited Revaluation reserve Change in revaluation reserve Non-controlling interest See accounting policy in note (2.4) Name of Subsidiaries LankaBangla Securities Limited	ercentage in Non- ontrolling interest 13.111%	31.12.2023 6,050,733,125	4,114,152,099 1,034,905,695 602,850,207 4,914,858,793 1,563,908,853 2,404,999,940 945,950,000 837,049,207 (1,299,797,975) LankaBan 31.12.2023 Taka 793,291,908	5,280,030,65 965,234,06 991,769,42 5,100,186,96 1,749,237,02 2,404,999,94 945,950,00 2,136,847,18 454,992,40 gla Group 31.12.2022 Taka 201,146,17
	See accounting policy in note 2.17.4 Investment in subsidiaries (at fair value as per IFRS LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited Investment in subsidiaries at cost LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited Revaluation reserve Change in revaluation reserve Non-controlling interest See accounting policy in note (2.4) Name of Subsidiaries LankaBangla Securities Limited LankaBangla Securities Limited LankaBangla Securities Limited	ercentage in Non- ontrolling interest	31.12.2023 6,050,733,125 1,040,963,040	4,114,152,099 1,034,905,695 602,850,207 4,914,858,793 1,563,908,853 2,404,999,940 945,950,000 837,049,207 (1,299,797,975) LankaBan 31.12.2023 Taka	5,280,030,65 965,234,06 991,769,42 5,100,186,96 1,749,237,02 2,404,999,94 945,950,00 2,136,847,18 454,992,40 gla Group 31.12.2022 Taka 201,146,17
	See accounting policy in note 2.17.4 Investment in subsidiaries (at fair value as per IFRS LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited Investment in subsidiaries at cost LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited Revaluation reserve Change in revaluation reserve Non-controlling interest See accounting policy in note (2.4) Name of Subsidiaries LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited LankaBangla Investments Limited LankaBangla Investments Limited	ercentage in Non- ontrolling interest 13.111% 0.000%	31.12.2023 6,050,733,125 1,040,963,040 602,829,339 7,187,987	4,114,152,099 1,034,905,695 602,850,207 4,914,858,793 1,563,908,853 2,404,999,940 945,950,000 837,049,207 (1,299,797,975) LankaBan 31.12.2023 Taka 793,291,908 26 637 954,885	5,280,030,65 965,234,06 991,769,42 5,100,186,96 1,749,237,02 2,404,999,94 945,950,00 2,136,847,18 454,992,40 gla Group 31.12.2022 Taka 201,146,17 2 1,04 225,06
	See accounting policy in note 2.17.4 Investment in subsidiaries (at fair value as per IFRS LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited Investment in subsidiaries at cost LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited Revaluation reserve Change in revaluation reserve Non-controlling interest See accounting policy in note (2.4) Name of Subsidiaries LankaBangla Securities Limited LankaBangla Investments Limited LankaBangla Investments Limited LankaBangla Asset Management Company Limited	ercentage in Non- ontrolling interest 13.111% 0.000% 0.000%	31.12.2023 6,050,733,125 1,040,963,040 602,829,339	4,114,152,099 1,034,905,695 602,850,207 4,914,858,793 1,563,908,853 2,404,999,940 945,950,000 837,049,207 (1,299,797,975) LankaBan 31.12.2023 Taka 793,291,908 26 637	5,280,030 965,234 991,769 1,749,237 2,404,999 945,950 2,136,847 454,992 31.12.20 Taka 201,146

			LankaBan	da Group	l ankaRanale	Finance PLC
			December 2023	December 2022	December 2023	December 2022
18	Interest income		Taka	Taka	Taka	Taka
10	See accounting policy in note (2.35.1) (2	.35.2), (2.35.3	3) and (2.35.4)			
	Leases, loans and advances	<i>,,</i> , ,				
	Lease finance Lending to subsidiaries		589,350,719	547,018,833	589,350,719	547,018,833 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 Term loan syndication finance		15,518,841 72,713,342	7,480,230 63,022,791	15,518,841 72,713,342	7,480,230 63,022,791
	Auto loan		389,378,183	459,988,059	389,378,183	459,988,059
		lote- 18.1)	790,754,926	782,839,458	790,754,926	782,839,458
		lote- 18.2)	738,993,287	1,011,583,438	738,993,287	1,011,583,438
	Personal loan (N Emerging and commercial	lote- 18.3)	224,939,642 296,703,919	331,781,044 260,096,260	224,420,563 296,703,919	330,900,659 260,096,260
	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
	- "		5,843,738,890	6,170,724,156	5,843,219,811	6,171,647,239
	<u>Treasury finance</u> 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
			653,499,002	552,616,692	642,196,128	539,907,956
	<u>Others</u> Debit balance of share trading clients		441,882,913	428,073,345		
	Margin loan to share trading clients		32,707,302	428,073,345 46,063,700	-	-
			474,590,215	474,137,046	-	-
			6,971,828,107	7,197,477,894	6,485,415,940	6,711,555,195
18.1	Credit Card					
	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 ezypay account VISA card ezypay account		84,951,333 10,594,138	88,920,648 11,021,731	84,951,333 10,594,138	88,920,648 11,021,731
			790,754,926	782,839,458	790,754,926	782,839,458
40.2						
18.2	<u>Home loan</u> Bangladesh Bank refinance loan		15,583,091	20,017,324	15,583,091	20,017,324
	Commercial Ioan		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
			738,993,287	1,011,583,438	738,993,287	1,011,583,438
18.3	Personal loan					
	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	8,449,157 224,420,563	8,505,118
			224,939,642	331,781,044	224,420,503	330,900,659
19	Interest expenses on deposits and borr	owings				
	See accounting policy in note (2.30)					
	Other than Bangladesh Bank					
	Term loan- commercial bank		708,536,935	501,205,079	525,555,321	332,006,442
		lote-19.1)	26,269,748	30,649,445	12,706,900	17,956,106
	Syndicated term loan Foreign term loan (N	lote-19.2)	96,739,970 349,143,534	400,538,079 303,196,050	96,739,970 349,143,534	400,538,079 303,196,050
	Zero Coupon Bond	19.2)	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 Call loan		30,484,637 41,166,583	29,486,488 32,638,334	30,484,637 41,166,583	29,486,488 32,638,334
	Carloan		5,298,436,260	4,915,546,377	5,161,025,994	4,793,357,023
	<u>Bangladesh Bank</u> Term loan- Bangladesh Bank		100 200 752	96,578,551	100 200 752	96,578,551
	Bangladesh Bank REPO against Govt. Trea	asury Bonds	198,290,752 22,176,526	1,627,325	198,290,752 22,176,526	1,627,325
	Inter Bank REPO against Govt. treasury b		56,402,443		56,402,443	
			276,869,722	98,205,876	276,869,722	98,205,876
			5,575,305,982	5,013,752,253	5,437,895,715	4,891,562,899
			5,575,505,502	<u> </u>	<u> </u>	

		LankaBangla Group		LankaBangla Group LankaBangla Financ		Finance PLC
		December 2023 Taka	December 2022 Taka	December 2023 Taka	December 2022 Taka	
19.1	Lease liability	Така	Така	Така	Така	
19.1	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	
	, ,	26,269,748	30,649,445	12,706,900	17,956,106	
19.2	Foreign term loan					
	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	
	· · · ·	349,143,534	303,196,050	349,143,534	303,196,050	

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 finacial health of the Company. Such departure was made by conforming with IAS 1 and by taking aproval from Bangladesh Bank. Details are in Note 2.1 and 2.34.

20 Income from investment

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
	914,676,573	550,901,600	758,081,022	281,421,185

21 Commission, exchange and brokerage income

See accounting policy in note (2.35.8)

6	484 803 670	777 374 407	_	
Underwriting commission	300,000	375,000	-	-
Brokerage commission	484,503,670	776,999,407	-	-

22 Other operational income

See accounting policy in note (2.35.6), (2.35.7), (2.35.8), (2.35.9), (2.22.6) and (2.36)

Fees and documentations				
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
	482,646,179	511,649,857	476,886,252	501,732,219
<u>Others</u>				
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	-	
	959,209,454	287,034,440	694,864,215	39,370,972
	4 4 4 4 6 5 5 6 6 6			
	1,441,855,633	798,684,297	1,171,750,466	541,103,190
Fees and documentations				
Lending finance				
Lease finance	850,779	4,591,903	850,779	4,591,903
Revolving credit-secured	34,435	4,391,903	34,435	4,391,903
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	5,405,085	1,803,038	5,405,085	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
Autoroan	1,152,057	20,000,040	1,152,057	20,500,040

22.1

		LankaBan	gla Group	LankaBangla	Finance PLC
		December 2023	December 2022	December 2023	December 2022
		Taka	Taka	Taka	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
		327,229,785	369,621,687	327,229,785	369,621,687
23	Salary and allowances				
	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
		1,260,010,713	1,360,531,402	863,522,445	917,645,562
24	Rent, taxes, insurance, electricity etc.				
	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
	Licentery	71,304,896	54,449,024	53,193,691	37,204,312
		, 1,504,050	<u></u>		<u></u>

*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.

25	Legal and professional fees	61,141,532	48,597,285	51,688,667	39,069,177
	See accounting policy in note (2.37)				
26	Postage, stamp, telecommunication etc.				
	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 24,227,620	20,519,841 26,142,965	13,625,557 18,021,325	<u>15,376,149</u> 20,492,000
		24,227,020	20,142,505	10,021,325	20,492,000
27	Stationery, printing, advertisement				
	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
		62,330,093	56,466,527	52,968,369	45,423,611
28	Managing director's salary and allowance				
	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
		13,910,048	15,814,000	13,910,048	15,814,000
29	Directors' fees and expenses				
	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	-			
		2,922,200	2,909,213	836,600	642,400
30	Auditors' fees	1,312,750	1,279,046	690,000	690,000
	See accounting policy in note (2.37)	<u>, , , , , , , , , , , , , , , , , </u>			
31	Repairs, maintenance and depreciation				
51	See accounting policy in note (2.22.3) and (2.37)				
		6 776 9 69	6.040.050		2 000 255
	Repairs and maintenance Software maintenance	6,776,262 86,514,323	6,942,250 72,593,591	5,645,866 66,056,380	3,988,360 59,450,491
	Depreciation and amortization	304,354,175	278,472,267	192,773,675	173,191,150
		397,644,760	358,008,107	264,475,921	236,630,000

		LankaBan	gla Group	LankaBangla	Finance PLC
		December 2023	December 2022	December 2023	December 2022
		Taka	Taka	Taka	Taka
32	Other expenses				
	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	101,921,030	-	-
	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	2,420,100	5,000,240
	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
	Master early stand by letter of electrissuance enable (spley Meeting expense	96,412	159,901	96,412	159,901
	Meeting expense Membership and regulatory fees	8,077,976	7,803,010	4,816,486	3,699,634
	Networking charge	505,123	458,190	4,810,480	5,055,054
	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	407,101	00,037
	SMS service charge	8,798,631	7,616,027	- 8,798,631	7,616,027
	Staff welfare	5,859		5,859	66,320
			66,320 12 586 100	5,639	00,520
	Subscription	4,572,787	13,586,100	- 0,400,027	
	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
		777,675,667	743,818,837	409,212,580	370,420,845

33 Provisions for loans, investments and off-balance sheet exposures and other assets See accounting policy in note (2.28)

Provisions for leases and loans	763,460,665	540,575,865	793,794,974	540,575,865
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	-
	813,251,643	696,095,883	836,378,130	654,828,254
Provision for tax made during the year				
See accounting policy in note (2.39)				
•				
Current tax expense:				_
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	-		-	

357,443,402

282,664,913

242,506,407

125,167,444

		LankaBan	gla Group	LankaBangla	Finance PLC
		December 2023 Taka	December 2022 Taka	December 2023 Taka	December 2022 Taka
	Deferred tax expense/(income): Origination and reversal of temporary difference Changes in tax rate	1,920,229	2,532,753	-	-
		1,920,229	2,532,753	-	
	Income tax expense reported in profit and loss account	359,363,631	285,197,666	242,506,407	125,167,444
34.1	Reconciliation of current income tax charge			<u>Regular tax</u>	<u>Gross receipts</u>
	Taxable Income or Gross receipts Applicable tax rate* Income tax charge as per applicable tax rate			- 37.50% -	7,678,166,729 0.60% 46,069,000
	Reduction in tax rate Factors affecting the tax charge for current year: Tax on reduced tax rates for dividend income			- 24,774,163	-
	Tax on reduced tax rates for capital gain Additional tax charge for minimum tax under section 163 Changes in estimates related to prior year			217,732,244 - - - 242,506,406	79,098,444
	*As there was business loss for tax charge for the year tax expense as per Section 163 of the Finance Act 202		ber 2023, LankaBan	gla Finance PLC pro	ovided for current

**The Group's tax charge is the accumulation of tax charged separately in individual financial statements of the Group companies.

Earning attributable to ordinary shareholders Weighted number of shares outstanding (Note- 35.1) 377,512,436 538,838,623 649,812,556 538,838,623 169,947,529 538,838,623 178,489,067 538,838,623 35.1 Outstanding number of shares for the year ended 31 December 2023 Weighted number of shares outstanding 538,838,623 <		Earnings Per Share (EPS) See accounting policy in note (2.41)				
Weighted number of shares outstanding (Note- 35.1) 538,838,623 538,838,623 538,838,623 538,838,623 Basic earnings per share 0.70 1.21 0.32 0.33 35.1 Outstanding number of shares for the year ended 31 December 2023 Weighted number of shares outstanding 538,838,623 538,838,623 538,838,623 36.1 Net asset value per share- (NAV) Net asset value Weighted number of shares outstanding (Note- 35.1) 10,138,882,800 10,787,714,540 9,499,836,877 11,168,525,945 37 Net Operating Cash Flows Per Share - (NOCFPS) Weighted number of shares outstanding (Note- 35.1) 653,246,821 (6,784,882,678) (374,489,876) (6,160,619,242) 37 Net Operating Cash Flows Per Share - (NOCFPS) Weighted number of shares outstanding (Note- 35.1) 653,246,821 (6,784,882,678) (374,489,876) (6,160,619,242) 37.1 Reconciliation of net profit before tax with net cash flows from operating activities The following reconciliation has been provided as per No. BSEC/CMRRCD/2006-158/208/Admin/81 Dated : 20 June 2018						
35.1 Outstanding number of shares for the year ended 31 December 2023 Weighted number of shares outstanding 538,838,623 <th></th> <th></th> <th></th> <th>, ,</th> <th></th> <th>, ,</th>				, ,		, ,
35.1 Outstanding number of shares for the year ended 31 December 2023 Weighted number of shares outstanding 538,838,623 <th></th> <th>Basic earnings per share</th> <th>0.70</th> <th>1.21</th> <th>0.32</th> <th>0.33</th>		Basic earnings per share	0.70	1.21	0.32	0.33
Weighted number of shares outstanding 538,838,623		busic currings per share	0.70		0.52	0.00
Weighted number of shares outstanding 538,838,623						
538,838,623 538,838,623 538,838,623 538,838,623 36 Net asset value per share- (NAV) Net asset value Weighted number of shares outstanding (Note- 35.1) 10,138,882,800 10,787,714,540 9,499,836,877 11,168,525,945 37 Net Operating Cash Flows Per Share - (NOCFPS) Net cash flows/(used in) from operating activities Weighted number of shares outstanding (Note- 35.1) 653,246,821 (6,784,882,678) (374,489,876) (6,160,619,242) 37 Net Operating Cash Flows Per Share - (NOCFPS) Net cash flows/(used in) from operating activities State 353,246,821 (6,784,882,678) (374,489,876) (6,160,619,242) 37.1 Reconciliation of net profit before tax with net cash flows from operating activities The following reconciliation has been provided as per No. BSEC/CMRRCD/2006-158/208/Admin/81 Dated : 20 June 2018 20.12	35.1					
36 Net asset value per share- (NAV) Net asset value Weighted number of shares outstanding (Note- 35.1) 10,138,882,800 538,838,623 10,787,714,540 538,838,623 9,499,836,877 538,838,623 11,168,525,945 538,838,623 37 Net Operating Cash Flows Per Share - (NOCFPS) Net cash flows/(used in) from operating activities Weighted number of shares outstanding (Note- 35.1) 653,246,821 538,838,623 (6,784,882,678) 538,838,623 (374,489,876) 538,838,623 (6,160,619,242) 538,838,623 37 Net Cash flows/(used in) from operating activities Weighted number of shares outstanding (Note- 35.1) 653,246,821 538,838,623 (6,784,882,678) 538,838,623 (374,489,876) 538,838,623 (6,160,619,242) 538,838,623 37.1 Reconciliation of net profit before tax with net cash flows from operating activities The following reconciliation has been provided as per No. BSEC/CMRRCD/2006-158/208/Admin/81 Dated : 20 June 2018		Weighted number of shares outstanding				
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) 10,38,882,800 10,787,714,540 9,499,836,877 11,168,525,945 37 Net Operating Cash Flows Per Share - (NOCFPS) 653,246,821 (6,784,882,678) 17.63 20.73 37 Net cash flows/(used in) from operating activities 653,246,821 (6,784,882,678) (374,489,876) (6,160,619,242) S38,838,623 538,838,623 1.21 (12.59) (0.69) (11.43) 37.1 Reconciliation of net profit before tax with net cash flows from operating activities The following reconciliation has been provided as per No. BSEC/CMRRCD/2006-158/208/Admin/81 Dated : 20 June 2018			538,838,623	538,838,623	538,838,623	538,838,623
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) 10,38,882,800 10,787,714,540 9,499,836,877 11,168,525,945 37 Net Operating Cash Flows Per Share - (NOCFPS) 653,246,821 (6,784,882,678) 17.63 20.73 37 Net cash flows/(used in) from operating activities 653,246,821 (6,784,882,678) (374,489,876) (6,160,619,242) S38,838,623 538,838,623 1.21 (12.59) (0.69) (11.43) 37.1 Reconciliation of net profit before tax with net cash flows from operating activities The following reconciliation has been provided as per No. BSEC/CMRRCD/2006-158/208/Admin/81 Dated : 20 June 2018	26	Net asset value per share- (NAV)				
Weighted number of shares outstanding (Note- 35.1) 538,838,623 538,838,623 538,838,623 538,838,623 538,838,623 538,838,623 20.73 37 Net Operating Cash Flows Per Share - (NOCFPS) Net cash flows/(used in) from operating activities Weighted number of shares outstanding (Note- 35.1) 653,246,821 (6,784,882,678) (374,489,876) (6,160,619,242) 538,838,623 538,838,623 538,838,623 538,838,623 538,838,623 538,838,623 37.1 Reconciliation of net profit before tax with net cash flows from operating activities The following reconciliation has been provided as per No. BSEC/CMRRCD/2006-158/208/Admin/81 Dated : 20 June 2018	30		10 138 882 800	10 787 714 540	9 499 836 877	11 168 525 945
18.82 20.02 17.63 20.73 37 Net Operating Cash Flows Per Share - (NOCFPS) Net cash flows/(used in) from operating activities Weighted number of shares outstanding (Note- 35.1) 653,246,821 538,838,623 (6,784,882,678) 538,838,623 (374,489,876) 538,838,623 (6,160,619,242) 538,838,623 37.1 Reconciliation of net profit before tax with net cash flows from operating activities The following reconciliation has been provided as per No. BSEC/CMRRCD/2006-158/208/Admin/81 Dated : 20 June 2018						
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						
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						
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						
Weighted number of shares outstanding (Note- 35.1) 538,838,623 538,838,623 538,838,623 538,838,623 538,838,623 538,838,623 538,838,623 11.43 37.1 Reconciliation of net profit before tax with net cash flows from operating activities The following reconciliation has been provided as per No. BSEC/CMRRCD/2006-158/208/Admin/81 Dated : 20 June 2018 S38,838,623 S38,838,623 </th <th>37</th> <th></th> <th></th> <th></th> <th></th> <th></th>	37					
1.21(12.59)(0.69)(11.43)37.1Reconciliation of net profit before tax with net cash flows from operating activities The following reconciliation has been provided as per No. BSEC/CMRRCD/2006-158/208/Admin/81 Dated : 20 June 2018						
37.1 Reconciliation of net profit before tax with net cash flows from operating activities The following reconciliation has been provided as per No. BSEC/CMRRCD/2006-158/208/Admin/81 Dated : 20 June 2018		weighted number of shares outstanding (Note- 35.1)				
The following reconciliation has been provided as per No. BSEC/CMRRCD/2006-158/208/Admin/81 Dated : 20 June 2018			1.21	(12.59)	(0.09)	(11.43)
The following reconciliation has been provided as per No. BSEC/CMRRCD/2006-158/208/Admin/81 Dated : 20 June 2018	37.1	Reconciliation of net profit before tax with net cash	flows from operat	ing activities		
					min/81 Dated : 20	June 2018
		Profit before tax	752,126,080	0/6 572 655	412,453,936	202 656 511
Adjustments:		Adjustments:		540,575,055	112) 100)000	303,030,311
		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)	287,588,471 (5,049,306)	192,773,675 (649,820,396)	173,191,150 198,837
		(Gain)/Loss on sale of fixed assets Provision for loans, leases and advances & investments	(649,705,648) 813,251,643	287,588,471 (5,049,306) 696,095,883	192,773,675 (649,820,396) 836,378,130	173,191,150 198,837 654,828,254
		(Gain)/Loss on sale of fixed assets Provision for loans, leases and advances & investments Interest Income from Treasury bill and Bond	(649,705,648)	287,588,471 (5,049,306)	192,773,675 (649,820,396)	173,191,150 198,837
1,109,048,471 1,905,877,528 674,375,275 1,112,543,577		(Gain)/Loss on sale of fixed assets Provision for loans, leases and advances & investments Interest Income from Treasury bill and Bond Revaluation gain/(loss) from Investment property	(649,705,648) 813,251,643 (119,929,127)	287,588,471 (5,049,306) 696,095,883 (19,312,328)	192,773,675 (649,820,396) 836,378,130 (117,394,825)	173,191,150 198,837 654,828,254 (19,312,328)
		(Gain)/Loss on sale of fixed assets Provision for loans, leases and advances & investments Interest Income from Treasury bill and Bond	(649,705,648) 813,251,643 (119,929,127) - (15,245)	287,588,471 (5,049,306) 696,095,883 (19,312,328) (18,847)	192,773,675 (649,820,396) 836,378,130 (117,394,825) (15,245)	173,191,150 198,837 654,828,254 (19,312,328) - (18,847)
		(Gain)/Loss on sale of fixed assets Provision for loans, leases and advances & investments Interest Income from Treasury bill and Bond Revaluation gain/(loss) from Investment property Foreign exchange (gain)/loss	(649,705,648) 813,251,643 (119,929,127) - (15,245)	287,588,471 (5,049,306) 696,095,883 (19,312,328) (18,847)	192,773,675 (649,820,396) 836,378,130 (117,394,825) (15,245)	173,191,150 198,837 654,828,254 (19,312,328) - (18,847)
		(Gain)/Loss on sale of fixed assets Provision for loans, leases and advances & investments Interest Income from Treasury bill and Bond Revaluation gain/(loss) from Investment property Foreign exchange (gain)/loss Increase/(decrease) in operating assets & liabilities	(649,705,648) 813,251,643 (119,929,127) (15,245) 1,109,048,471	287,588,471 (5,049,306) 696,095,883 (19,312,328) (18,847) 1,905,877,528	192,773,675 (649,820,396) 836,378,130 (117,394,825) (15,245) 674,375,275	173,191,150 198,837 654,828,254 (19,312,328) (18,847) 1,112,543,577
		(Gain)/Loss on sale of fixed assets Provision for loans, leases and advances & investments Interest Income from Treasury bill and Bond Revaluation gain/(loss) from Investment property Foreign exchange (gain)/loss Increase/(decrease) in operating assets & liabilities Loans and advances to customers	(649,705,648) 813,251,643 (119,929,127) (15,245) 1,109,048,471 (787,593,329)	287,588,471 (5,049,306) 696,095,883 (19,312,328) (18,847) 1,905,877,528 (2,381,936,835)	192,773,675 (649,820,396) 836,378,130 (117,394,825) (15,245) 674,375,275 (714,831,556)	173,191,150 198,837 654,828,254 (19,312,328) (18,847) 1,112,543,577 (2,724,292,644)
		(Gain)/Loss on sale of fixed assets Provision for loans, leases and advances & investments Interest Income from Treasury bill and Bond Revaluation gain/(loss) from Investment property Foreign exchange (gain)/loss Increase/(decrease) in operating assets & liabilities Loans and advances to customers Other assets	(649,705,648) 813,251,643 (119,929,127) (15,245) 1,109,048,471 (787,593,329) (158,495,882)	287,588,471 (5,049,306) 696,095,883 (19,312,328) (18,847) 1,905,877,528 (2,381,936,835) 59,522,154	192,773,675 (649,820,396) 836,378,130 (117,394,825) (15,245) 674,375,275 (714,831,556) (138,689,065)	173,191,150 198,837 654,828,254 (19,312,328) (18,847) 1,112,543,577 (2,724,292,644) 121,980,566
		(Gain)/Loss on sale of fixed assets Provision for loans, leases and advances & investments Interest Income from Treasury bill and Bond Revaluation gain/(loss) from Investment property Foreign exchange (gain)/loss Increase/(decrease) in operating assets & liabilities Loans and advances to customers Other assets Deposits from customers and others	(649,705,648) 813,251,643 (119,929,127) (15,245) 1,109,048,471 (787,593,329) (158,495,882) (685,352,624)	287,588,471 (5,049,306) 696,095,883 (19,312,328) (18,847) 1,905,877,528 (2,381,936,835) 59,522,154 (4,768,874,252)	192,773,675 (649,820,396) 836,378,130 (117,394,825) (15,245) 674,375,275 (714,831,556) (138,689,065) (1,214,948,505)	173,191,150 198,837 654,828,254 (19,312,328) (18,847) 1,112,543,577 (2,724,292,644) 121,980,566 (4,524,553,923)
		(Gain)/Loss on sale of fixed assets Provision for loans, leases and advances & investments Interest Income from Treasury bill and Bond Revaluation gain/(loss) from Investment property Foreign exchange (gain)/loss Increase/(decrease) in operating assets & liabilities Loans and advances to customers Other assets	(649,705,648) 813,251,643 (119,929,127) (15,245) 1,109,048,471 (787,593,329) (158,495,882) (685,352,624) 1,550,178,466	287,588,471 (5,049,306) 696,095,883 (19,312,328) (18,847) 1,905,877,528 (2,381,936,835) 59,522,154 (4,768,874,252) (1,119,244,299)	192,773,675 (649,820,396) 836,378,130 (117,394,825) (15,245) 674,375,275 (714,831,556) (138,689,065) (1,214,948,505) 1,265,387,186	173,191,150 198,837 654,828,254 (19,312,328) (18,847) 1,112,543,577 (2,724,292,644) 121,980,566 (4,524,553,923) 138,811,654
Net Cash flows from/(used in) Operating Activities 653,246,821 (6,784,882,678) (374,489,876) (6,160,619,242)		(Gain)/Loss on sale of fixed assets Provision for loans, leases and advances & investments Interest Income from Treasury bill and Bond Revaluation gain/(loss) from Investment property Foreign exchange (gain)/loss Increase/(decrease) in operating assets & liabilities Loans and advances to customers Other assets Deposits from customers and others Other liabilities	(649,705,648) 813,251,643 (119,929,127) (15,245) 1,109,048,471 (787,593,329) (158,495,882) (685,352,624) 1,550,178,466 1,027,785,103	287,588,471 (5,049,306) 696,095,883 (19,312,328) (18,847) 1,905,877,528 (2,381,936,835) 59,522,154 (4,768,874,252) (1,119,244,299) (6,304,655,704)	192,773,675 (649,820,396) 836,378,130 (117,394,825) (15,245) 674,375,275 (714,831,556) (138,689,065) (1,214,948,505) 1,265,387,186 (128,706,664)	173,191,150 198,837 654,828,254 (19,312,328) (18,847) 1,112,543,577 (2,724,292,644) 121,980,566 (4,524,553,923) 138,811,654 (5,875,510,771)
		(Gain)/Loss on sale of fixed assets Provision for loans, leases and advances & investments Interest Income from Treasury bill and Bond Revaluation gain/(loss) from Investment property Foreign exchange (gain)/loss Increase/(decrease) in operating assets & liabilities Loans and advances to customers Other assets Deposits from customers and others Other liabilities Income tax paid	(649,705,648) 813,251,643 (119,929,127) (15,245) 1,109,048,471 (787,593,329) (158,495,882) (685,352,624) 1,550,178,466 1,027,785,103 (374,538,281)	287,588,471 (5,049,306) 696,095,883 (19,312,328) (18,847) 1,905,877,528 (2,381,936,835) 59,522,154 (4,768,874,252) (1,119,244,299) (6,304,655,704) (480,226,974)	192,773,675 (649,820,396) 836,378,130 (117,394,825) (15,245) 674,375,275 (714,831,556) (138,689,065) (1,214,948,505) 1,265,387,186 (128,706,664) (245,783,212)	173,191,150 198,837 654,828,254 (19,312,328) (18,847) 1,112,543,577 (2,724,292,644) 121,980,566 (4,524,553,923) 138,811,654 (5,875,510,771) (285,108,471)

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 Ioan, 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

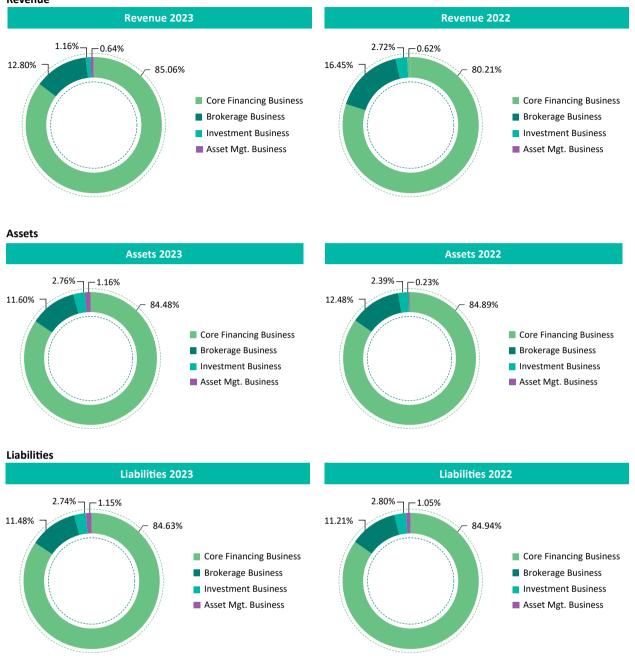
				Amount in Taka
	For the y	ear ended 31 Decr	nber 2023	Turtu
Core Financing Business	Brokerage Business	Investment Business	Asset Management Business	Consolidated
6 195 115 010	117 111 220	27 606 624	1 274 224	6,971,828,107
, , ,	, ,	, ,	, ,	937,724,076
			20,203,344	484,803,670
1 171 750 466	, ,	, ,	19 541 309	1,446,591,133
				9,840,946,986
ting segments of	the same entity :			
-	-		, ,	27,154,435
-	-	8,932,257		8,932,257
			5,000,000	5,000,000
-	-	30,526,796	22,264,366	41,086,692
8.415.247.428	1.266.705.525	148.415.952	63.369.243	9,882,033,678
5,378,192,808	195,672,972	752,619	687,581	5,575,305,982
59,702,907	-	-	-	59,353,613
5,437,895,715	195,672,972	752,619	687,581	5,634,659,595
1 662 463 266	833 568 481	60 926 078	33 524 214	2,590,482,039
			, ,	5,000,000
			0,000,000	0,000,000
1,662,463,266	833,568,481	60,926,078	38,524,214	2,595,482,039
66,056,380	19,651,367	239,400	567,176	86,514,323
1,248,832,066	217,812,705	86,497,855	23,590,272	1,565,377,722
	H a m			
				012 251 642
806,043,821	-1,888,145	3,500,000	5,595,968	813,251,643
442,788,246				
	Financing Business 6,485,415,940 758,081,022 1,171,750,466 8,415,247,428 ating segments of - - - 8,415,247,428 5,378,192,808 59,702,907 5,437,895,715 1,662,463,266 66,056,380 1,248,832,066	Core Financing Business Brokerage Business 6,485,415,940 758,081,022 447,441,320 99,692,060 - 480,021,880 1,171,750,466 239,550,265 8,415,247,428 1,266,705,525 atting segments of the same entity : - - - 5,378,192,808 195,672,972 1,662,463,266 833,568,481	Core Financing Business Brokerage Business Investment Business 6,485,415,940 447,441,320 37,696,624 758,081,022 99,692,060 59,661,649.02 - 480,021,880 4,781,790 1,171,750,466 239,550,265 117,889,156 ating segments of the same entity : 21,594,539 - - 8,932,257 - - 30,526,796 8,415,247,428 1,266,705,525 148,415,952 ating segments of the same entity : - - - - 30,526,796 8,415,247,428 1,266,705,525 148,415,952 5,378,192,808 195,672,972 752,619 5,378,192,808 195,672,972 752,619 1,662,463,266 833,568,481 60,926,078 - - - - 1,662,463,266 833,568,481 60,926,078 66,056,380 19,651,367 239,400 1,248,832,066 217,812,705 86,497,855	Financing Business Brokerage Business Investment Business Management Business 6,485,415,940 447,441,320 37,696,624 1,274,224 758,081,022 99,692,060 59,661,649,02 20,289,344 - 480,021,880 4,781,790 - 1,171,750,466 239,550,265 15,749,093 19,541,309 8,415,247,428 1,266,705,525 117,889,156 41,104,877 atting segments of the same entity : - - 5,559,896 - - 30,526,796 22,264,366 8,415,247,428 1,266,705,525 148,415,952 63,369,243 5,378,192,808 195,672,972 752,619 687,581 59,702,907 - - - - 5,437,895,715 195,672,972 752,619 687,581 1,662,463,266 833,568,481 60,926,078 33,524,214 1,662,463,266 833,568,481 60,926,078 33,524,214 66,056,380 19,651,367 239,400 567,176 1,248,832,066 217,812

Provision for tax made during the year Deferred tax (expense)/ Income	242,506,407 - 242,506,407	101,955,548 2,857,628 104,813,176	8,476,102 (1,207,195.72) 7,268,907	4,505,344 269,797 4,775,141	357,443,402 1,920,229 359,363,631
Net profit after tax	200,281,839	114,887,674	75,728,948	13,219,163	392,762,448
Total segment assets Inter segmental assets Net segment assets	87,476,193,456 1,034,905,695 86,441,287,761	11,869,211,016 - 11,869,211,016	2,834,334,612 6,902,913 2,827,431,700	1,187,540,732 14,469 1,187,526,263	103,367,279,816 1,041,823,076 102,325,456,740
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 Segment liability Inter segmental liabilities Total segmental liability	9,499,836,876 74,656,356,577 <u>3,320,000,000</u> 87,476,193,453	5,742,294,945 5,087,807,465 <u>1,039,108,607</u> <u>11,869,211,017</u>	1,040,963,040 1,793,371,574 - 2,834,334,613	602,829,339 584,711,393 - 1,187,540,732	16,885,924,200 82,122,247,009 4,359,108,607 103,367,279,816

		For the ve	ar ended 31 Dece	Amount in Taka	
Particulars	Core Financing Business	Brokerage Business	Investment Business	Asset Management Business	Consolidated
Revenue from external customers					
Interest revenue Revenue from investment Commission, exchange and brokerage income	6,709,751,727 281,421,185	432,646,310 126,160,751 766,479,431	54,028,461 125,922,645 10,894,976	1,051,395 17,397,018	7,197,477,894 550,901,600 777,374,407
Other operational income Total revenue from external customers	541,103,190 7,532,276,102	<u>214,957,736</u> 1,540,244,228	20,417,336 211,263,419	22,206,035 40,654,449	<u>798,684,297</u> 9,324,438,198
Revenues from transactions with other opera	ting segments of	the same entity :			
Interest revenue Revenue from investment Other operational income	1,803,468	- - 4,620,000	32,833,316 11,166,667	15,702,639 - 2,200,000	50,339,423 11,166,667 6,820,000
Total revenues from transactions with other operating segments of the same entity	1,803,468	4,620,000	43,999,983	17,902,639	<u>68,326,090</u>
Total segment revenue	7,534,079,570	1,544,864,228	255,263,401	58,557,088	9,392,764,288
Interest expenses Segment interest expenses Revenues from transactions with other operating segments of the same entity	4,830,883,629 60,679,269	181,433,213 1,803,468	842,031 -	593,380 -	5,013,752,253 61,610,008
Total segment interest expenses	4,891,562,899	183,236,681	842,031	593,380	5,075,362,262
Operating expenses Segment operating expenses Inter segment operation expenses	1,624,581,416 -	864,763,655 -	74,709,917	35,883,910 2,200,000	2,599,938,898 2,200,000
Total segment operation expenses	1,624,581,416	864,763,655	74,709,917	38,083,910	2,602,138,898
Depreciation and amortization	59,450,491	11,879,202	288,200	975,698	72,593,591
Net operating income	958,484,765	484,984,690	179,423,252	18,904,100	1,642,669,538
Material non-cash items other than deprecia Provision for leases, loans and advances / investments		tion -	28,646,399	12,621,230	696,095,883
Profit before tax and reserve	303,656,511	484,984,690	150,776,854	6,282,870	946,573,655
Provision for tax made during the year Deferred tax (expense)/ Income	125,167,444 -	144,842,516 1,779,517	9,803,338 607,576	2,851,615 145,660.95	282,664,913 2,532,753
	125,167,444	146,622,033	10,410,914	2,997,276	285,197,666
Net profit after tax	178,489,067	338,362,658	140,365,940	3,285,594	661,375,989
Total segment assets Inter segmental assets	85,934,092,812 8,813,958,232	11,337,739,848 -	2,833,966,097 658,514,876	1,064,995,756 851,589,187	101,170,794,513 10,324,062,296
Net segment assets	77,120,134,580	11,337,739,848	2,175,451,221	213,406,568	90,846,732,218
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 Segment liability Inter segmental liabilities	11,168,525,945 73,878,611,373 886,955,492	5,722,863,471 5,608,319,333 6,557,046	965,234,091 292,064,857 <u>1,576,667,150</u>	991,770,472 73,225,284	18,848,393,979 79,852,220,847 2,470,179,688
Total segmental liability	85,934,092,810	11,337,739,849	2,833,966,098	1,064,995,756	101,170,794,514

38.2 Information about reportable segments (continued)





39. Group subsidiaries

39.1 List of significant subsidiaries

The table below provides details of the significant subsidiaries of the Group

SI.	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

		Profit allocated to NCI			
Name	% of NCI	December 2023	December 2022		
		Taka	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		
Total		15,250,014	11,563,433		

40. Related party disclosure

i. Names of the Directors along with list of entities in which they have interest are stated below:

SI. #	Name of Director	Status in LankaBangla Finance PLC	Name of the firms/companies having interest as proprieto 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 & Fattenning Farms Limited		
			36	Bengal Goat Breeding Farms Limited		
			37	LankaBangla Asset Management Company Limited		
			38	Uniworld 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		
			44 45 46	Arrow Aviation Limited Cargo Center Limited Colloid Enterprises Limited		

l. ‡	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.		
	Mr. Nanda Fernando	Director	1	Lanka Financial Services Bureau Limited		
	(Representing Sampath Bank PLC)		2	Lanka Clear (Pvt.) Limited		
	Mr. Mahbubul Anam	Director	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	Bollore 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 Ocean Freight Limited Wings Spence Aviation Limited		
			20	Aramex Dhaka Limited		
			20	Rajshai Agro Fisheries Complex (Pvt.) Ltd		
			21	Cross Freight Limited		
			22	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		

SI. #	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	Mrs. Aneesha Mahial Kundanmal	Director	1	Royal Park Residence Hotel			
5	Mr. Tahsinul Huque	Director	N/A				
6	Mr. M. Fakhrul Alam	Independent Director	N/A				
7	Mr. Ahmad Ahsanul Munir	Independent Director	N/A				

NIL

iii) Shares issued t	to Directors and Executives without consideration or exercisable at a discount
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S S	Name of Related Party	Relationship	% of Holding	Outstanding	Amount of transaction during the year 2023	isaction during ir 2023	Outstanding 31.12.2023	Nature of Transaction	Outstanding balance
5			9		Debit	Credit			note
-	Colloid Enterprises Limited	Concern related to Directors		15,096,160	295,050	1,180,467	15,981,578	TDR	11.1
5	Global Aviation Services Limited	Concern related to Directors	ı	16,000,000	1,342,000	1,342,000	16,000,000	TDR	11.1
m	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
2	One Bank Limited	Concern related to Directors		1,321,604,167	901,215,473	781,165,473	1,201,554,167	TDR	11.1
9	LankaBangla Investment Limited	Subsidiary Company	99.99	519,297,758	413,671,079	52,296,447	157,923,125	TDR	11.1
	LankaBangla Asset Management Limited	l Subsidiary Company	66.66	270,405,000	247,928,265	39,302,015	61,778,751	TDR	11.1
	LankaBangla Finance PLC-PF	Provident Fund of LBF PLC	1	318,711,999	164,027,686	162,490,531	317,174,844	TDR	11.1
	LankaBangla Finance PLC-GF	Gratuity Fund of LBF PLC		85,866,252	375,532	6,010,638	91,501,358	TDR	11.1
10	One Bank Limited	Concern related to Directors	ı	605,067,391	36,824,572,590	36,796,524,100	633,115,881	Interest, Non-interest bearing bank balance	5.1 &5.2
	One Bank Limited	Concern related to Directors	ı	456,075,000	17,491,101	365,596,717	107,969,384	FDR	5.3
1	One Bank Limited	Concern related to Directors		1	1	1	1	Bond	9
13	LankaBangla Investment Limited	Subsidiary Company	66.66	120,933,333	39,196,609	8,997,617	90,734,341	Subordinate bond	10.1.6
14	LankaBangla Investment Limited	Subsidiary Company	66.66	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	66.66	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	I	Term loan	7.1.1
1	LankaBangla Investment Limited	Subsidiary Company	66.66	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	66.66	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
	LankaBangla Securities Limited	Subsidiary Company	86.89	1	4,735,500	4,735,500	I	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
	Disclosure of transaction regarding Directors and their related concerns	-tors and their related concerns			Disclo	Disclosed above (iv)			
1									

iv) Related party transactions

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NIL

vi) | Lease agreement made with the Ex-Sponsor Director and Existing Depositor Director

vii) Investment in the Securities of Directors and their related concern

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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.

SI. #	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:

- a) The integrity of the financial statements of LBFPLC and its subsidiaries;
- b) The Company's external auditors' qualifications and independence,
- c) Performance and effectiveness of the Company's internal and external audits,
- d) Internal controls and the measurement of operational risk,
- e) Compliance by the Company with legal and regulatory requirements.
- f) Examine any matter relating to the financial and other connected issues to the Company.
- g) Monitor all internal and external audit and Bangladesh Bank's inspection program.
- h) Review the efficiency of internal control systems and procedures, in place.
- i) Review the quality of accounting policies and their adherence to statutory and regulatory compliance.
- j) Review the Company's annual report and accounts and interim financial statements prepared for disclosure, before submission to the Board.
- k) 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.
- I) 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			Y-O-Y Grov	vth	Major factors for variances in net
Company	YTD Dec 2023	YTD Dec 2022	Amount	%	profit after tax.
LankaBangla Finance PLC (LBF PLC)	169,947,530	178,489,067	Amount (8,541,537)	(5%)	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. 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. 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. 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.

			Y-O-Y Gro	wth	
Name of the Company	YTD Dec 2023	YTD Dec 2022	Amount	%	Major factors for variances in net profit after tax.
LankaBangla Securities Limited (LBSL)	114,887,675	338,362,658	Amount (223,474,983)	(66%)	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. 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. 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. 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.
LankaBangla Investment Limited (LBIL)	75,728,948	140,365,940	(64,636,992)	(46%)	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. 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. 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. Provision of diminution value of investment decreased by BDT 26,340,167 during 2023 compared to 2022.

Name of the	YTD Dec 2023	YTD Dec 2022	Y-O-Y Growth		Major factors for variances in net
Company			Amount	%	profit after tax.
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 inveatment 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
Consolidated Net Profit After Tax	392,762,448	661,375,989	(268,613,541)	(41%)	Overall, consolidated net profit after tax for the year ended 31 December 2023 was 41% lower compared to the year ended December 2022.

b) Variances in other parameters-Consolidated

Earnings per share	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.
Net Operating Cash Flows Per Share - (NOCFPS)	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.

Net asset value per	18.82	20.02	(1.20)	(6%)	Due to the sale of shares of
share- (NAV)	are- (NAV) subsidiaries and dis		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:

SI. No.	Meeting No.	Date of Meeting	Number of presences
1	142 nd Board meeting	27 April 2023	6
2	143 rd Board meeting	15 May 2023	6
3	144 th Board meeting	26 July 2023	6
4	145 th Board meeting	15 October 2023	6
5	146 th Board meeting	29 October 2023	6
6	147 th Board meeting	17 December 2023	6
7	148 th 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:

SI. No.	Meeting No.	Date of Meeting	Number of presences
1	108 th EC meeting	16 March 2023	4
2	109 th EC meeting	5 April 2023	4
3	110 th EC meeting	17 April 2023	4
4	111 th EC meeting	22 June 2023	3
5	112 th EC meeting	27 July 2023	3
6	113 th EC meeting	24 August 2023	3
7	114 th EC meeting	15 October 2023	3
8	115 th EC meeting	23 November 2023	4
9	116 th 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:

SI. No.	Meeting No.	Date of Meeting	Number of presences
1	72 nd Audit Committee meeting	18 April 2023	3
2	73 rd Audit Committee meeting	10 May 2023	3
3	74 th Audit Committee meeting	24 July 2023	4
4	75 th Audit Committee meeting	14 September 2023	4
5	76 th 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 27th 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 divident 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.

SI #	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
	Total		203,732.19	773.00	22,194,654.62

*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

- i) All shares have been fully called up and paid up.
- ii) Company Balances shown in the accounts are duly reconciled.
- iii) No amount was spent by the Company for compensating any members of the board for special services rendered during the year.

Director

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Director

Company Secretary

Dhaka, 12 August 2024

Acting Managing Director

Chief Financial Officer

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Annexure -A

LankaBangla Finance PLC and its Subsidiaries

		O U	COST			D	DEPRECIATION	Z		Written
Particulars	Balance as at 01.01.2023	Addition during the vear	Sales/Transfer/ Adjustment during the vear	Balance as at 31.12.2023	Rate %	Balance as at 01.01.2023	Charged during the vear	Adjustment during the vear	Balance as at 31.12.2023	down value as at 31.12.2023
I. Freeholds assets										
Land					1					
Building	724,305,707	-	- UKK CEO	724,305,707	2.5	63,001,442	8,571,347		71,572,789	652,732,919
office Equipment	235,793,333	4,8/0,213	7.167.662	246,637,144	20	212,000,338 188.730.402	16.867.462	6.983.161	220,030,722 198,614,703	29,219,522 48.022.442
IT Equipment	376,972,207	295,255,524	22,528,799	649,698,932	33.33	273,563,272	81,488,654	22,529,709	332,522,217	317,176,716
Office Renovation	118,628,986	16,923,809	1	135,552,795	20	84,258,208	12,528,894	1	96,787,102	38,765,693
Motor Vehicles	44,740,057	3,000,000	1,150,000	46,590,057	20	27,581,080	4,650,233	1,150,000	31,081,313	15,508,744
	1,753,692,561	338,067,019	31,718,901	2,060,040,679		849,735,341	140,383,900	31,504,397	958,614,845	1,101,425,835
II. Intangible assets										
Goodwill		I			1	I	1	ı		
System Software	576,911,884	55,820,129	4,362,500	628,369,513	25	374,031,454	63,309,445	4,362,500	432,978,399	195,391,114
	576,911,884	55,820,129	4,362,500	628,369,513		374,031,454	63,309,445	4,362,500	432,978,399	195,391,115
III. Capital Work In Progress										
Tangible Assets	1	1	1	1	1	I	I	I	1	1
Intangible Assets	1	I	1	I	-	I	1	1	1	ľ
IV. Right of Use Assets		•	•	•		•	•	•	•	•
Motor Vehicle	37,529,908	1	1	37,529,908	20	31,374,405	1,572,642	1	32,947,047	4,582,861
Office premises	485,617,205	20,552,817	54,330,443	451,839,579	Equal Monthly Lease period	203,156,803	108,054,781	53,874,450	257,337,134	194,502,445
	523,147,113	20,552,817	54,330,443	489,369,487		234,531,208	109,627,423	53,874,450	290,284,181	199,085,306
Total	017 717 610 6		00 000			000 000 017 7				

11411 PIPIPIPI										
	1	•	•	•		•	•	•	•	•
V. Right of Use Assets										
Aotor Vehicle	37,529,908	1	1	37,529,908	20	31,374,405	1,572,642	I	32,947,047	4,582,861
Office premises	485,617,205	20,552,817	54,330,443	451,839,579 Equal Monthly	Equal Monthly	203,156,803	108,054,781	53,874,450	257,337,134	194,502,445
					Lease period					
	523,147,113	20,552,817	54,330,443	489,369,487		234,531,208	109,627,423	53,874,450	290,284,181	199,085,306
otal	2,853,751,558	414,439,965	90,411,844	3,177,779,679		1,458,298,003	313,320,769	89,741,346	89,741,346 1,681,877,425 1,495,902,256	1,495,902,256

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Particulars Balance as at during Addition during the year during the year Particulars as at during the during the year Addiustment during the year I. Freeholds assets as at during the during the particulars Addition during the year I. Freeholds assets 787,519,083 Adjustment Land 787,519,083 3,446,472 787,519,083 Land 787,519,083 3,446,472 787,519,083 Delicing 724,305,015 3,446,472 787,519,083 Confice Equipment 217,858,015 3,446,472 787,519,083 Office Renovation 307,151,060 95,617,627 796,598 Motor Vehicles 307,151,060 16,064,500 1,872,057 Motor Vehicles 2,428,876,970 155,085,032 830,163 - Motor Vehicles 2,428,876,970 155,086,033 - - Motor Vehicles 2,433,935 830,143,935 - - Motor Vehicle 487,767,949 89,143,935 - - Motor Vehicle 487,767,949 89,143,935	Sales/Transfer/ Adjustment during the vear							
as at old during as at old during during A during A during ts 01.01.2022 01.01.2022 during during </th <th>Adjustment during the vear</th> <th>Balance</th> <th></th> <th>Balance</th> <th>Charged</th> <th>Adjustment</th> <th>Balance</th> <th>down value</th>	Adjustment during the vear	Balance		Balance	Charged	Adjustment	Balance	down value
01.01.2022 01.01.2022 dur ts 787,519,083 3,446,472 - 724,305,707 724,305,707 3,446,472 - 724,305,707 250,602,398 3,446,472 - 70,151,060 95,617,627 - - 30,547,614 16,064,500 95,617,627 - 30,547,6914 15,5085,032 - - ets 2,428,876,970 155,085,032 - ets 487,767,949 89,143,935 - htprogress 487,767,949 89,143,935 - ets 460,399,404 515,186,844 - ets - - - - ets 460,399,404 515,186,844 -	during the year	as at	Rate %	as at	during	during	as at	as at
ts 787,519,083 724,305,707 724,305,707 250,602,398 217,858,015 20,7151,060 307,151,060 95,617,627 10,893,094 16,539,055 30,547,614 16,064,500 30,547,614 16,064,500 2,428,876,970 155,085,032 487,767,949 89,143,935 487,767,949 89,143,935 487,767,949 89,143,935 487,767,949 89,143,935 487,767,949 89,143,935 487,767,949 89,143,935 487,767,949 89,143,935 487,767,949 89,143,935 487,767,949 89,143,935 7,356,003 460,399,404 515,186,844 460,399,404 515,186,844 460,399,404 515,186,844 460,399,404 515,186,844 460,399,404 515,186,844 3,244,000		31.12.2022		01.01.2022	the year	the year	31.12.2022	31.12.2022
ings 787,519,083 724,305,707 250,602,398 3,446,472 250,602,398 307,151,060 307,151,060 30,547,614 110,893,094 16,539,055 30,547,614 16,064,500 30,547,614 16,064,500 30,547,617 10,064,500 30,547,617 16,064,500 30,547,617 16,064,500 30,547,617 16,064,500 30,547,617 16,064,500 30,547,617 16,064,500 30,547,617 16,064,500 30,547,617 16,064,500 30,547,617 16,064,500 30,547,617 16,064,500 30,547,617 16,064,500 30,547,617 16,064,500 30,547,617 16,064,500 30,547,617 16,064,500 30,547,617 16,064,500 30,547,614 16,064,500 30,547,614 16,064,500 30,547,614 16,064,500 30,547,614 16,064,500 30,547,614 16,064,500 30,547,614 16,064,500 30,547,614 16,064,500 30,547,614 16,064,500 30,547,614 16,064,500 30,547,614 16,064,500 30,547,614 16,064,500 30,547,614 16,064,500 2,428,876,970 15,085,032 2,428,876,970 15,085,032 2,428,876,970 15,085,032 2,428,876,970 15,085,032 2,428,876,970 15,085,032 2,428,876,970 15,085,032 2,428,876,970 15,085,032 2,428,876,970 15,085,032 2,428,876,970 15,085,032 2,428,876,970 15,085,032 2,428,876,970 15,085,032 2,428,876,970 15,085,032 2,428,876,970 15,085,032 2,428,876,970 15,085,032 2,428,876,970 15,085,032 2,428,876,970 15,085,032 2,428,876,970 2,539,476 2,539,476 2,539,476 2,539,476 2,539,476 2,539,476 2,539,476 2,539,476 2,539,476 2,539,476 2,539,476 2,539,476 2,539,476 2,539,476 2,539,476 2,539,476 2,539,535 2,538,535 2,539,535 2,539,532 2,539,532 2,539,535 2,539,535 2,539,535 2,539,535 2,539,535 2,539,535 2,539,535 2,539,555 2,539,535 2,539,555 2,539,550 2,539,555 2,539,550 2,539,555 2,539,555 2,539,555 2,539,555 2,539,555 2,539,555 2,539,555 2,539,5550 2,539,5555 2,539,5555 2,539,5555 2,539,5555 2,539,5555 2,539,5555 2,539,5555 2,539,55555 2,539,5555 2,539,55555 2,539,555555 2,539,55555 2,539,5555555555555555555555555555555555								
ings 724,305,707 250,602,398 217,858,015 217,858,015 307,151,060 307,151,060 30,547,614 16,539,055 30,547,614 16,064,500 2,428,876,970 155,085,032 2,428,876,970 155,085,032 487,767,949 89,143,935 487,767,949 89,143,935 10 Progress 487,767,949 89,143,935 110,003,1039,404 515,186,844 460,3399,404 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 515,186,844 516,187,187,187,187,187,187,187,187,187,187	787,519,083	I		1	I	I	1	1
ings 250,602,398 3,446,472 217,858,015 23,417,379 307,151,060 95,617,627 110,893,094 16,539,055 30,547,614 16,064,500 2,428,876,970 155,085,032 2,428,876,970 155,085,032 2,428,876,970 155,085,032 16,064,500 2,428,876,970 155,085,032 11,10,893,094 155,085,032 487,767,949 89,143,935 487,767,949 89,143,935 10, Progress 487,767,949 89,143,935 10, Progress 460,399,404 515,186,844 460,399,404 515,186,844 460,399,404 515,186,844 460,399,404 515,186,844	I	724,305,707	2.5	54,457,388	8,544,054	I	63,001,442	661,304,266
217,858,015 23,417,379 307,151,060 95,617,627 307,151,060 95,617,627 110,893,094 16,539,055 30,547,614 16,064,500 2,428,876,970 155,085,032 ets 2,428,876,970 155,085,032 ets 487,767,949 89,143,935 In Progress 487,767,949 89,143,935 A87,767,949 89,143,935 In Progress 460,399,404 515,186,844 460,399,404 515,186,844 460,399,404 515,186,844	796,598	253,252,272	20	191,664,248	21,580,899	644,210	212,600,938	40,651,334
307,151,060 95,617,627 110,893,094 16,539,055 30,547,614 16,064,500 2,428,876,970 155,085,032 ets 2,428,876,970 155,085,032 ets 487,767,949 89,143,935 In Progress 487,767,949 89,143,935 In Progress 460,399,404 515,186,844 460,399,404 515,186,844 - 460,399,404 515,186,844 -	5,482,061	235,793,333	20	176,014,147	17,837,539	5,121,284	188,730,402	47,062,931
110,893,094 16,539,055 30,547,614 16,064,500 30,547,614 16,064,500 2,428,876,970 155,085,032 ets 487,767,949 89,143,935 487,767,949 89,143,935 In Progress 460,399,404 515,186,844 460,399,404 515,186,844 460,399,404 515,186,844 460,399,404 515,186,844	25,796,480	376,972,207	33.33	254,498,904	44,833,414	25,769,046	273,563,272	103,408,935
30,547,614 16,064,500 2,428,876,970 155,085,032 ets 2,428,876,949 155,085,032 487,767,949 89,143,935 487,767,949 89,143,935 460,3399,404 515,186,844 2,25,408 33,244 355,408 33,244,000	8,803,163	118,628,986	20	81,224,189	11,061,866	8,027,847	84,258,208	34,370,778
2,428,876,970 155,085,032 ets 2,428,876,949 155,085,032 487,767,949 89,143,935 487,767,949 89,143,935 487,767,949 89,143,935 10 Progress 460,399,404 515,186,844 460,399,404 515,186,844 tssets 54 357 908 3 244 000	1,872,057	44,740,057	20	24,448,690	4,603,890	1,471,500	27,581,080	17,158,976
ets 487,767,949 89,143,935 487,767,949 89,143,935 487,767,949 89,143,935 487,767,949 89,143,935 10 Progress 460,399,404 515,186,844 460,399,404 515,186,844 tssets 54 357 908 3 244 000	830,269,442	1,753,692,561		782,307,566	108,461,662	41,033,887	849,735,341	903,957,220
487,767,949 89,143,935 487,767,949 89,143,935 487,767,949 89,143,935 487,767,949 89,143,935 487,767,949 89,143,935 487,767,949 89,143,935 10 Progress 460,399,404 515,186,844 460,399,404 515,186,844 460,399,404 515,186,844 460,399,404 515,186,844 460,399,404 515,186,844								
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487,767,949 89,143,935 In Progress 480,399,404 515,186,844 460,399,404 515,186,844 460,399,404 515,186,844 460,399,404 515,186,844 543,535 333,404	-	576,911,884	25	313,217,740	60,813,713	I	374,031,454	202,880,431
In Progress 460,399,404 515,186,844 460,399,404 515,186,844 516,186,186 516,186 516,186,186 516,186 516,186,186 516,186 516,186,186 516,186 516,186,186 516,186 516,186,186 516,186 516,186 516,186 516,186 516,186 516,186 516,186 516,186 516,186 516,186 516,186 516,186 516,186 5	•	576,911,884		313,217,740	60,813,713	•	374,031,454	202,880,431
460,399,404 515,186,844 460,399,404 515,186,844 \ssets 54 357 ans 3 244 000								
	975,586,249	1	I	1	1	I	1	1
460,399,404 515,186,844 54 357 908 3 244 000	-	-	I	1	1	I	-	
54 352 908 3 244 000	975,586,249	•		•	•	•		•
	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,	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
519,838,983 101,238,286 97,930, Total 3.896.883.307 860.654.098 1.903.785.	97,930,156 1.903.785.847	523,147,113 2.853.751.558		206,551,942 1.302.077.248	118,313,096 287.588.471	90,333,830 131.367.717	234,531,208 1.458.298.003	288,615,906 1.395.453.557

Gains or losses on sale of fixed assets have been disclosed in the Note. 21 & Note. 31.

AUDITED FINANCIAL STATEMENTS / LANKABANGLA FINANCE PLC

Annexure-B

LankaBangla Finance PLC Schedule of Fixed Assets As at 31 December 2023

		COST	F			Ω	DEPRECIATION	z		Written
Particulars	Balance as at	Addition	Sales/Transfer/ Adiuctment	Balance as at	Rate%	Balance as at	Charged/mpaired	Adjustment during	Balance as at	down value as at
	01.01.2023	the year	during the year	31.12.2023		01.01.2023	the year	the year	31.12.2023	31.12.2023
l. Freeholds assets										
Land	1	1	1	I		1	I	I	1	
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	I	1,000,000	17,552,935	20	18,389,440	69,878	1,000,000	17,459,318	93,617
	703,914,461	16,064,500	1,872,057	971,190,447		565,733,032	98,440,324	27,832,705	636,340,651	334,849,796
II. Intangible assets										
Systems and Software	385,688,314	14,373,454	1	400,061,768	12.50-25.00	226,828,124	42,413,046	1	269,241,171	130,820,597
	385,688,314	14,373,454	•	400,061,768		226,828,124	42,413,046	•	269,241,171	130,820,597
III. Capital Work In Progress										
Tangible Assets	1	460,502,611	285,871,783	174,630,828		1	1	1	1	174,630,828
Intangible Assets	I	I	I	I		I	I	I	I	
	ı	460,502,611	285,871,783	174,630,828		ı	1	ı	ı	174,630,828
IV. Leaseholds assets										
Motor Vehicles	28,101,000	I	I	28,101,000	20	24,089,196	1,143,902	I	25,233,098	2,867,902
Office premises	277,715,438	I	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
	305,816,438	•	47,670,400	258,146,038		176,314,269	51,920,305	47,670,400	180,564,173	77,581,865
Total	1,395,419,213	490,940,564	335,414,240	1,804,029,080		968,875,425	192,773,675	75,503,104	1,086,145,995	717,883,085

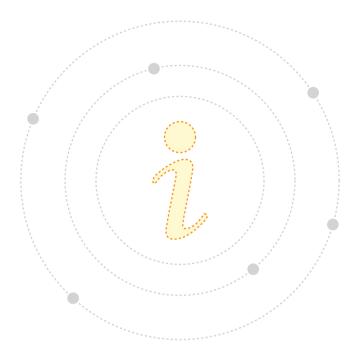
										Amount in Taka
		00	COST				DEPRECIATION	z		Written
Particulars	Balance as at	Addition during the year	Sales/Transfer/ Adjustment	Balance as at	Rate %	Balance as at	Charged/Impaired during the wear	Adjustment during	Balance as at	down value as at 31 12 2022
I. Freeholds assets		ure Jean						nic Jean		
Land	787,519,083	1	787,519,083	1		I	1	1	1	1
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	I	1	18,552,935	20	18,319,562	69,878	I	18,389,440	163,495
	1,420,989,216	97,310,602	814,385,357	703,914,461		523,378,596	69,183,731	26,829,296	565,733,032	138,181,429
II. Intangible assets										
Systems and Software	309,508,660	76,179,654	1	385,688,314	25	187,876,377	38,951,747	I	226,828,124	158,860,190
	309,508,660	76,179,654	•	385,688,314		187,876,377	38,951,747	·	226,828,124	158,860,190
III. Capital Work In Progress	S									
Tangible Assets	460,399,404	515,186,844	975,586,248	1		I	1	1	1	I
Intangible Assets	I	I	I	I		I	I	I	I	I
	460,399,404	515,186,844	975,586,248			•	•	•	•	•
IV. Leaseholds assets										
Motor Vehicles	24,857,000	3,244,000	1	28,101,000	20	23,076,759	1,012,437	I	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
	330,466,312	7,057,450	31,707,323	305,816,438		140,896,806	65,055,671	29,638,209	176,314,269	129,502,170
Total	2,521,363,592	695,734,550	1,821,678,928	1,395,419,213		852,151,780	173,191,149	56,467,505	968,875,425	426,543,789
					-					

Gains or losses on sale of fixed assets have been disclosed in the Note. 21 & Note. 31.

Annexure-A

Highlights As per Bangladesh Bank guidelines

				Amount in	taka (million)
SI #	Kay indiantona	LankaBan	gla Group	LankaBangla	Finance PLC
51#	Key indicators	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



Supplementary INFORMATION



Additional information about the Company and the Report.

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CORPORATE INFORMATION

GRI: 102-5

Registered Nam	e of the Company	LankaBangla Finance PLC.
Legal Form		Public Limited Company, listed with Dhaka Stock Exchange and Chittagong Stock Exchange, having incorporated in Bangladesh on November 5, 1996 under Companies Act, 1994
Company Registration	on Number	C-31702
Bangladesh Bank Lie	cense No.	FID(L)- 1053/41-1088
Corporate Office		Safura Tower (Level 11) 20 Kemal Ataturk Avenue, Banani, Dhaka-1213, Bangladesh Phone: (880-2) 222283701-10, Fax: (880-2) 58810998
Company E-mail		info@lankabangla.com
Company Website		www.lankabangla.com
Business Divisions	Corporate Financial Services Retail Financial Services & CMSME Financial Services	Assurance Nazir Tower, (Level-9), 65/B Kemal Ataturk Avenue, Banani, Dhaka-1213, Bangladesh Phone: (880-2) 55035425-55035429, Fax: (880-2) 8810998 Email: info@lankabangla.com
Card Centre		Tropical Mollah Tower (Level 11), Sha 15/1-15/4 Bir Uttam Rafiqul Islam Ave., Middle Badda, Dhaka 1212, Bangladesh Phone: (880-2) 58816952-64 E-mail: cards@lankabangla.com
Contact Centre		Tropical Mollah Tower (Level 11), Sha 15/1-15/4 Bir Uttam Rafiqul Islam Ave., Middle Badda, Dhaka 1212, Bangladesh Contact Centre Number: Local-16325, Overseas-0961101632 E-mail: myrequest@lankabangla.com
Operations Division		Assurance Nazir Tower, 65/B Kemal Ataturk Avenue (Level-3), Banani, Dhaka- 1213, Bangladesh Phone: (880-2) 55034079-90 E-mail: banani@lankabangla.com
Tax Consultant		Adil & Associates 50, Purana Paltan Line (3rd floor), Dhaka-1000, Bangladesh
Legal Advisors		Sadat Sarwat & Associates House # 28, Road # 23 Gulshan-1, Dhaka-1212
Auditors		Hussain Farhad & Co. Chartered Accountants House # 15, Road # 12, Block # F, Niketon Gulshan-1 Dhaka-1212, Bangladesh. Phone: +88(02) 88360157, Mobile: +88 016 8112 6120 E-mail: hfc@hfc-bd.com Web: www.hfc-bd.com
Credit Rating Agenc	у	Credit Rating Agency of Bangladesh (CRAB) D H Tower, 6 Panthapath, Level 15, Dhaka 1215, Bangladesh Phone: (880-2) 55013678, 55013681-84, Fax: (880-2) 55013679 E-mail: info@crab.com.bd Web: www.crab.com.bd

BRANCHES AND SUBSIDIARIES OF LANKABANGLA FINANCE PLC.

GRI: 102-4

Branches of LankaBangla Finance PLC. Branc	hes
Banani Branch	Assurance Nazir Tower (Level-3)
	65/B Kemal Ataturk Avenue, Banani, Dhaka-1213, Bangladesh Phone: (880-2)
	55034079-86
	E-mail: banani@lankabangla.com
Dhanmondi Branch	Green Rowshanara Tower, 4th Floor, Type-B, 755 (Old), 55 (New) Satmasjid Road,
	Dhanmondi C/A, Dhaka-1209, Bangladesh Phone: (880-2) 58157820-26
	E-mail: dhanmondi@lankabangla.com
Uttara Branch	Ishtiak Green (2nd Floor)
	Plot-81 A, Road-7, Sector-4, Uttara Model Town, Dhaka 1230, Bangladesh Phone:
	(880-2) 48964230, 48963493, 48950256, 8931412-13
	E-mail: uttara@lankabangla.com
Mirpur Branch	Northern Khan Height Tower (Level 3)
	Plot No # 34, Road No # 03, Block # D, Section # 11 Mirpur, Dhaka-1216,
	Bangladesh
	Phone: (880-2) 8931412-3, 48964230, 48963493, 48950256
	E-mail: mirpur@lankabangla.com
Motijheel Branch	Al-Haj Tower (3rd Floor)
	82 Motijheel C/A, Dhaka-1000, Bangladesh
	Phone: (880-2) 9514570-72, 9513714-16, 9514767-68
	E-mail: motijheel@lankabangla.com
Agrabad Branch	Hal's Aster Anwer (14th Floor), 1728 Sheikh Mujib Road, Agrabad,
	Chattogram-4100, Bangladesh
	Phone: (8802) 2333312601-04, 02333314563-65
CDA Avenue Branch	E-mail: agrabad@lankabangla.com Yunusco City Center (level 8)
CDA Avenue Branch	807/1056, CDA Avenue, OR Nizam Road, Khulshi, Chattogram-4000, Bangladesh
	Phone: (880-2) 41360782-84
	E-mail: cdaavenue@lankabangla.com
Sylhet Branch	Khoirun Bhaban (Level 3)
	Holding No # 118, Azadi, Mirboxtula, Sylhet 3100, Bangladesh Phone: (880-2) 99
	6631271, 6631276, 6631284
	E-mail: sylhet@lankabangla.com
Cumilla Branch	The Garden City (2nd Floor)
	203/187 Jhawtola, Police Line, Cumilla-3500, Bangladesh Phone: (880-81) 73371-2,
	74372-3
	E-mail: comilla@lankabangla.com
Narsingdi Branch	Sonali Tower (2nd Floor, North-East side)
	Anandhi Moar, College Road, Madobdhi, Narshingdi-1604, Bangladesh Phone:
	(880-2) 224457128-31
	E-mail: narsingdi@lankabangla.com
Jashore Branch	Universal Mintu Heights (2nd Floor)
	1490, R.N Road, Jashore-7400, Bangladesh Phone: (880-2) 477760327, 477760328, 477760329
	E-mail: jessore@lankabangla.com
Barisal Branch	Mannan Plaza (2nd Floor)
Bansar Branch	84, Sadar Road, Barishal-8200, Bangladesh Phone: (880-247) 8861398, 8862794,
	78863204, 78866541
	E-mail: barisal@lankabangla.com
Bogura Branch	Jamil Shopping Center (3rd floor)
5	Rangpur Road, Borogola, Bogura-5800, Bangladesh Phone: (880-51) 71031-35
	E-mail: bogra@lankabangla.com

Branches of LankaBangla Finance PLC. B	ranches
Mymensingh Branch	Sabit Sharif Bhaban (2nd Floor)
	55/A Boro Bazar, Mymensingh-2200, Bangladesh Phone: (880-2) 996662901-02
	E-mail: mymensingh@lankabangla.com
Khulna Branch	Tribune Tower (2nd floor)
	2/A KDA Avenue, Khulna-9200, Bangladesh Phone: (880-2477) 725689, 726436,
	726317, 726441
	E-mail: khulna@lankabangla.com
Rajshahi Branch	Ahmed Plaza (2nd floor)
	182-Alu Patti, Ghoramara, Boalia, Rajshahi-6100, Bangladesh Phone: (880-0721)
	771216, 771286, 771293, 771036, 771158
Nama and David	E-mail: rajshahi@lankabangla.com
Narayanganj Branch	H.R. Plaza (2nd Floor) 64/90/A, B.B Road, Narayanganj-1400, Bangladesh Phone: (880-0671) 7631342,
	7646980-82, 7631343
	E-mail: narayangonj@lankabangla.com
Chowmuhani Branch	Morshed Alam Complex (2nd floor)
	Unit Number: 74-77, Chowmuhani, Begomgani, Nohakhali, Bangladesh Phone:
	(880-0321) 54411-6
	E-mail: chowmuhani@lankabangla.com
Bangshal Branch	Mahmud Tower (Level-8)
	19, Siddique Bazar, North South Road, Dhaka-1000, Bangladesh Phone: (880-2)
	223355463, 223355470, 47112904, 47122552
	E-mail: bangshal@lankabangla.com
Faridpur Branch	Rangolal Plaza (Level-3)
	103 Goalchamot Mouza, Holding No-30, Fairdpur Sadar, Faridpur-7800, Bangladesh
	Phone: (880 0631) 64382-86
	E-mail: faridpur@lankabangla.com
Board Bazar Branch, Gazipur	Omar Ali Plaza (Level-3)
	Holding No. 309, Ward No. 30, Mymensingh Road, Kolomeshor, National University
	Board Bazar, Gazipur, Dhaka-1704, Bangladesh
	Phone: (880 02) 2996691493,2996691496, 2996691506, 2996691507, 2996691509
	E-mail: gazipur@lankabangla.com
Savar Branch	MK Tower (Level-4)
	B16/1, Jaleshwar, Shimultola, Savar, Dhaka-1340, Bangladesh Phone: (880-2)
	223371288-92
	E-mail: savar@lankabangla.com
Dinajpur Branch	Northern Plaza (Level-04)
51	Goneshtola, Dinajpur-5200, Bangladesh Phone: (880-531) 66916-20 E-mail:
	dinajpur@lankabangla.com
Keraniganj Branch	Haji Alimullah Complex (Level-03)
	Aganagar, South Keraniganj, Keraniganj, Dhaka-1310, Bangladesh Phone: (880-2)
	7763103, 7763259, 7763823, 7763785, 7763902
	E-mail: keraniganj@lankabangla.com
Gulshan Branch	The Glass House (4th Floor-West side)
	Plot No. 02, Block-SE (B), 38 Gulshan Avenue, Gulshan-1, Dhaka-1212, Bangladesh
	Phone: (880-2) 8833930-34
Ushinani Duanat	E-mail: gulshan@lankabangla.com
Habiganj Branch	Syed Bari Tower (2nd Floor)
	Holding No: 3828/1, Habiganj Sadar, Habiganj-3300, Bangladesh Phone: (880- 0831) 54473, 54474, 54493-94
	E-mail: habiganj@lankabangla.com
Kushtia Branch	Bashar Tower (2nd Floor)
	Holding No.: 72, N. S. Road, Kushtia Sadar, Kushtia-7000, Bangladesh Phone: (880-
	2) 477783247-48, +88 02477782814-15
	E-mail: kushtia@lankabangla.com

Branches of LankaBangla Securities Limited LankaBangla Securities Limited City Centre (Level-13) (Subsidiary of LankaBangla Finance PLC) 90/1, Motijheel C/A, Dhaka-1000 Phone : +880-2-55110940-3 Fax : +880-2-55110944 Email : info@lbsbd.com Web: https://lbsbd.com City Centre (13th Floor), 90/1 Motijheel Dhaka- 1000 Principal Branch, Motijheel Phone : +880-2-55110940-3, 01730322453 Fax: +880-2-55110944 Email : elahi@lbsbd.com Corporate Office A.A. Bhaban, Level-5, 23 Motijheel C/A, Dhaka-1000 Phone : +880-2-55110940-3 , 01730038558 Fax: +880-2-55110944 Email : info@lbsbd.com Motijheel: Branch Extension A.A. Bhaban Level-5, 23 Motijheel C/A,Dhaka-1000 Phone: +880-2-223383903-5,+880-2-223383901, +8801730038558 Fax: +880-2-9563902 Email : masud.hossain@lbsbd.com Banani Branch Assurance Nazir Tower(Level-6), 65/B, Kemal Attaturk Avenue, Banani, Dhaka-1213 Phone: +8801886858585 Fax · +880-2-55035309 Email : mosharef@lbsbd.com Mahmud Tower 7th Floor, 19, Siddik Bazar, Dhaka **BANGSHAL: BRANCH EXTENSION** Phone · 01313010505 Email : hafizun.nabi@lbsbd.com Dhanmondhi Branch Shaptak Mahbuba Grandeur Suite No: D-5, Lavel-5, Northen Side, Plot No # 21(Old), 17 (New) Road No-6, Dhanmondi R/A, Dhaka-1205 Phone : +880-2-44611775, 44611776, +8801817041615 Email : abu.taher@lbsbd.com Dhanmondhi Branch: Extension MIDAS Centre 6thFloor South Side, House #05 Road #16 (New) 27 (Old) Dhanmondi, Dhaka-1209 Phone : +880-2-9137182, 01730322492 Email : abid@lbsbd.com Northern Khan Height Tower, (3rd Floor), Plot-34, Road-03, Block-D, Section-11, Mirpur: Extension Mirpur, Dhaka 1216 Phone: +8801730322491 Email : milon@lbsbd.com Uttara Branch "THAL Ishtiak Green" (3rd Floor), Plot No #81A, Road # 07, Sector No #4 Uttara Model Town, Dhaka-1230 Phone : 01777761237, +880-2-410903789 Fax:+88-01730073811 Email : rafiqul.islam@lbsbd.com Narayangonj Branch Hazi Plaza(2nd Floor), 53/1, S.M. Maleh Road, Tan Bazar, Narayanganj Phone: +8801730341160 Fax: +880-2-7630560 Email : mokhles@lbsbd.com ELEPHANT ROAD: EXTENTION Spectra Magsood Tower 2nd Floor,#2B2 65, Elephant Road New Market,Dhaka. Phone: 01730322477 Email : masudrana@lbsbd.com Agrabad Branch HAL's ASTER ANWAR 13th floor 1398 (old), 1728 (new), SK. Mujib Road, Agrabad, Chattogram. Phone: +8801730322520, +8801730322506 Fax: +880-31-2525839 Email : amir@lbsbd.com, sowkat@lbsbd.com Asma Chamber, 1016(Old), Ram Joy Mohajan Lane, Khatungonj, Chattogram Khatungonj Branch Phone: +880-2-333360011, +880-2-333355276, +8801730-322522 Fax: +880-31-627312 Email : zia@lbsbd.com Feni Branch Maisha A.M Ahmed Tower 192, (Level-6, North Side), Shahid Sahidullah Kaiser Road, Feni Phone: +8801720110737,+880-2-334473380 Email : shakhawat.ullah@lbsbd.com Nasirabad Branch Rahima Center (5th floor), 1618/1839, CDA Avenue, Nasirabad, Chattogram Phone: +880-31-2554171-3, +8801730310036

> Fax : +880-31-2554174 Email : md.mizanur@lbsbd.com

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Bashundhara: Extension	Rahman AJ Trade Centre, 6thFloor Jagannatpur, Bashundhara Gate, Dhaka Phone : +8801730322473 Email : hasib@lbsbd.com			

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inkaBangla Asset Management Company Limited				
LankaBangla Asset Management Company Limited (Subsidiary of LankaBangla Finance PLC)	Praasad Trade Centre (4th Floor) 6 Kemal Ataturk Avenue Banani C/A, Dhaka-1213, Bangladesh Phone : +88 02 222274219-21 Fax : +88 02 222276159			
	E-mail: amcl@lankabangla.com Web: https://lbamcl.com			

LankaBangla Information Systems Limited	ankaBangla Information Systems Limited				
LankaBangla Information Systems Limited (Subsidiary of LankaBanglaSecurities Limited)	A.A. Bhaban (Level 6) 23 Motijheel, C/A, Dhaka-1000, Bangladesh Phone: +880 2 9563901, +880 2 9513793 Email: contact@lbis.info, FAX: +880 2 9563902 Web: www.lbis.info www.lbis.com. bd				

BizBangla Media Limited	
BizBangla Media Limited	12, Kazi Nazrul Islam Avenue, BDBL Bhaban (Level-17), Kawran Bazar, Dhaka-1215
(Subsidiary of LankaBanglaSecurities Limited)	

BUSINESS DIVISIONS OF LANKABANGLA FINANCE

Corporate Financial Services Division

There are very few in the NBFI marketplace who can provide the full spectrum of 360 degree corporate finance solutions to large and middle market businesses in both the public and private sectors – which LBF PLC team can.

Through the credit crunch, depressed commodity prices, and global economic turmoil, Corporate Financial Services Division (CFSD) always stood beside the Businesses and Corporate Houses who have made LBF PLC a financing powerhouse. CFSD continue to provide customized financial solutions to help our clients do what they do best—lead. In-depth knowledge and experience in LBF PLC is what makes it different and gives us the strength to stay at par with our clients. CFSD is proud to offer a wide range of tailored capital, 111, and financial solutions in order to help our clients succeed.

The value we deliver is demonstrated through our unique relationship model, industry expertise, and local market advantage through the units as mentioned below:

- Large Corporate
- Emerging Corporate
- Project, Structured & Sustainable Finance
- Corporate Liability

Large Corporate

Bangladesh has seen rapid growth in the recent years and considered amongst the emerging economies of the world. This has generated opportunity for the large corporate houses and group of companies to thrive and expand like never before. To accommodate the needs of this group of entrepreneurs and industrialists Large Corporate Unit has been operated with full financial solutions.

Large Corporate provides a diverse array of solutions for the corporate houses to expand their business and realize their vision. Our experienced team members can provide customized financial solutions which align with the overall business strategy of corporate clients so that their growth is truly sustainable. We aspire not just to become another one stop financial solution provider but a growth partner to all of our clients, so that we may Grow Together.

Already Large Corporate Unit has exposure with a number of corporate houses in sectors like Food Production and processing, Plastic, Cables, Light Engineering, Steel & Engineering, Real Estate, Cement, RMG, Footwear etc. allowing it to have a strong market presence. However, we are continuously looking to improve our team and incorporate new technological advances to better our service so that we can hold our esteem position in the market. Being a part of such a revered institution, Large Corporate actively takes part in refinancing schemes provided by Bangladesh Bank and other foreign finance provided by ADB, JICA, ICD, etc. for Green Financing, Sustainable Financing, Lead Certified Building, ETP setup etc.

Emerging Corporate

Emerging Corporate Unit offers comprehensive suite of products & services to cater the growing needs of emerging corporate customers from various business segments. Emerging Corporate of LBF PLC started its operation on a full- fledged basis from 2019 and since then, it has been evolved as one of the most preferred financial partners of the emerging corporate customers.

Emerging Corporate is aimed to provide the best corporate experience through a team of expert and dedicated relationship managers to identify business requirement and provide solutions through diversified products and services. The unit has the vision to use the wide network throughout the country to recognize the remote-most corporate customers and provide them with tailor made financial solutions.

At LBF PLC we see our customer as our partners and offer superior customer service to gain the highest mind share. Our Emerging Corporate team is ready to provide best in class corporate financial services to become your most preferred Financial Institution.

Emerging Corporate Financing solution consists of wide range of products and services to cater customer requirements under various industries. This includes emerging manufacturing industries, service entities, MNCs, project developers, supply chain concerns etc. Over the period of doing business, the Emerging Corporate team has gained the necessary experiences and expertise to serve complex financial deals with convenient solutions.

The followings are the products offered by both Large Corporate and Emerging Corporate units:

- Lease Finance
- Term Finance
- Short Term Finance
- Revolving Finance
- Loan against TDR
- Work Order Finance
- Club Finance
- Bridge Finance etc.

Project, Structured & Sustainable Finance

Project, Structured and Sustainable Finance is one of the key focus unit of LBF PLC. The Project, Structured and Sustainable Finance unit has institutionalized capabilities to successfully manage the unique and multidimensional process of project finance transactions led by customized product offering approach.

We are typically engaged from the very early stages of implementing projects. Thus, we are able to analyze the viability of projects from different perspectives and ensure cohesive and comprehensive project development that takes all aspects into consideration from day one. Specifically, we conceptualize best in class financing solutions and risk- mitigation concepts for the various projects. Already we have worked with a number of projects in sectors like Power plan, steel & engineering, Broadband solutions, Hi-tech Park, Data center, Economic Zones, Cable manufacturing, Tunnel kiln brick manufacturing, Jute and Jute-Products etc.

LBF PLC devises solutions that balance the requirements of customers, suppliers and capital providers. We greatly benefit from our well and long-established relationships with members of financial fraternity of the country. Thus, we can offer competitive rates in order to implement the projects. We are here to assess your financial need, design the most cost effective mode of finance for your business and give you a complete solution.

Major product & services under Project, Structured and Sustainable Finance unit are as follows:

- Project Finance
- Alternative Modes of Capital Raising (i.e. Bond, Preference Shares etc.)
- Green/Sustainable Finance
- Corporate Advisory Services

Corporate Liability

LBF PLC welcomes the opportunity to establish relationship with corporate clients willing to keep their funds with our company. Over the years we have received large deposits from various corporate houses which benefited us to enrich our portfolio. We understand that our corporate clients seek qualified and committed financial partners for safekeeping of their funds. Our endeavor to reduce dependencies on bank borrowing has been facilitated by collection of corporate deposits. In this regard, we have formed a separate corporate TDR team with professional Relationship Officers who are concentrating solely on providing RM based services to corporate houses through Head Office Priority Unit. A bunch of enthusiastic and energetic relationship managers has been deployed for marketing the services across the country who are tagged under different branches.

The followings are the products offered by Corporate Liability Unit:

- Actual Days Deposit
- Corporate Classic TDR
- Shahoj Sanchay
- Periodic Return
- Earn First
- Double Money Deposit
- Triple Money Deposit
- Money Builder

RETAIL FINANCIAL SERVICES DIVISION

The Retail Financial Service Division offers a variety of special financial services to fulfill the needs of individuals. By providing innovative, customized solutions and services, the Retail Division of LankaBangla Finance is one of the leader in the market of retail financial services. The division currently provides services through 3 (three) different sectors namely Loan Unit, Card Center and

Deposit. The division delivers services through 6 (six) units namely Auto Loan, Home and Mortgage Loan, Personal Loan, Credit Card, Retail Liability and Digital Transformation Department (DTD).

Auto Lease

The Auto Lease Unit specializes in car financing for individuals and institutions alike. It deals with all sales, marketing, business promotional activities, as well as relationship management with individuals, corporate customers and auto dealers. It is also engages in customer service activities including planning, budgeting, target setting & allocation, and also execution, monitoring & evaluation of sales deal, customer service quality, etc. The lease facilities are at competitive rates with convenient repayment options. LankaBangla has the following differentiate features for Auto Lease:

• Lease facility up to 90% of vehicle price but not exceeding BDT 25.00 Mn for a single vehicle of individual client

- Up to 100% lease facility for Institution/Organization
- 100% lease facility for the individual customer under secured by full or partial TDR/ FDR and for the employee of specialized corporate
- Maximum 75% (fair market value) financing facility for registered/Used vehicle
- Three (3) months grace/moratorium period facility for salaried individual
- Lease tenure from 12 to 60 months
- Lease facility for both individual and institution/ organizational name
- Early settlement & partial pre-payment facility

Home & Mortgage Loan

With a host of Home Loan options, the Home & Mortgage Unit aims to meet the individual needs for housing solutions. The activities of Home & Mortgage Loan Unit include sales, marketing, business promotions, and relationship management with customers and developers. The unit provides customer service management like planning, budgeting, target setting and allocation, and also execution, monitoring and evaluation of sales deal, customer service quality, etc. Home loan serves the following purpose:

- To buy a new or used apartment or ready home & commercial space
- To purchase or construct semi pacca house
- To renovate existing apartment , home & commercial space
- To construct apartment or home
- Existing loan pay off/ loan takeover

Proposed property and/or any property acceptable to LankaBangla may be taken as collateral. Property is required to be Registered Mortgage through TPA (Tripartite Agreement) or Registered Mortgage as per Law prevailing in Bangladesh. The following features differentiate Home Loan from that of the competitors:

- Highest loan ceiling of BDT 100 million
- Loan term up to 30 years including maximum 12 months moratorium period
- EMI calculation on Monthly Reducing Balance Method
- Partial Prepayment or Early Settlement options at any time on

outstanding principal amount.

- Approval of home loan before purchase of apartment for high net worth customer
- Loan disbursement during the construction stage
- Disburse against tripartite agreement or registered mortgage
- Top up facility
- Loan takeover facility
- Semi Fixed and Variable interest rate anyone can choose
- Loan facilities for Non-Resident Bangladeshis

Personal Loan

The Personal Loan Unit offers any purpose loans for personal exigencies. The unit deals with all sales, marketing, business promotional activities, as well as relationship management with corporate houses, and other customer service activities such as planning, budgeting, target setting and allocation and also execution, monitoring and evaluation of sales deal, customer service quality, etc. Personal loan for Salaried person (Bandhan), Doctor's Loan, Teacher's Loan (Beacon), Govt. Employee Loan (Hope), Personal Loan for Land/ Lady, Personal Loan for Businessman (Bonik) and Short Term Loan against lien of deposits (SOD) are offered under this unit. The following features make the personal loan of LankaBangla a leading financial product in the market:

- Insurance Facility
- Top up loan facility
- Takeover facility from other financial institutions/Bank
- Partial disbursement options
- Partial prepayment option

Credit Card

LankaBangla is the lone Financial Institution that offers cards through its owned CMS. Card Centre deals with issuing of MasterCard and VISA credit cards. LankaBangla VISA & Mastercard come with an ever growing range of benefits with an acceptance at all VISA & Mastercard POS, ATMs & e-commerce websites nationwide. There are mainly three categories of MasterCard-Titanium, Gold and Classic (General & Shikha) and three categories of VISA Card-Platinum, Gold and Classic for individual and corporate clients.

SI.	Name	Place of business	Valid in	Limit Range
1	Master Titanium	BDT	Bangladesh	BDT 150,000 -BDT 1,000,000
2	Master Gold	BDT	Bangladesh	BDT 60,000 –BDT 149,999
3	Master Classic	BDT	Bangladesh	BDT 20,000 –BDT 59,999
4	VISA Platinum	BDT	Bangladesh	BDT 150,000 -BDT 1,000,000
5	VISA Gold	BDT	Bangladesh	BDT 60,000 -BDT 149,999
6	VISA Classic	BDT	Bangladesh	BDT 20,000 –BDT 59,999

The basic features of LankaBangla Credit Card are as follows:

- Unsecured & revolving credit line
- Safer substitute to cash
- Monthly billing on purchases & cash withdrawals
- Minimum required payment per month: 5% or BDT 500 whichever is higher
- Exclusive Reward Program
- Interest free periods Minimum of 15 days or Maximum 45

days

- Cash Withdrawal Facility 50% of Credit Limit, No Interest Free period on Cash Advance
- Credit Shield Insurance Coverage up to BDT 500,000
- Secured EMV enabled chip card & contactless payment (NFC) facility
- 1200 (Approx.) active merchants where discount facility is available
- ezypay Installment Facility @ 0% interest at above 850 merchants
- 3 (three) times complimentary access (in a Calendar year) to "Balaka Executive Lounge "at Hazrat Shahjalal International Airport (International). or "MTB Air Lounge" at Hazrat Shahjalal International Airport (Only International), Cox's Bazar Airport (Domestic), Osmani International Airport (Domestic), Shah Amanat International Airport (Domestic) with Mastercard Titanium & VISA platinum
- Unlimited Complimentary Meet & Greet Service at Hazrat Shahjalal International Airport for Mastercard Titanium & VISA Platinum Cardmembers

Retail Liability

The core objective of Retail Liability unit is to focus on retail deposits. Different Liability products are being designed & offered to customers to cater their requirements. Considering the nature of retail clients and to provide the best customer service through strong relationships, various retail deposit teams have been deployed throughout the branches of all over Bangladesh.

Retail Liability department offers the following product and services:

Classic TDR

"Classic TDR" is one of the prominent deposit product of LankaBangla, designed with tenure flexibility to receive the interest at maturity.

Shohoj Sanchoy

It is a tenure flexible product to choose the tenure from 4 months to 18 months.

Earn First

Under this scheme customer can draw interest upfront and also can reinvest the interest amount into our other attractive Deposit Schemes.

Periodic Return Term Deposit

Term Deposit schemes designed to entertain customer to receive interest on monthly/quarterly/half-yearly/ yearly basis.

Money Builder

"Money Builder" is an installment based monthly saving deposit scheme where customer deposits a certain amount of money for a fixed tenure on monthly basis and in return customer receives an agreed amount at maturity.

Flexi Deposit

Initial deposit amount is fixed for this product and thereafter client can deposit any amount and enjoy interest on daily basis.

Double Money

"Double Money" can be the best solution for long term deposit plan. The deposited amount grows into double at the time of maturity.

Triple Money

"Triple Money" can be another solution for long term future plan, where deposited amount grows into triple at the time of maturity.

Quick Sanchoy

"Quick Sanchoy" is a combination of Term Deposit and Monthly Savings Scheme (DPS). Under this scheme customer makes an initial deposit, thereafter pays a multiplier of initial deposit for agreed tenure in equal monthly installment, and in return receives an amount equal to double or triple of initial deposited amount at maturity.

Protiva Deposit

"Protiva" – "Money Builder (DPS) for new generation to explore new horizon. It is a specialized deposit scheme with life insurance coverage at free of cost. The minor account holder under this scheme will be eligible to get the full maturity value in case of death or permanent disability (accidental) of the legal guardian at any time for any reason.

Swasti Deposit

"Swasti" – It is a specialized "Money Builder" (DPS), scheme with life insurance coverage at free of cost. The nominee of the account will be eligible to get the full maturity value in case of death or permanent disability (accidental) of the account holder at any time for any reason.

LankaBangla also offer below specialized products for woman with privileged rate of interest:

Shikha Ichhe (Classic and Shohoj Sanchoy), Shikha Obiroto (Periodic Return Term Deposit), Sikha Projjolon (Double and Triple Money), Shikha Sonchoy (Money Builder).

Digital Transformation Department (DTD)

LankaBangla Finance PLC launched the Digital Transformation Department (DTD) on 01 November 2016, formerly known as the Alternative Delivery Channels (ADC) department, to meet the growing demand for access to services anytime, anywhere, and in any way. The DTD's main objective is to create, develop, and manage an integrated, customer-focused approach to service, branding, business promotion, and development. It is responsible for overseeing LankaBangla's digital initiatives, including managing payment and partner segments on the website, social media platforms (such as Facebook, LinkedIn, and YouTube), Fintech partnerships, and leading payment and digital platforms including MFS, PSO, PSP, and online leads management. This department plays a crucial role in enhancing operational efficiency and ensuring cost-effective business operations, including digital sales.

Key Responsibilities of DTD:

- Manage eCRM Leads: The DTD maintains the MIS of all leads generated through the website, social media platforms (Facebook, LinkedIn, FinSmart App), and the contact center. This includes following up on and updating the eCRM panel, initiating cross-sell opportunities, and generating monthly business review reports.
- Digital Channel Management: The DTD is tasked with updating payment partner details on the LankaBangla website, managing promotional and payment discount campaigns, and maintaining the Shikha Chatbot for quick customer service and queries.
- Social Media & Customer Service Management: The DTD coordinates, communicates, and resolves complaints and service requests received from customers via social media and the website, working closely with concerned departments to ensure efficient resolution.
- Promotional Activities Management: The DTD manages and executes day-to-day promotional offers and activities across digital platforms, including SMS and EDM campaigns.
- FinSmart Mobile App Management: The DTD handles leads identification, addresses customer concerns, collects details, provides feedback, and follows up until approval or decline. The department also manages queries and complaints related to the FinSmart app, along with updating app information (e.g., promotional offers, product details, SMS, rate changes, and branch information).
- Business Generation: The DTD works to generate significant business, sales, or conversions from prospective leads identified through various social media channels.
- Payment & Digital Platform Enhancement: The DTD strengthens LankaBangla Finance's digital platform by providing structure and leadership in the development and management of the digital innovation roadmap, as well as overseeing day-today operations, including payment collection through MFS, PSP, and other digital payment platforms.
- Digital Sales Team: The DTD also includes a dedicated Digital Sales Team that works with digital leads across the country, focusing on CMSME, Cards, DPS, TDR, and other relevant financial products based on customer interest.

Data Analytics

Digital transformation, combined with enhanced customer engagement, has enabled LankaBangla Finance to make datadriven decisions based on analytical insights. This approach ensures the company stays ahead of competitors by fostering informed and strategic decisions.

Strategy and Culture

Building strong relationships with new and existing clients is key to ensuring customer loyalty and creating advocates for the company. The strategy focuses on integrating new platforms, services, products, and channels into the digital ecosystem to better serve customers.

Process Innovation

Continuous efforts are made to increase customer engagement and brand awareness. Customers can seamlessly and securely interact through multiple online and offline channels, providing a cohesive and convenient experience.

Digital Transformation

A strong focus on online applications streamlines operations and enhances the overall customer experience. The introduction of online applications enables customers to access financial services and products anytime, without needing to visit a branch. Going digital also empowers customers to track the status of their applications and transactions and access their account information, creating a more transparent and self-service-oriented experience. The DTD also works on customer-centric solutions such as easing online applications and business processes, including Digital CPV, Tax Return Submission, FinSmart App Development and BI-powered Dashboards.

CMSME Financial Services Division

The economy of Bangladesh depends heavily on Cottage, Micro, Small, and Medium-sized (CMSMEs) businesses because of their contributions to GDP, innovation, employment creation, and economic diversification. The business activities of CMSMEs are renowned for a resilient and balanced economy, which ensures environmental sustainability, supply chain integration, and social stability. CMSMEs are acknowledged worldwide as the lifeblood of local trade, commerce, and industry. With lower energy supply, lesser infrastructure facilities, and minor environmental risk, CMSMEs contribute notably to alleviation of poverty, creation of employment opportunities, women's empowerment, and equitable distribution of income, as well as diversification of the industrial sector in Bangladesh. LankaBangla Finance PLC, with the belief of 'Growing Together', has focused on CMSME business and financing with the vision of supporting untapped areas of Bangladesh for promoting financial inclusion. LankaBangla Finance PLC is offering different financial services to the CMSMEs based on the needs of the business.

Some of the value addition activities of the CMSME Financial Service division are as follows:

- Flexible Collateral norms based on client's financials, business and nature of Collateral.
- No hidden costs on loan sanction.
- Working capital limits to support growth plans and enhancements based on the client's further requirements ranging from BDT 0.3 million to BDT 200 million.
- E-mail & Mobile alert supports for existing clients.
- Choice of fixed tenure for repayment (12 months to 60 months).

CMSME Financial Services Division of LankaBangla Finance PLC has created a sound footprint in the year 2015 and it enjoyed higher growth in every parameter than that of previous year and is expecting to excel further. The division is working on new product introduction, cluster analysis and finding out prospective business sectors. The focus on CMSME growth is reflected by various campaign

arrangements, CMSME Fair, etc. A dedicated team for each branch is working to develop woman entrepreneurship in Bangladesh. LBF PLC is providing CMSME finance facilities to different types of sectors with increased focus on women. By availing the refinancing facility through Bangladesh Bank, LBF PLC is able to offer attractive interest rates for prospective women entrepreneurs of Bangladesh.

The services offered by the CMSME Financial Services Division can be summarized as following:

- Limits offered to Small Enterprise: loan amount from BDT 0.3 million to BDT 30 million.
- Limits offered to Medium Enterprise: loan amount from BDT 30 million to BDT 750 million.
- Collaterals: Funding against commercial, industrial, residential property and liquid securities.
- Facilities offered: Term Loan, Short Term Loan, Revolving loan.
- Fast processing and quick availability of loans.
- Best suited for: Retailers, Traders, Manufacturers, Wholesalers, Distributors, Importers, Exporters, and Dealers.
- Pre-requisites: Minimum two years' business experience.

The following are the products offered by CMSME Financial Services Division:

Small Business

- Ahona (Unsecured loan).
- Biswas (Partial Secured Loan).
- Anonnya (Women Entrepreneur).
- Abash (Loan for Construction Mess).
- Durbar (Commercial Vehicle Finance).
- Somporko (Startup Finance).
- Astha (Fully Secured).
- Swarnali (Agro Processing Industry Finance).
- Ejara (Lease Finance).
- Sorol (Loan Facility against TDR, FDR and MB).

CMSME Liability

CMSME Liability Unit has been operating since the year 2018 under the CMSME Financial Services Division. The main objective of this unit is to mobilize deposits from CMSME segments, individual and corporate houses, and cater to superior client experience from LankaBangla Finance PLC. So far the CMSME Liability unit is doing well, and the growth of the CMSME Liability portfolio has been noticeable since its inception. A bunch of enthusiastic and energetic business relationship managers and contractual staff has been deployed for marketing the products and services across the country who are tagged under different branches.

Different CMSME liability products are being tailored and offered to clients as per their deposit need with attractive features which are shortly described below-

- CMSME Bishwas-TDR (TDR lien against Loan).
- CMSME Shaccholata (Term Deposit of different periods).
- CMSME Shacchando (Periodic Return).
- CMSME Agroj (Designed Senior Citizen customers).
- CMSME Uparjon (Offers Advance interest).

- CMSME Digun Munafa (Double return at Maturity).
- CMSME Tin gun Munafa (Triple Return at Maturity).
- CMSME Druto Sanchoy (combination of Term deposit and DPS with flexible tenure).
- CMSME Moner Moto Sanchoy (Flexible Term deposit).
- CMSME Sommriddhi (A deposit scheme on different tenures).
- CMSME Shikha Icche (Term Deposit of different periods for female customers).
- CMSME Shikha Obiroto (A Periodic Return deposit for female customers).
- CMSME Shikha Projjolon (Digun & Tin gun Munafa for female customers).
- CMSME Shikha Sanchoy (A deposit scheme for female customers).

Emerging and Medium Business

Emerging and medium business segments transform into formidable segments for business growth and create endless opportunity. Considering the growing demand, CMSME Medium & Emerging Business Unit offers a wide range of products & services to cater to the medium business customers from various business segments. So under the CMSME Emerging and Medium Business Unit, there are several financial services, which are as follows:

- Term Loan Financing includes Industrial Term Loan, Business Instalment Loan, Commercial Vehicle Loan and Commercial Space Financing purpose aimed to cater manufacturing businesses
- Lease/Asset Backed Financing includes Lease, Sub- Lease, Commercial Vehicle Lease/Ioan, Sale, and Lease Back financing etc.
- Working Capital Solution includes Short Term Loan (One- off), Revolving Short Term Loan, distributorship, Financing on Import Documents Release Loan etc.

Supply Chain Finance (SCF)

At LBF, we understand the importance of adequate cash flow working as a blood circulation for the live running of a business. With this objective in mind, the Supply Chain Finance (SCF) Unit of LBF constantly strives to provide innovative financial solutions to meet working capital requirements of businesses. The unit helps to manage cash flow for effective cash management of business. To overcome the challenges of cash constraints in everyday business, the Supply Chain Finance Unit offers working capital solutions to give businesses a positive cash flow boost, freeing up working capital and giving them the financial freedom and flexibility to grow their businesses. These are uniquely structured working capital solutions against receivables, lifting orders, confirmed payables, credit advisory, collections, etc. The procedure is relatively simple for the convenience of the clients. Through the products and services offered by this unit, LBF PLC intends to be an active partner in the management of the client's supply and delivery chain. SCF offers mainly factoring, work order finance, distributor finance, and reverse factoring, and it offers combined facilities like shortterm/lease finance, term finance, short-term revolving finance, etc. to the core factoring clients to fulfill their working capital needs along with their business needs. In short, clients may get multiple business solutions from SCF-LBF PLC.

The following are the products offered by Supply Chain Finance:

- Factoring Finance.
- Distributor Finance.
- Reverse Factoring.
- Work Order Finance.
- Short Term/Lease Finance/Term Finance/ Short Term Revolving Finance.

EVENTFUL YEAR OF 2023

Family Day 2023



Family Day 2023 of LankaBangla Finance PLC. was held on 11th February, 2023 at Neeshorgo Resort near Kaliganj, Gazipur.

Women's Day 2023



On 6th March, 2023 LankaBangla Finance PLC.'s

Corporate Head Office celebrated "International Women's Day 2023" by organizing an event at Hotel Sarina, adjacent to Banani, Dhaka.

Launching of the Online Credit Approval System (OCAS)



On August 1, 2023, LankaBangla Finance PLC. launched the Online Credit Approval System (OCAS) to provide loans to CMSME entrepreneurs nationwide, leveraging their digital platform.

Customer Awareness Program



A seminar was organized in various branches of LankaBangla Finance PLC. as part of Customer Awareness Program.

LankaBangla Finance and aamarPay Partner to Elevate Payment Collections



This strategic collaboration aims to leverage the strengths of LankaBangla Finance PLC. and Soft Tech Innovation Limited (aamarPay) to create a seamless and efficient customer payment experience.

LankaBangla Finance PLC. Strengthens Ties with Al-Arafah Islami Bank Limited for Enhanced Customer Convenience



Under the agreement, LankaBangla Finance customers can now enjoy the enhanced convenience of settling their monthly DPS premiums, Ioan installments, and Credit Card bills seamlessly through the Islamic Wallet (IW), the Mobile Financial Services wing of AIBL.

কাৰ্ব্য ফুল্ড বিব চাহ্যাবামুল্ড

জানতে হবে জীবন চলায় কোনটা সঠিক পথ, সঠিক পথে থাকলে তবে উজ্জ্বল ভবিষ্যৎ।

আহসান মালেক

National Integrity Strategy (NIS)

Building a better Bangladesh is the ultimate goal of citizens and government institutions alike. Keeping this in mind, the National Integrity Strategy (NIS) was formulated in 2012. LankaBangla expresses its solidarity with the principles of NIS and has given emphasis to implement its core objectives.



To know more about National Integrity Strategy (NIS), please visit or scan www.lankabangla.com/integrity

Financial Literacy

The Government of Bangladesh has taken the initiative to educate and aware the people on financial matters. LankaBangla Finance has also introduced Financial Literacy campaign to equip individuals with sound knowledge on banking, investment, savings which would strengthen people's financial decision making.





To know more about Financial Literacy, please visit or scan www.lankabangla.com/financial-literacy-day

AWARDS AND ACHIEVEMENTS

23rd ICAB National Award for Best Presented Annual Report 2022

LankaBangla Finance PLC won the Gold Award (First Place) in the Financial Services category for best presented annual report in the 23rd ICAB National Award



on October 30, 2023 at the Pan Pacific Sonargaon Hotel in Dhaka, Bangladesh. At the event, LankaBangla Finance PLC. won the Gold Award (First Place) in the Financial Services category for it's best presented annual report.



Excellence in Mastercard Contactless (Issuing) 2022-23

LankaBangla Finance PLC. won Excellence in Mastercard Contactless (Issuing) 2022-23 in Mastercard Excellence Award

Excellence in Mastercard Credit Business (Domestic) 2022-23

LankaBangla Finance PLC. won Excellence in Mastercard Credit Business (Domestic) 2022-23 in Mastercard Excellence Award

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Celebrating 32 years of Mastercard's operation in Bangladesh, the 5th edition of the "Mastercard

Excellence Awards" coincided with the 10th anniversary of its Bangladesh office, on Thursday, November 25, 2023.

Khwaja Shahriar, Managing Director & CEO of LankaBangla Finance PLC. has received the Awards for Excellence in Mastercard Credit Business (Domestic) 2022-23 and Excellence in Mastercard Contactless (Issuing) 2022-23 categories.

INTEGRATED REPORTING CHECKLIST

	SL. No. Particulars	Page Reference	Chapter/ Section Reference
1. El	ements of an Integrated Report		
1.1	Organizational overview and external environment		
	An integrated report should disclose the main activities of the organization and the environment of which it operates.		
	An integrated report should identify the organization's mission and vision, and provides essential context by identifying matters such as:		
	The organization's:		
	Culture, ethics and values	12	Code of Conduct Guiding Principles
	• Ownership and operating structure including size of the organization, location of its operations)	03 55 12 331-332	Core Values Shareholding Structure Organizational Overview Corporate Information and Branches
	Principal activities and markets	336-341 332-336 176-177	Business Divisions of LBF PLC Subsidiaries of LBF PLC How we create value
	 Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, and the intensity of competitive rivalry) 	191	Porters Five Forces Analysis
	Key quantitative information	17-22 29-30 329	Financial Highlights Triple Bottom Line Highlights Highlights
	 Significant factors affecting the external environment and the organization's response(include aspects of the legal, commercial, social, environmental and political context that affect the organization's ability to create value in the short, medium or long term) 	190 193-194	SWOT Analysis for LBF PLC PESTEL Analysis
	The legitimate needs and interests of key stakeholders	180-189	Stakeholders Analysis
	 Macro and micro economic conditions, such as economic stability, globalization, and industry trends 	153-159	Economic Review
	• Market forces, such as the relative strengths and weaknesses of competitors and customer demand	191	Porters Five Forces Analysis
	 Environmental challenges, such as climate change, the loss of ecosystems, and resource shortages as planetary limits are approached The legislative and regulatory environment in which the organization operates The political environment in countries where the organization operates and other countries that may affect the ability of the organization to implement its strategy 	193-194	PESTEL Analysis
1.2	Governance		
	An integrated report should how does the organization's governance structure support its ability to create value in the short, medium and long term. An integrated report needs to provide an insight about how such matters as the following are linked to its ability to create value:		
	• The organization's leadership structure, including the skills and diversity (e.g., range of backgrounds, gender, competence and experience) of those charged with governance and whether regulatory requirements influence the design of the governance structure	57-60 61-66 56	Profile of Board Directors Profiles of the Management Tear Corporate Organogram of LankaBangla Finance
	 Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues 	107 109	Statement on Ethics and Compliance Risk Management Structure
	 Particular actions those charged with governance have taken to influence and monitor the strategic direction of the organization and its approach to risk management 	109-118	Statement on Risk Management

	SL. No. Particulars	Page Reference	Chapter/ Section Reference
	 How the organization's culture, ethics and values are reflected in its use of and effects on the capitals, including its relationships with key stakeholders 	180-189	Stakeholder Analysis
	 The legislative and regulatory environment in which the organization operates 	99 193 107	Statement on Internal Control PESTEL Analysis Statement on Ethics and Compliance
	The responsibility those charged with governance take for promoting and enabling innovation	104	Human Resources &
	 How remuneration and incentives are linked to value creation in the short, medium and long term, including how they are linked to the organization's use of and effects on the capitals. 	201	Remuneration Committee Report Human Resources Accounting
1.3	Stakeholder Identification/ relationships An integrated report should identify its key stakeholders and provide insight into the nature and quality of the organization's relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests.	180	Stakeholders Analysis
	Capitals An integrated report needs to provide insight about the resources and the relationships used and affected by the organization, which are referred to collectively as the capitals and how the organization interacts with the capitals to create value over the short, medium and long term. An integrated report need to identify the various forms of capitals which are	202	Capital Management Report
	essential for the success of its business operations. Eg: financial, manufactured, intellectual , human, social and relationship, and natural, However an entity can do its own classification of capitals based on its business activities. An entity needs to ensure that it does not overlook a capital that it uses or affects.	202	Capital Management Report
1.4	Business model	174	Value Creation Structure
	An integrated report should describe the organization's business model	172	Business Model
	An integrated report need to describe the business model, including key:		
	Inputs	202	Capital Management Report
		12	Organizational Overview
	Business activities	336	Business Divisions of LBF PLC
		332	Subsidiaries of LBF PLC
		176	How we create value
	Outputs	14 174	Product Portfolio of LBF PLC Value Creation Structure
		17-20, 329	Financial Highlights
		176	How We Create Value
		178	Delivering Value
	Outcomes	146	Value Added Statements
		150	Contribution to Government Exchequer
1.5	Performance		
	An integrated report needs to explain the extent to which the organization has achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals?	29-30	Triple Bottom Line Highlights
	An integrated report should contain qualitative and quantitative information about performance that may include matters such as:	38-40	Message from the Chairman
	 Quantitative indicators with respect to targets and risks and opportunities, explaining their significance, their implications, and the methods and 	51-54	Review from the MD
	 assumptions used in compiling them The organization's effects (both positive and negative) on the capitals, including restories of the second descent the value shall. 	160-171	CFO's Statement on Performance
	 including material effects on capitals up and down the value chain The state of key stakeholder relationships and how the organization has responded to key stakeholders' legitimate needs and interests 	17-20 329	Financial Highlights Highlights
	 The linkages between past and current performance, and between 	525	ing ing ins

	SL. No. Particulars	Page Reference	Chapter/ Section Reference
	An integrated report should explain what are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them?	109	Statement on Risk
	This can include identifying:		Management
	• The specific source of risks and opportunities, which can be internal, external or, commonly, a mix of the two.	190	SWOT Analysis
	• The organization's assessment of the likelihood that the risk or opportunity will come to fruition and the magnitude of its effect if it does.	193	PESTEL Analysis
	 The specific steps being taken to mitigate or manage key risks or to create value from key opportunities, including the identification of the associated 	191	Porters Five Forces Analysis
	strategic objectives, strategies, policies, targets and KPIs.		
1.7	Strategy and resource allocation		
	An integrated report should describe it strategic direction (Where does the organization want to go and how does it intend to get there) An integrated report need to identify:	195	Drivers Guiding Our Strategy
	 The organization's short, medium and long term strategic objectives The strategies it has in place, or intends to implement, to achieve those 	196	Material Matters that Affect
	strategic objectives • The resource allocation plans it has to implement its strategy	198	Our Strategies Strategic Focus Areas
	 How it will measure achievements and target outcomes for the short, medium and long term. 	198	Strategic Focus Areas
1.8	Outlook		
	An integrated report should explain what challenges and uncertainties is the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?	13	Forward Looking Statement
	An integrated report should highlight anticipated changes over time and	51	Review from the MD
	provides information on:	153	Economic Review
	 The organization's expectations about the external environment the organization is likely to face in the short, medium and long term 	190	Business Environment
	 How that will affect the organization 		Analysis
	 How the organization is currently equipped to respond to the critical challenges and uncertainties that are likely to arise. 		
1.9	Basis of preparation and presentation		
	An integrated report should answer the question: How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated?		
	An integrated report describes its basis of preparation and presentation, including:	03	About the Report
	A summary of the organization's materiality determination process Brief description of the process used to identify relevant matters,	196	Material Matters that Affect
	evaluate their importance and narrow them down to material matters Identification of the role of those charged with governance and key		Our Strategies
	personnel in the identification and prioritization of material matters. A description of the reporting boundary and how it has been determined. A summary of the significant frameworks and methods used to quantify or evaluate material matters.	134-151	Sustainability Reporting
2.	Responsibility for an integrated report		
		03	About the Report
	An intermeted warpert depended in the data in the transformer of the set the set of the set of the set	41	Directors' Report
	An integrated report should include a statement from those charged with governance that includes:	100	Board Audit Committee
	• An acknowledgement of their responsibility to ensure the integrity of the		Report
	An acknowledgement that they have applied their collective mind to the	98	Statement on Directors' Responsibilities
	preparation and presentation of the integrated reportTheir opinion or conclusion about whether the integrated report is	99	Directors' Statement on Internal Control
	presented in accordance with the Framework	106	Responsibility Statement of

GRI CONTENT INDEX

GRI Standards Page No **100.** General Disclosures **Organizational profile** 102-1 12 Name of the organization 102-2 A description of the organization's activities 12, 14-15 102-3 Location of the organization's headquarters Back page of AR Number of branches where the organization 102-4 331-335 operates 102-5 Nature of ownership and legal form 331 102-6 130-131 Sectors served 14-15, 17, 20, 24, 29-102-7 Scale of the organization 30, 176-177 Information on employees and other workers 102-8 206-213 A description of the organization's 102-9 219, 243, 248, 283, 314 supply chain Changes in the location of suppliers, the structure of the supply chain, or relationships 102-10 223, 254, 263 with suppliers, including selection and termination 102-11 Precautionary Principle or approach 109-118 102-12 External initiatives 04 Strategy 102-14 Statement from senior decision-maker 38, 51 174-175, 176-177, 178-102-15 Key impacts, risks and opportunities 179 **Ethics and Integrity** Values, principles, standards, and norms of 102-16 02, 12 behavior Governance Governance structure of the organization, including committees of the highest 56,71 governance body 102-18 Committees responsible for decision-making on economic, environmental, and social 140-142 topics Stakeholder engagement 102-40 List of stakeholders group engaged 180 100% employees are covered under the agreement and no 102-41 Collective bargaining agreements 104 complaints were reported for the past years Basis for identifying and selecting 102-42 180 stakeholders An Approach to stakeholder engagement, including frequency of 102-43 180-189 engagement by type and by stakeholder group

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX - 'IN ACCORDANCE CORE'

GRI Standards	Disclosure	Page No	Remarks / Reason for Omission
102-44	Key topics and concerns that have been raised through stakeholder engagement	180	
Reporting practi	ces	-	
102-45	Entities included in the consolidated financial statements	146	
102-46	Defining report content and topic boundaries	04, 137	
102-47	List of the material topics identified in the process for defining report content		
102-48	Restatements of information		No changes were made.
102-49	Changes in reporting		No changes were made.
102-50	Reporting period for the information provided	04	
102-51	Date of most recent report	04	
102-52	Reporting cycle	04	
102-53	Contact point for questions regarding the report	03	
102-54	Claims of reporting in accordance with the GRI Standards	04	
102-55	GRI Content Index	349	
102-56	External assurance	05	Not applicable for LBF PLC as no external assurance was sought while reporting
200. Economic			
201-1	Direct economic value generated and distributed	146, 147	
201-3	Defined benefit plan obligations and other retirement plans	206-213	
203-2	Significant indirect economic impacts	143, 226-229	
204-1	Proportion of spending on local suppliers	224, 254, 259, 293	
205-1	Operations assessed for risks related to corruption	206-213	
205-2	Communication and training about anti-corruption policies and procedures	206-213	No complaints on anti- corruption, money laundering or fraud was reported for the past years
207-1	Approach to tax	146, 148	
207-3	Stakeholder engagement and management of concerns related to tax	150	
300. Environme	nt		·
302-1	Energy consumption within the organization	140-142	

SUPPLEMENTARY INFORMATION / GRI CONTENT INDEX

GRI Standards	Disclosure	Page No	Remarks / Reason for Omission
302-4	Reduction of energy consumption	140-142	
303-1	Interactions with water as a shared resource	140-142	
305-5	Reduction of GHG emissions	140-142	The company does not have significantly direct impact that would result in gross emission of any GHG or fuels
306-2	Management of significant waste-related impacts	140-142	,
400. Social		`	
401-1	Total number and rate of new employee hires during the reporting period, by age group, gender and region	206-213	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	206-213	
403	Occupational Health and Safety	206-213	No hazardous situation was reported by the employees of the company for the past years
404-1	Average hours of training per year per employee	206-213	
404-3	Percentage of total employees by gender and by employee category who received a regular performance and career development review	206-213	
405-1	Diversity of governance body and employees	206-213	
413	Local Communities	143	

Note: AR - Annual Integrated Report

GLOSSARY OF TECHNICAL TERMS

A

Accounting Policies

The specific principles, bases, conventions, rules and practices adopted by an entity in preparing and presenting Financial Statements.

Accrual Basis

Recognition of the effects of transactions and other events when they occur without waiting for receipt or payment of cash or its equivalents.

Amortization

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

Amortized Cost

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectability.

Asset and Liability Committee (ALCO)

A risk management committee in a bank that generally comprises the senior management levels of the institution. The ALCO's primary goal is to evaluate, monitor and approve practices relating to risk due to imbalances in the capital structure. Among the factors considered are liquidity risk, interest rate risk, operational risk and external events that may affect the bank's forecast and strategic balance sheet allocations.

В

Basel II

The capital adequacy ratio framework issued by the Basel Committee on Banking Supervision (BCBS) in the form of the 'International Convergence of Capital Measurement and Capital Standards'.

С

Capital Adequacy Ratio

The percentage of risk-adjusted assets supported by capital as defined under the framework of risk-based capital standards developed by the Bank for International Settlement (BIS) and as modified to suit local requirements by the Bangladesh Bank.

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash Flows

Cash flows are inflows and outflows of cash and cash equivalents.

Collectively Assessed Loan Impairment Provisions

Also known as portfolio impairment provisions. Impairment assessment on a collective basis for homogeneous groups of loans that are not considered individually significant and to cover losses that has been incurred but has not yet been identified at the reporting date. Typically, assets within the consumer banking business (housing, personal, vehicle loans, credit cards etc.) are assessed on a portfolio basis.

Commercial Paper (CP)

An unsecured, short-term debt instrument issued by a corporation, typically for the financing of accounts receivable, inventories and meeting short-term liabilities. The debt is usually issued at a discount, reflecting prevailing market interest rates.

Commitments

Credit facilities approved but not yet utilized by the clients as at the reporting date.

Consolidated Financial Statements

Consolidated financial statements are the financial statements of a group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity.

Contingencies

A condition or situation, the ultimate outcome of which (gain or loss) will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.

Contract

An agreement between two or more parties that creates enforceable rights and obligations.

Control

An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Corporate Governance

The process by which corporate entities are governed. It is concerned with the way in which power is exercised over the management and direction of entity, the supervision of executive actions and accountability to owners and others.

Cost Method

A method of accounting whereby the investment is recorded at cost. The Income Statement reflects income from the investment only to the extent that the investor receives distributions from accumulated net profits of the investee arising subsequent to the date of acquisition.

Cost to Income Ratio

Operating expenses excluding impairment charge for loans and other losses as a percentage of total operating income.

Credit Rating

An evaluation of a corporate's ability to repay its obligations or likelihood of not defaulting, carried out by an independent rating agency.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the loans and advances to customers and other banks and investment debt securities.

Credit Risk Mitigation

A technique to reduce the credit risk associated with an exposure by application of credit risk mitigates such as collateral, guarantee and credit protection.

Currency Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Customer Deposits

Money deposited by account holders. Such funds are recorded as liabilities.

D

Deferred Tax

Sum set aside in the financial statements for taxation that may become payable/receivable in a financial year other than the current financial year. It arises because of temporary differences between tax rules and accounting conventions.

Delinquency

A debt or other financial obligation is considered to be in a state of delinquency when payments are overdue. Loans and advances are considered to be delinquent when consecutive payments are missed. Also known as 'Arrears'.

Depreciation

The systematic allocation of the depreciable amount of an asset over its useful life.

Derecognition

Derecognition is the removal of a previously recognized financial asset or financial liability from an entity's statement of financial position.

Derivatives

A derivative is a financial instrument or other contract, the value of which changes in response to some underlying variable (e.g. an interest rate), that has an initial net investment smaller than would be required for other instruments that have a similar response to the variable, and that will be settled at a future date.

Discount Rate

A rate used to place a current value on future cash flows. It is needed to reflect the fact that money has a time value.

Dividend Cover

Profit after tax divided by gross dividend. This ratio measures the number of times dividend is covered by the current year's distributable profits.

Dividend Yield

Dividend earned per share as a percentage of its market value.

Ε

Earnings per Share (EPS)

The profit attributable to each ordinary share in the Company, based on the profit for the period after tax and after deducting minority interest and preference share Dividend.

Economic Value Added (EVA)

A measure of productivity which takes into consideration cost of total invested equity.

Effective Interest Rate (EIR)

Rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity Method

The equity method is a method of accounting whereby the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the investor's share of net assets of the investee. The profit or loss of the investor includes the investor's share of the profit or loss of the investee.

Events after the Reporting Period

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

F

Fair Value

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Finance Lease

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

Financial Guarantee Contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial Instrument

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

G

Global Reporting Initiative (GRI)

GRI is a leading organization in the sustainability field. GRI promotes the use of sustainability reporting as a way for organizations to become more sustainable and contribute to sustainable development.

Going Concern

The financial statements are normally prepared on the assumption that an entity is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the entity has neither the intention nor the need to liquidate or curtail materially the scale of its operations.

Gross Dividend

The portion of profits distributed to the shareholders including the tax withheld.

Group

A group is a parent and its subsidiaries.

н

High Quality Liquid Assets (HQLA)

HQLA are assets that can be easily and immediately converted into cash at little or no loss of value, that can be readily sold or used as collateral to obtain funds in a range of stress scenarios and are unencumbered, i.e., without legal, regulatory or operational impediments.

I

Impaired Loans

Impaired loans are loans where the Group does not expect to collect all the contractual cash flows or expects to collect them later than they are contractually due.

Impairment

This occurs when recoverable amount of an asset is less than its carrying amount.

Impairment Provisions

Impairment provisions are provisions held on the Statement of Financial Position as a result of the raising of a charge against profit for the incurred loss.

Intangible Asset

An intangible asset is an identifiable non-monetary asset without physical substance.

Interest Cover

A ratio showing the number of times interest charges is covered by earnings before interest and tax.

Interest Margin

Net interest income expressed as a percentage of average interest earning assets.

Interest Rate Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest

rates. Interest Spread

This represents the difference between the average interest rate

earned and the average interest rate paid on funds.

Investment Properties

Investment property is property (land or a building - or part of a building - or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative services; or sale in the ordinary course of business.

Κ

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity.

L

Leverage Ratio

The Leverage Ratio is a transparent, simple, non-risk based ratio and is calculated by dividing Total Tier I capital from the Bank's total exposures of all assets and off balance sheet items.

Liquid Assets

Assets that are held in cash or in a form that can be converted to cash readily, such as deposits with other banks, bills of exchange and treasury bills and bonds.

Liquidity Risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Μ

Market Capitalization

The value of a company obtained by multiplying the number of ordinary shares in issue by its market value as at a date.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/ issuer's credit standing) will affect the Company's income or the value of its holdings of financial instruments.

Materiality

The relative significance of a transaction or an event, the omission or misstatement of which could influence the decisions of users of financial statements.

Ν

Net Asset Value Per Share

Shareholders' funds divided by the number of ordinary shares in issue.

Net-Interest Income (NII)

The difference between what a company earns on assets such as loans and securities and what it pays on liabilities such as deposits, refinance funds and inter-bank borrowings.

Non-Controlling Interest

Non-controlling interest is the equity in a subsidiary not attributable,

directly or indirectly to a parent.

0

Operational Risk

Operational risk refers to the losses arising from fraud, negligence, oversight, human error, process errors, system failures, external events, etc.

Ρ

Parent

A parent is an entity that controls one or more entities.

Price Earnings Ratio (P/E Ratio)

The current market price of the share is divided by the earnings per share of the Company.

R

Repurchase Agreement

This is a contract to sell and subsequently repurchase government securities at a given price on a specified future date.

Return on Average Assets (ROA)

Profit after tax expressed as a percentage of average total assets, used along with ROE, as a measure of profitability and as a basis of intra-industry performance comparison.

Return on Average Equity (ROE)

Profit after tax less preferred share dividends if any, expressed as a percentage of average ordinary shareholders' equity.

Rights Issue

Issue of shares to the existing shareholders at an agreed price, generally lower than market price.

Right-of-use Asset (ROU)

ROU asset is a lessee's right to use an asset over the life of a lease. The asset is calculated as the initial amount of the lease liability, plus any lease payments made to the lessor before the lease commencement date, plus any initial direct costs incurred, minus any lease incentives received.

Risk-weighted Assets (RWA)

Used in the calculation of risk-based capital ratios. The face amount of lower risk assets is discounted using risk weighting factors in order to reflect a comparable risk per rupee among all types of assets. The risk inherent in commitment & contingencies is also recognized, first by adjusting notional values to Statement of Financial Position (or credit) equivalents and then by applying appropriate risk weighting factors.

S

Segmental Analysis

Analysis of financial information by segments of an enterprise specifically, the different industries and the different geographical areas in which it operates.

Shareholders' Funds

Total of issued and fully paid share capital and capital and revenue reserves.

Statutory Reserve

A capital reserve created as per the provisions of the Financial Institutions Act 1993.

Subsidiary

A Subsidiary is an entity that is controlled by another entity.

Substance over Form

The consideration that the accounting treatment and the presentation in financial statements of transactions and events should be governed by their substance and financial reality and not merely by legal form.

Т

Total Tier I Capital

Total Tier I Capital consists of Common Equity, share premium and retained earnings.

Total Capital (Capital Base)

Capital base is summation of the core capital (Tier I) and the supplementary capital (Tier II).

U

Useful Life

Useful life is the period over which an asset is expected to be available for use by an entity or the number of production or similar units expected to be obtained from the asset by an entity.

V

Value Added

Wealth created by providing banking and other services less the cost of providing such services. The value added is allocated among the employees, the providers of capital, to government by way of taxes and retained for expansion and growth.

Υ

Yield to Maturity

Discount rate at which the present value of future payments would equal the security's current price.

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 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
- 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.

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** 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.**

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. An Investor can make a written complaint to LankaBangla Finance PLC also. Upon receipt of the compliant, 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

Notes:



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)

Revenue Stamp Tk. 20/- 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 www.lankabangla.com