CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

AUDITED

FOR THE HALF-YEAR ENDED ON JUNE 30, 2018

LANKABANGLA FINANCE LIMITED
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Consolidated Balance Sheet

As at 30 June 2018

PROPERTY AND ASSETS	30.06.2018	31.12.2017
Cash	**898,842,061**	**1,155,230,423**
Cash in hand (including foreign currencies)	2,473,701	476,721
Balance with Bangladesh Bank (including foreign currencies)	896,368,360	1,154,753,702
Balance with other banks and financial institutions	**7,675,955,155**	**8,874,982,033**
Inside Bangladesh	7,675,955,155	8,874,982,033
Outside Bangladesh	-	-
Money at Call and Short Notice	-	-
Investments	**5,235,309,416**	**5,469,169,711**
Government securities	-	-
Other investments	5,235,309,416	5,469,169,711
Leases, loans and advances	**66,571,246,339**	**66,544,357,447**
Loans, cash credit and overdraft etc.	66,571,246,339	66,544,357,447
Bills discounted and purchased	-	-
Fixed Assets including Land, Building, Furniture & Fixtures	**2,090,878,088**	**1,761,772,474**
Other assets	**1,896,473,211**	**1,637,203,086**
Non-Banking assets	-	-
TOTAL PROPERTY AND ASSETS	**84,368,704,271**	**85,442,715,174**
LIABILITY AND SHAREHOLDERS' EQUITY		
Borrowings from Bangladesh Bank, other banks & financial institutions	**15,594,152,225**	**18,563,686,212**
Deposits and other accounts	**51,449,015,212**	**51,675,158,138**
Current deposits and other accounts etc.	-	-
Bills payable	-	-
Saving bank deposit	-	-
Term deposits	51,328,393,679	51,552,816,766
Bearer certificate of deposits	-	-
Other deposits	120,621,533	122,341,372
Other liabilities	**7,570,303,131**	**6,775,350,993**
TOTAL LIABILITIES	**74,613,470,568**	**77,014,195,343**
Shareholders' Equity	**9,647,427,158**	**8,327,000,468**
Paid up capital	5,131,796,410	3,182,509,410
Share money deposit for right issue	-	160,307,660
Share premium	1,090,888,800	1,090,888,800
Statutory reserve	1,524,422,681	1,472,602,021
General reserve	49,480,521	50,867,438
Retained earnings	1,850,838,746	2,369,825,140
Non controlling interest	**107,806,546**	**101,519,363**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**84,368,704,271**	**85,442,715,174**
Net asset value per share- (NAV) (restated: 2017)	**18.80**	**18.03**

sd/- Director | sd/- Director | sd/- Managing Director | sd/- Company Secretary | sd/- Chief Financial Officer

sd/- S. F. Ahmed & Co. Chartered Accountants

Consolidated Profit and Loss Account

For the period ended on 30 June 2018

Operating Income	Jan '18 - Jun '18	Jan '17 - Jun '17	"Q-2 of 2018 (April to June)"	"Q-2 of 2017 (April to June)"
Interest income	4,290,874,544	3,169,301,031	2,298,114,692	1,669,411,009
Less : Interest expenses on deposits and borrowings	3,118,618,175	2,198,947,658	1,674,759,038	1,131,879,750
Net interest income	1,172,256,370	970,353,373	623,355,654	537,531,259
Income from investment	280,195,675	189,414,644	235,853,416	70,844,912
Commission, Exchange and Brokerage Income	300,685,263	575,894,965	162,232,397	209,430,208
Other operational income	386,102,984	419,554,721	196,962,575	213,361,810
Total Operating Income	**2,139,240,292**	**2,155,217,703**	**1,218,404,042**	**1,031,168,189**
Operating Expenses				
Salary and allowances	690,748,426	604,411,430	341,318,549	301,819,396
Rent, taxes, insurance, electricity etc.	127,317,418	98,695,665	66,496,421	51,479,405
Legal and professional fees	8,113,956	10,203,442	6,910,690	6,700,902
Postage, stamp, telecommunication etc.	12,455,589	12,383,983	7,249,785	7,317,465
Stationery, printing, advertisement	23,892,193	32,907,243	14,723,945	20,142,606
Managing director's salary and allowance	7,738,123	3,549,222	3,869,521	948,722
Director fees and expenses	977,000	998,500	677,250	562,000
Audit fees	894,081	373,234	711,540	207,263
Repairs, maintenance and depreciation	96,642,996	84,006,292	48,548,984	44,850,426
Other expenses	349,211,112	372,673,346	189,529,000	196,618,285
Total Operating Expenses	**1,317,990,893**	**1,220,202,358**	**680,035,683**	**630,646,471**
Net Operating Income	**821,249,399**	**935,015,345**	**538,368,359**	**400,521,719**
Provision for loans, investments and other assets	**423,734,578**	**114,129,195**	**258,217,150**	**(10,636,131)**
Provision for leases and loans	268,452,877	164,744,503	125,710,403	51,746,517
Provision for diminution in value of investments	140,284,443	(74,881,913)	130,009,489	(74,881,913)
Provision for margin loan	12,500,000	24,266,605	-	12,499,265
General provision for other assets	2,497,258	-	2,497,258	-
Profit before tax and reserve	**397,514,821**	**820,886,150**	**280,151,209**	**411,157,850**
Provision for tax	**132,295,309**	**172,064,507**	**95,992,583**	**68,372,515**
Current tax	127,027,893	167,432,839	90,725,167	63,740,847
Deferred tax	5,267,416	4,631,668	5,267,416	4,631,668
Net profit after tax	**265,219,512**	**648,821,644**	**184,158,626**	**342,785,335**
Attributed to				
Shareholders of the Company	258,521,330	636,769,074	178,755,248	337,307,657
Non controlling interest	6,698,182	12,052,570	5,403,378	5,477,678
	265,219,512	**648,821,644**	**184,158,626**	**342,785,335**
Appropriations	**50,433,744**	**104,995,478**	**25,328,618**	**89,869,903**
Statutory reserve	51,820,660	108,990,879	24,279,116	89,119,963
General reserve	(1,386,916)	(3,995,401)	1,049,502	749,940
Retained surplus	**208,087,586**	**531,773,596**	**153,426,630**	**247,437,754**
Earning per share (EPS) (restated: 2017)	**0.51**	**1.38**	**0.35**	**0.73**

sd/- Director | sd/- Director | sd/- Managing Director | sd/- Company Secretary | sd/- Chief Financial Officer

sd/- S. F. Ahmed & Co. Chartered Accountants

Consolidated Statement of Cash Flows

For the period ended on 30 June 2018

	Jan '18 - Jun '18	Jan '17 - Jun '17
A) Cash flows from operating activities		
Interest received	4,294,059,147	3,151,012,384
Interest paid	(3,096,764,584)	(1,933,890,712)
Dividend received	49,280,832	41,803,988
Fees and commission received	493,027,948	843,614,519
Income from investment	257,121,691	170,151,286
Cash paid to employees (including directors)	(748,313,435)	(627,078,767)
Cash paid to suppliers	(98,964,651)	(91,826,250)
Income taxes paid	(104,810,245)	(165,292,055)
Received from other operating activities	192,421,165	150,122,011
Paid for other operating activities	(440,202,480)	(449,382,336)
Cash generated from operating activities before changes in operating assets and liabilities	**796,855,389**	**1,089,234,067**
Increase/(decrease) in operating assets & liabilities		
Loans and advances to customers	92,627,685	(8,511,350,929)
Other assets	(181,503,077)	149,826,697
Deposits from customers and others	(226,142,926)	6,894,831,048
Other liabilities	153,787,573	908,652,113
Total increase/(decrease) in operating assets & liabilities	**(161,230,746)**	**(558,041,070)**
Net Cash flows from Operating Activities (Total of "A"):	**635,624,643**	**531,192,996**
B) Cash flows from investing activities		
Changes in investment in securities	(216,139,705)	(359,922,442)
Purchase of property, plant and equipment	(446,581,339)	(313,015,225)
Investment in commercial paper	450,000,000	250,000,000
Sales proceeds of fixed assets	39,454,646	2,396,503
Net Cash used in Investing Activities (Total of "B"):	**(173,266,397)**	**(420,541,164)**
C) Cash flows from financing activities		
Drawdown of Term Loan, OD and REPO	(2,969,533,988)	3,417,672,327
Proceeds from right issue	1,430,947,040	-
Transaction cost against right issue	(10,170,363)	-
Dividend paid	(369,016,175)	48,708,485
Net Cash flow from Financing Activities (Total of "C"):	**(1,917,773,486)**	**3,466,380,813**
D) Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	**(1,455,415,239)**	**3,577,032,645**
E) Opening cash and cash-equivalents	**10,030,212,456**	**5,043,583,829**
F) Closing cash and cash equivalents (D+E)*	**8,574,797,217**	**8,620,616,474**
*** Closing cash and cash-equivalents**		
Cash in hand (including foreign currencies)	2,473,701	1,176,623
Balance with Bangladesh Bank and its agent bank (s)	896,368,360	740,899,789
Balance with other Banks and Financial Institutions	7,675,955,155	7,878,540,062
Total:	**8,574,797,217**	**8,620,616,474**
Net Operating Cash Flows Per Share - (NOCFPS) (restated: 2017)	**1.26**	**1.15**

sd/- Director | sd/- Director | sd/- Managing Director | sd/- Company Secretary | sd/- Chief Financial Officer

Consolidated Statement of Changes in Equity

For the period ended 30 June 2018

Amount in Taka

Particulars	Share Capital	Share money deposit for right issue	Share Premium	Statutory Reserve	General Reserve	Retained Earnings	Total	Non Controlling Interest	Total
Balance as at 01 January 2018	**3,182,509,410**	**160,307,660**	**1,090,888,800**	**1,472,602,021**	**50,867,438**	**2,369,825,140**	**8,327,000,468**	**101,519,363**	**8,428,519,831**
Items Involved in Changes in Equity									
Right share money deposit received	160,307,660	(160,307,660)	-	-	-	-	-	-	-
Changes in non controlling interest	-	-	-	-	-	(839,001)	(839,001)	(410,999)	(1,250,000)
Right Share Subscription	1,430,947,040						1,430,947,040	-	1,430,947,040
Net profit for the period	-		-	-	-	258,521,330	258,521,330	6,698,182	265,219,512
Transaction cost against right issue	-	-	-	-	-	(10,170,363)	(10,170,363)	-	(10,170,363)
Appropriation to statutory reserve	-		-	51,820,660	-	(51,820,660)	-	-	-
Appropriation to General reserve	-			-	(1,386,916)	1,386,916	-	-	-
Dividend									-
Stock dividend (7.5%)	358,032,300		-	-	-	(358,032,300)	-	-	-
Cash dividend (7.5%)	-		-	-	-	(358,032,317)	(358,032,317)	-	(358,032,317)
Balance as at 30 June 2018	**5,131,796,410**	-	**1,090,888,800**	**1,524,422,681**	**49,480,521**	**1,850,838,746**	**9,647,427,158**	**107,806,546**	**9,755,233,703**

sd/- Director | sd/- Director | sd/- Managing Director | sd/- Company Secretary | sd/- Chief Financial Officer

Separate Balance Sheet

As at 30 June 2018

PROPERTY AND ASSETS	30.06.2018	31.12.2017
Cash	**897,280,777**	**1,155,072,909**
Cash in hand (including foreign currencies)	912,417	319,207
Balance with Bangladesh Bank and its agent Bank (including foreign currencies)	896,368,360	1,154,753,702
Balance with other Banks and Financial Institutions	**6,329,610,657**	**6,867,656,341**
Inside Bangladesh	6,329,610,657	6,867,656,341
Outside Bangladesh	-	-
Money at Call and Short Notice	-	-
Investment	**1,817,323,875**	**2,127,660,042**
Government securities	-	-
Others investment	1,817,323,875	2,127,660,042
Leases, loans and advances	**62,113,389,285**	**61,913,587,489**
Loans, cash credit and overdraft etc.	62,113,389,285	61,913,587,489
Bills discounted and purchased	-	-
Fixed Assets including Land, Building, Furniture & Fixtures	**1,029,009,335**	**1,072,694,198**
Other assets	**5,174,511,443**	**5,110,935,231**
Non-Banking assets	-	-
TOTAL PROPERTY AND ASSETS	**77,361,125,372**	**78,247,606,210**
LIABILITIES & SHAREHOLDERS' EQUITY		
Liabilities		
Borrowings from Bangladesh Bank, Other Banks and Financial Institutions	**12,092,980,902**	**15,061,790,454**
Deposits and other accounts	**51,469,498,962**	**51,675,158,138**
Current deposits and other accounts	-	-
Bills payable	-	-
Saving bank deposit	-	-
Term deposits	51,348,877,429	51,552,816,766
Bearer certificate of deposit	-	-
Other deposits	120,621,533	122,341,372
Other liabilities	**5,208,991,455**	**4,242,851,226**
TOTAL LIABILITIES	**68,771,471,318**	**70,979,799,818**
Shareholders' Equity	**8,589,654,053**	**7,267,806,392**
Paid up capital	5,131,796,410	3,182,509,410
Share money deposit for right issue	-	160,307,660
Statutory reserve	1,524,422,681	1,472,602,021
Retained earnings	1,933,434,962	2,452,387,301
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**77,361,125,372**	**78,247,606,210**
Net asset value per share- (NAV) (restated: 2017)	**16.74**	**15.74**

sd/- Director | sd/- Director | sd/- Managing Director | sd/- Company Secretary | sd/- Chief Financial Officer

sd/- S. F. Ahmed & Co. Chartered Accountants

Separate Profit and Loss Account

For the period ended 30 June 2018

Operating Income	Jan '18 - Jun '18	Jan '17 - Jun '17	"Q-2 of 2018 (April-June)"	"Q-2 of 2017 (April-June)"
Interest income	4,032,059,502	2,970,130,475	2,161,476,014	1,564,472,662
Less :Interest expenses on deposits and borrowings	2,914,304,741	2,075,445,911	1,565,892,864	1,072,478,910
Net interest income	1,117,754,761	894,684,564	595,583,151	491,993,752
Income from investment	52,401,757	315,617,166	17,106,959	279,483,669
Commission, exchange and brokerage income	-	-	-	-
Other operational income	251,278,804	275,376,572	130,635,637	149,604,019
Total Operating Income	**1,421,435,323**	**1,485,678,302**	**743,325,746**	**921,081,440**
Operating Expenses				
Salary and allowances	442,310,363	390,807,611	221,238,198	196,057,218
Rent, taxes, insurance, electricity etc.	88,388,778	67,811,316	46,744,858	35,330,751
Legal and professional fees	5,119,123	9,211,964	4,263,685	6,012,624
Postage, stamp, telecommunication etc.	8,931,691	9,302,586	5,459,229	5,749,258
Stationery, printing, advertisement	15,550,140	25,220,711	11,013,545	17,217,327
Managing director's salary and allowance	7,738,123	3,549,222	3,869,521	948,722
Director fees and expenses	264,000	320,000	200,000	240,000
Audit fees	609,501	278,354	465,750	148,323
Repairs, maintenance and depreciation	63,696,175	60,422,337	31,845,252	32,472,094
Other expenses	185,264,868	188,596,938	107,458,616	118,584,610
Total Operating Expenses	817,872,762	755,521,040	432,558,653	412,760,928
Net Operating Income	**603,562,561**	**730,157,262**	**310,767,094**	**508,320,513**
Provision for loans, investments and other assets	**295,442,147**	**164,744,503**	**152,699,673**	**51,746,517**
Provision for leases and loans	268,452,877	164,744,503	125,710,403	51,746,517
Provision for diminution in value of investments	26,989,270	-	26,989,270	-
General provision for other assets	-	-	-	-
Profit before tax and reserve	**308,120,414**	**565,412,759**	**158,067,420**	**456,573,996**
Provision for tax	**49,017,113**	**20,458,365**	**36,671,839**	**10,974,182**
Current tax	49,017,113	20,458,365	36,671,839	10,974,182
Deferred tax	-	-	-	-
Net profit after tax	**259,103,301**	**544,954,393**	**121,395,582**	**445,599,813**
Appropriations	**51,820,660**	**108,990,879**	**24,279,116**	**89,119,963**
Statutory reserve	51,820,660	108,990,879	24,279,116	89,119,963
General reserve	-	-	-	-
Retained surplus	**207,282,641**	**435,963,515**	**97,116,465**	**356,479,851**
Earning per share (EPS) (restated: 2017)	**0.51**	**1.18**	**0.24**	**0.96**

sd/- Director | sd/- Director | sd/- Managing Director | sd/- Company Secretary | sd/- Chief Financial Officer

sd/- S. F. Ahmed & Co. Chartered Accountants

Separate Statement of Cash Flows

For the period ended 30 June 2018

	Jan '18 - Jun '18	Jan '17 - Jun '17
A) Cash flows from operating activities		
Interest received	4,034,657,595	2,950,779,274
Interest paid	(2,898,160,970)	(1,822,458,052)
Dividend received	16,089,144	252,998,598
Fees and commission received	167,599,720	211,525,940
Income from investment	49,991,566	85,718,767
Cash paid to employees (including directors)	(426,490,142)	(393,181,935)
Cash paid to suppliers & others	(20,372,259)	(21,810,192)
Income taxes paid	(30,216,611)	(64,620,571)
Received from other operating activities	83,791,948	64,026,044
Paid for other operating activities	(281,937,965)	(277,686,928)
Cash generated from operating activities before changes in operating assets and liabilities	**694,952,027**	**985,290,946**
Increase/ (decrease) in operating assets & liabilities		
Loans and advances to customers	(71,258,187)	(8,212,389,044)
Other assets	(55,932,900)	(33,117,365)
Deposits from customers and others	(205,659,176)	6,894,831,048
Other liabilities	457,757,159	562,470,529
Total increase/(decrease) in operating assets & liabilities	124,906,897	(788,204,833)
Net Cash from Operating Activities	**819,858,923**	**197,086,113**
B) Cash flows from investing activities		
Changes in investment in securities	(139,663,833)	(70,033,968)
Purchase of property, plant and equipment	(47,869,668)	(60,972,193)
Sales proceeds of fixed assets	38,002,646	467,372
Investment in commercial paper	450,000,000	250,000,000
Investment in subsidiaries	-	(50,000,000)
Net Cash used in Investing Activities	**300,469,146**	**69,461,212**
C) Cash flows from financing activities		
Drawdown of Term Loan, OD and REPO	(2,968,809,552)	3,114,843,944
Proceeds from right issue	1,430,947,040	-
Transaction cost against right issue	(10,170,363)	-
Dividend paid (cash dividend)	(368,133,010)	(206,167)
Net Cash used in Financing Activities	**(1,916,165,885)**	**3,114,637,777**
D) Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	**(795,837,816)**	**3,381,185,103**
E) Opening cash and cash-equivalents	**8,022,729,250**	**2,929,885,697**
F) Closing cash and cash-equivalents (D+E)*	**7,226,891,434**	**6,311,070,800**
*** Closing cash and cash-equivalents**		
Cash in hand	912,417	935,493
Balance with Bangladesh Bank and its agent bank(s)	896,368,360	740,899,789
Balance with other Banks and Financial Institutions	6,329,610,657	5,569,235,518
Total:	**7,226,891,434**	**6,311,070,800**
Net Operating Cash Flows Per Share - (NOCFPS) (restated: 2017)	**1.62**	**0.43**

sd/- Director | sd/- Director | sd/- Managing Director | sd/- Company Secretary | sd/- Chief Financial Officer

Separate Statement of Changes in Equity

For the period ended 30 June 2018

Amount in Taka

Particulars	Share Capital	Share money deposit for right issue	Statutory Reserve	General Reserve	Retained Earnings	Total
Balance as at 01 January 2018	**3,182,509,410**	**160,307,660**	**1,472,602,021**	-	**2,452,387,301**	**7,267,806,392**
Items involved in changes in equity						
Right share money deposit received	160,307,660	(160,307,660)	-	-	-	-
Right share subscription	1,430,947,040	-	-	-	-	1,430,947,040
Net profit for the period	-		-	-	259,103,301	259,103,301
Appropriation to statutory reserve	-		51,820,660	-	(51,820,660)	-
Transaction cost against right issue	-	-	-	-	(10,170,363)	(10,170,363)
Stock dividend (7.50%)	358,032,300		-	-	(358,032,300)	-
Cash dividend (7.50%)	-		-	-	(358,032,317)	(358,032,317)
Balance as at 30 June 2018	**5,131,796,410**	-	**1,524,422,681**	-	**1,933,434,962**	**8,589,654,053**

sd/- Director | sd/- Director | sd/- Managing Director | sd/- Company Secretary | sd/- Chief Financial Officer

The above financial statements are available in the website of the Company at: www.lankabangla.com

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