

DIRECTORS' REPORT

Dear Stakeholders,

On behalf of the Board of Directors of LankaBangla Finance Limited, I am very happy to welcome you in 21st Annual General Meeting of the Company.

The Board of Directors of LankaBangla Finance have pleasure in presenting their Annual Report for the year ended 31st December 2017 which includes reports on business strategy and review, risk management, corporate governance, investor relations and a sustainability supplement. It includes Audited Financial Statements of the Organization, Consolidated Financial Statements of the Group for the year and the Auditors' Report on those Financial Statements. The Financial Statements were reviewed and approved by the Board of Directors on 13 February 2018.

In the year 2017, LankaBangla Finance recorded remarkable growth on its core business. With a good penetration in loan products, LankaBangla made good profit growth in 2017. We are pleased to report that during the year 2017, LankaBangla Finance Limited earned consolidated after tax net profit of BDT 1,926.29 million, meeting or exceeding all financial and operational objectives.

In each quarter of 2017, 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.

1. General

LankaBangla Finance Limited (LBFL) started commercial operations since 1997 obtaining license from Bangladesh Bank under the Financial Institutions Act, 1993. LBFL 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 have been listed in both Dhaka Stock Exchange and Chittagong Stock Exchange on 17 October 2006 and 31 October 2006 respectively.

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

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

LBFL's Vision, mission, core values and code of conduct are given in the page number 01 & 10 of the Annual Integrated Report. The business activities of the organization are conducted at a high level of ethical standard in achieving its Vision.

3. Principal Business Activities

3.1 LBFL

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

- ▶ Fee 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, SME, Auto loan, Personal Loan, Factoring, Syndication Finance, Revolving Credit, Loan against Deposit, Term Deposit etc.

Organization	Principal Business Activities
LankaBangla Securities Limited	The principal activities of the company are to act as a member of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited to carry on the business of brokers or dealers in stocks, shares and securities, commercial papers, bonds, debentures, debentures stocks, treasury bills and/or any 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	<p>The principal activities of the company include:</p> <ul style="list-style-type: none"> ▶ 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 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.

4. Economic Review of 2017

4.1 World Economy

The global cyclical upswing that began midway through 2017 continues to gather strength. Only a year and a half ago, the world economy faced stalling growth and financial market turbulence. The picture now is very different. Global growth, which in 2016 was the weakest since the global financial crisis at 3.2 percent, have grown by 3.7 percent in 2017. The growth forecasts for 2018 is 0.2 percentage point stronger compared with the 2017 which is supported by higher investment, trade and industrial production coupled with increasing business and consumer confidence. Financial conditions remain buoyant across the world, and financial markets seem to be expecting little turbulence going forward, even as the Federal Reserve continues its monetary normalization process and the European Central Bank inches up to its own.

These positive developments give good cause for greater confidence, but neither policymakers nor markets should be lulled into complacency. A closer look suggests that the global recovery may not be sustainable—not all countries are participating, inflation often remains below target with weak wage growth, and the medium-term outlook still disappoints in many parts of the world. Global inflation rose in 2017, reflecting the continued cyclical recovery in demand and higher commodity prices. The US consumer price inflation was 2.1% in 2017, up from 1.3% in 2016, and the euro area inflation reached 1.4% in 2017, up from 1.1% in 2016. The recovery is also vulnerable to serious risks. The global unemployment rate has risen modestly from 5.7% to 5.8 % in 2017 representing an increase of 3.4 million in the number of jobless people.

However, advanced-economy growth was 1.8% in 2017. In the United States, manufacturing activity will likely rebound, contributing to a mild pickup in growth. In the Euro Area and Japan, supportive monetary and, to a lesser extent, fiscal policies should help support activity this year.

In emerging and developing economies, growth was 4.2% in 2017 compared to 3.4% in 2016. With the recovery in commodity prices, particularly oil, the divergence in growth outlooks between commodity exporters and importers is set to narrow. In China, growth was 6.5% in 2017. This outlook reflects soft external demand, heightened uncertainty about global trade and slower private investment.

Hence, Global growth is expected to be sustained over the next couple of years—and even accelerate somewhat in emerging market and developing economies (EMDEs) due to a rebound in commodity exporters. Although near-term growth could surprise on the upside, the global outlook is still subject to substantial downside risks, including the possibility of financial stress, increased protectionism, and rising geopolitical tensions. With output gaps closing or closed in many countries, supporting aggregate demand with the use of cyclical policies is becoming less of a priority.

The financial markets have also seen strong growth both in developed and emerging markets. The US equity markets continued their growth momentum, shaking off political uncertainties in the wake of the 2016 Presidential Elections. The new tax reform package passed by the US Congress in 2017 boosted the equity markets due to lowered corporate tax rates and measures which encourage investment.

The tax reform package is expected to boost short term growth, but the increased fiscal deficit resulting from the tax reforms is expected to reduce long-term sustainability of the growth boost. The strong performance of US equity markets has, however, led to historically high valuations for US equities, with the S&P 500 trading at a CAPE ratio of over 30.

Downside risks to global economic recovery also exist to balance out growth momentum. Political uncertainty has increased acutely in the US under the Trump administration. Any potential adoption of trade restrictions or protective tariffs are likely to lead to a widening cycle of more protectionist measures potentially resulting in a trade war with major trade partners in Asia and elsewhere. At the same time, political fallout continues from the conduct of the 2016 Presidential Elections, with the various investigations and inquiries and associated protests likely to pose a threat to stability of the Trump administration. With the US government already having shut down once and major midterm elections scheduled for 2018, the political climate in the US unlikely to stabilize anytime soon. Any major political shock in the US could cause a major correction to the US equity markets, which are trading at historically high valuations, which could in turn precipitate a financial crisis. Aside from the political instability in the US, the ever-continuing geopolitical tensions in the Middle East and Korean Peninsula could pose threats to commodity prices and international trade.

4.2 Regional Economy

After leading global growth for two years, South Asia has fallen to second place, after East Asia and the Pacific. The region's slowdown is due to both temporary shocks and longer-term challenges. Regional economic growth was moderately slow to 6.9% in 2017

from 7.5% in 2016, but growth could rebound to 7.1% in 2018 with the right mix of policies and reforms.

Given its weight in the region, India sets the pace for South Asia. Its Gross Domestic Product (GDP) growth reached 7.0% in 2017, due to surging imports and declining private investment along with the effects from withdrawing large amounts of banknotes and the introduction of the Goods and Services Tax (GST). However, India's growth is expected to rebound to 7.3% in 2018.

In Pakistan, major economic reforms are working in tandem with an improved security situation to push growth to an estimated 5.5% in 2018—the highest rates the country has seen in recent years.

Sri Lanka's economic growth has reached 4.6% in 2017 and is estimated to achieve 5% growth in the years ahead. Public finances and reserves have improved despite a high budget deficit and public debt. Frequent natural disasters continue to weaken economic performance and are likely to increase poverty. Accelerating reforms to promote competitiveness, better governance, and a more balanced budget are critical to ensure sustained growth and development.

In South Asia's smaller economies—Maldives and Afghanistan—modest growth was maintained despite significant challenges. With tourism weak for a third straight year, Maldives is nevertheless forecasted to register growth of 4.1% for 2018. In Afghanistan, agriculture is expected to help spur growth 3% in 2018. This will build on a gradual upward trend in growth over recent years.

4.3 World Commodity Price

Prices of industrial commodities continued to strengthen, while most agricultural prices remained broadly stable in 2017. In the oil market, inventories continue to fall amid strong demand, OPEC production restraint, and stabilizing U.S. shale oil production. Crude oil prices are expected to rise \$56/bbl in 2018, a small downward revision from the April 2017 forecast. Metals & rice are expected to surge 22 percent in 2018 due to strong demand and supply constraints. With the exception of iron ore, metals prices are expected to increase moderately in 2018. Agricultural prices are anticipated to gain marginally in 2018. Most food markets are well-supplied and the stocks-to-use ratios of some grains are forecast to reach multi-year highs.

4.4 Bangladesh Economy

The year 2017 saw Bangladesh achieve its highest ever GDP growth in recent years, with revised GDP growth hitting 7.28% as against the target of 7.2%. This was the highest growth achieved in South Asia for 2017, and one of the highest GDP growth rates among major economies in the world. The average GDP growth now stands at 6.26% over the past 10 years, and at 6.6% over the last 5 years, showing an increasing trend in GDP growth. The political situation also remains stable, with the internal security situation greatly improving after the 2016 Dhaka terrorist attack as a result of sustained police operations dismantling terrorist cells throughout the country. The government has set a GDP growth target of 7.40% for the 2018 fiscal year, which is achievable given the stable political climate, investments in power and transport infrastructure and the high private sector credit growth rates. Given current trends, GDP growth is likely to cross 8% in a few years.

Bangladesh Macro Indicators	In Percentage				Rebased			
	FY15	FY16	FY17	FY18F	FY15	FY16	FY17	FY18F
GDP Growth	6.6	7.1	7.28	7.4	100	108	110	112
Headline Inflation (point-to point)	6.3	5.5	5.35	6.0	100	87	85	95
Current Account Balance (% of GDP)	1.5	1.7	-0.6	-1.7	100	113	-40	-113
Private Credit Growth	13.2	16.8	15.7	16.8	100	127	119	127
Interest Rate (Avg. Lending)	11.7	10.4	9.6	xx	100	89	82	xx

4.4.1 Fiscal Management

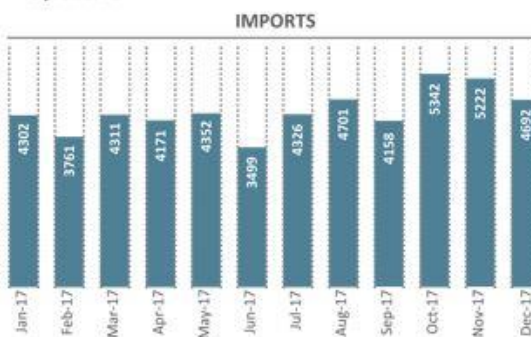
Budget for FY'18 has been marked high ambition with a vision of attaining the middle income goal. The country's biggest ever budget size is BDT 4002.66 billion which is 17.52% higher compared to FY'17's budget. It has revenue target of BDT 2879.91 billion which is 18.66% higher than that of the FY17's budget. Gross Domestic Product (GDP) has been estimated to grow at a rate of 7.4% in FY'18, a slight increase from the previous year's target of 7.2%. Budget deficit is projected to be BDT 1,122.76 billion which is 5% of the GDP. Of this deficit, BDT 603.52 billion will be collected from savings certificates and other non-banking sources and remaining BDT 519.24 billion will be raised from external sources. The new budget also emphasized on power and energy sector, ICT sector, education, and industrialization in the country.

4.4.2 Current Account Balance

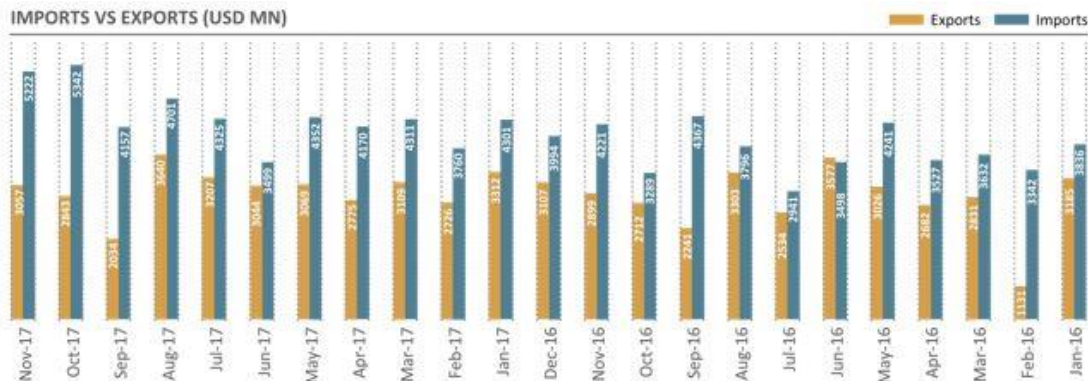
The current account balance went into negative territory in FY17 for the first time in 5 years, dragged down by negative trade balance and decline in remittance inflows. The current account balance continued to deteriorate throughout the first half of FY18, reaching a record deficit of USD -4.4bn in November 2017. The current account deficit is forecast to recover to USD -4.34 in June 2018, on back of stronger export growth and remittances on one hand, and restrained import growth on the other, all riding on the depreciation of the BDT.

4.4.3 Import

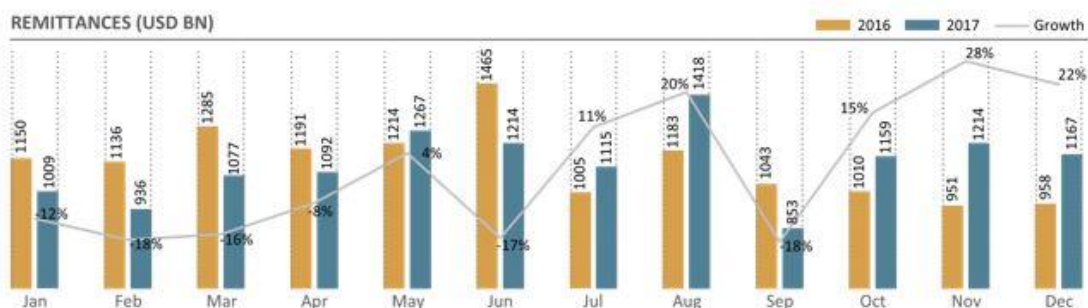
Imports amounted to USD 43.5 billion for FY17, an 8.7% growth over the previous fiscal year. Import of Capital Machinery registered the highest year on year growth, of 37.4%, reflecting the increased investment from both the public and private sectors especially in the power sector. These imports are expected to have a lagged positive effect on export growth as the machineries are brought into production.



IMPORTS VS EXPORTS (USD MN)



REMITTANCES (USD BN)



4.4.4 Remittance Inflow

Remittances declined 14% in FY17, due to a combination of poor economic conditions in the Middle East and usage of informal channels (hundi) by workers to send back remittances due to stringent AML/CFT compliance by financial institutions. New overseas employment, however, has continued to grow, with the 2017 growth standing at 10% over the previous fiscal year. Over 1 million workers went abroad in 2017, the highest level achieved to date. Remittances have started to show signs of reversal, with remittance levels in January 2018 registering a 37% growth year-on-year. The depreciation of the BDT against the USD is likely to lead to an uptick in remittances as workers move towards official channels to send remittances rather than use informal channels.

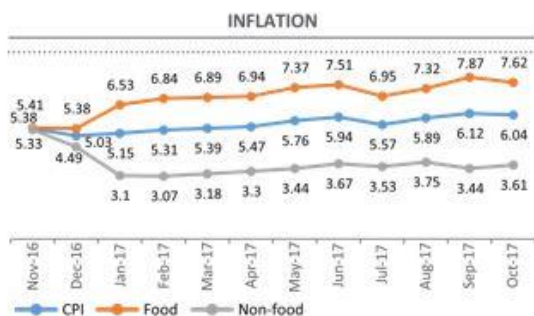
4.4.5 Foreign Exchange Reserve

Foreign exchange reserves reached a new record high of USD 33.5 billion in FY17, buoyed by strong financial account surplus to overcome a growing current account deficit. The foreign exchange reserves are set to decrease in the future as Bangladesh Bank intervenes in the currency exchange market to stem the slide of the BDT. Until the current account deficit stabilizes, the foreign exchange reserves are expected to decrease.

4.4.6 Inflation

Inflation was kept largely under control until the end of 2016, reaching a low of 5.04% in December 2016, before massive floods caused a loss of the import Boro rice crop in the fertile northern regions. This caused food inflation to spike up sharply

from the start of 2017, which was countered by the government repealing import duties on rice and undertaking efforts to import rice from abroad. These steps managed to stem the spike in inflation, stabilizing it around the 6% level. Inflation stood at 5.83% in December 2017 on a point-to-point basis. Oil prices have increased in the international market due to strong global economic growth, and this could lead to higher non-food inflation.



However, once subsequent rice crops are harvested, food inflation is expected to come back down. With a contractionary monetary policy statement for the second half of FY18, and resultant cut in the advance to deposit ratio, inflation is likely to be contained below the 6% level.

4.4.7 Money Market

The money market comprising banks and financial institutions demonstrated steadiness in FY17. Overall interest rates received significant fall. Interest rate in call money market rate ranging from 3.68 percent to 3.93 percent during this year. The average volume of money transaction in the call money market decreased to BDT 1152.75 billion in the year 2017 which was 4.67 percent lower than the year 2016. Repo rate and Reverse Repo rate remained unchanged from the year 2016 for achieving broad objective of monetary policy. Whereas Private sector credit growth hit 18.1 percent at the end of December, up from the central bank's target of 16.2 percent for the July-December period. Business confidence is improving and the stable exchange rate has led to higher import of machineries. The falling interest rates will boost private credit growth next year.

5. Review of Operation of LankaBangla

A review of financial and operational performance of LBFL and the Group together with important events that took place during the year 2017 are contained in the Chairman's Message (pages 55 - 56), the Managing Director's Review (pages 128 - 130), and the CFO's Reviews (pages 131 - 139). These reports form an integral part of the Annual Report of the Board of Directors.

6. Future Developments

LBFL focuses on a business expansion drive through its existing and extended branch network, concentrating more on Retail and SME 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. Five new branches were opened during the year 2017 and further few branches are set to be open in the year 2018. Further an overview of the future development of LBFL and the Group is given in the Chairman's Message (pages 55 - 56), the Managing Director's Review (pages 128 - 130), and the CFO's Reviews (pages 131 - 139). These reports form an integral part of the Annual Report of the Board of Directors.

7. Financial Statements

The Financial Statements of LBFL and the Group have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) 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 2017 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 215 - 362 which form an integral part of this Annual Report.

8. Directors' Responsibility for Financial Reporting

The Directors are responsible for the preparation of Financial Statements of LBFL and the Group to reflect a true and fair view of

its state of affairs. The Directors are of the view that these Financial Statements appearing on pages from 215 - 362 have been prepared in conformity with the requirements of the Bangladesh Financial Reporting Standards, Companies Act 1994, Financial Institutions Act 1993 and amendments thereto, the Listing Regulations of Dhaka Stock Exchange & 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.

9. Auditors Report

The Auditors of LBFL are M/s. ACNABIN Chartered Accountants carried out the audit on the Financial Statements of LBFL and the Group for the year ended 31st December 2017 and their report on those Financial Statements, as required by the Companies Act 1994 is given on 13 February, 2018.

10. Significant Accounting Policies

Significant Accounting policies adopted in the preparation of the Financial Statements are given on pages from 227 to 243 which comply with provisions of BFRSs and the Companies Act 1994.

11. Financial Review

In line with overall economic growth, LankaBangla also exhibited a substantial progress in many of the business lines during 2017. Total asset of the group grew by 33.41% from BDT 64.04 billion in 2016 to BDT 85.44 billion in 2017. Significant amounts of disbursements were made in Corporate, Retail and SME business. Furthermore, cautious investment in capital market and correct on time decisions have led to an overall success for the company. Cost of borrowing has slightly increased in 2017 compared to 2016 due to liquidity crisis in the 2nd half of the year.

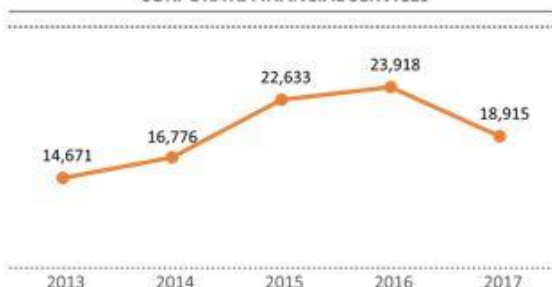
Total Asset disbursement of LankaBangla Finance for the year 2017 grew by 24.57% compared to 2016, largely on the back of stronger performance across all our business divisions and through increased concentration on due diligence in credit approval. Total disbursed amount in 2017 was BDT 56,726 million compared to BDT 45,539 million in 2016. On the deposit side, our term deposits grew by 28.78% from BDT 40,033 million in 2016 to BDT 51,553 million in 2017, largely driven by our strong liability sales team who has provided uncompromised service. The company's investment portfolio reached BDT 74,966 million in 2017 compared to BDT 55,176 million in 2016. NPL showed a positive picture as the percentage of classified loans for the company decreased to 3.07% in 2017 compared to 3.52% in 2016. Groups NPL is well placed at 2.85% at the end of 2017.

12. Core Business Review

12.1 Corporate Financial Services

LankaBangla's focus on extending its Corporate Business portfolio has continued throughout 2017. A total of BDT 26,211 million of corporate lending has been disbursed for the year 2017 compared to BDT 28,544 million of 2016. Of the total, BDT 12,384 million was disbursed as Short Term Loan in 2017. Disbursement in Corporate Business has decreased due to the less emphasis on Corporate Business because of low margin. Disbursement in 2017 was driven mostly by Factoring and Short Term Loan.

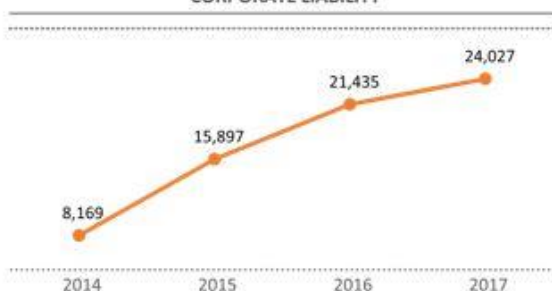
CORPORATE FINANCIAL SERVICES



12.1.1 Corporate Liability Management

Corporate Liability portfolio consists of a diverse deposit portfolio of corporate clients. The value of the portfolio stands at BDT 24,027 million at the end of 2017 achieving a growth of 12.09% from 2016 portfolio and having a budget achievement of 89.14%. Corporate liability mobilization for the year was BDT 14,782 million compared to BDT 14,211 million in 2016. Contribution to such achievement is made possible with the team of qualified relationship officers within the Corporate Liability team.

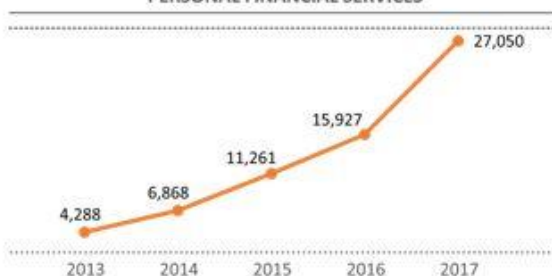
CORPORATE LIABILITY



12.2 Personal Financial Services

During the year 2017, the Company has continued to concentrate more on this segment by expanding several branches and increasing manpower in retail financial activities. Total BDT 23,442 million was disbursed during 2017 under retail financial services in the form of auto loan, home loan, personal loan, credit card and staff loan. The amount of disbursement helped the Company to achieve 78.54% growth in this segment and exceeded the budgeted disbursement by 37.66%.

PERSONAL FINANCIAL SERVICES



12.2.1 Home Loan

Total Home Loan disbursement in 2017 was BDT 7,564 million comprising of Mortgage Loan of 7,542 million and Staff Home Loan of BDT 22 million. Home Loan portfolio grew by 92% in 2017, greater than the growth that was achieved in 2016. At the end of 2017, Home Loan portfolio stood at BDT 12,250 million which was BDT 6,393 million in 2016.

12.2.2 Auto Loan

In 2017, BDT 5,269 million has been disbursed as auto loan compared to 3,090 million in 2016 resulting an 70.55% growth in disbursement. Also the auto loan portfolio grew by 50% in 2017 from BDT 4,080 million in 2016 to BDT 6,128 million at the end of 2017.

12.2.3 Personal Loan

Disbursement of Personal Loan has been strong in 2017 with a total figure of BDT 4,439 million. The Personal Loan portfolio is comprised of Loan against Deposit, Term Loan and Staff Loan. Portfolio for the Personal Loan in 2017 was BDT 5,794 million, which grew by 70% from BDT 3,403 million in 2016.

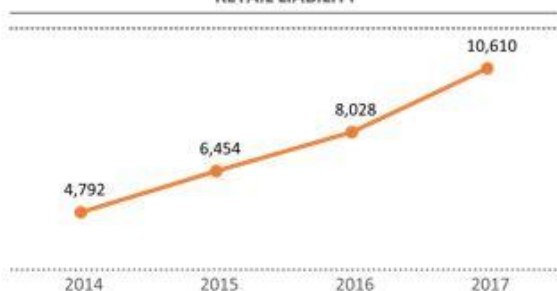
12.2.4 Credit Card

During 2017, a total of 36,788 new credit cards were issued by LankaBangla. The card portfolio grew by 40% in 2017 to BDT 2,878 million from BDT 2,050 million in 2016. Number of active credit card users has increased from 54,988 in 2016 to 79,272 in 2017 resulting in a growth of 44.16%. This was the highest number of active card users in the industry. Monthly average spending by all credit card users has significantly increased in 2017 in comparison to previous year due to Company's prudent strategies to motivate customers to use LBFL's card by giving various promotional offers including attractive discounts in prominent outlets, gifts, etc. Average monthly credit card usage in 2017 has increased to BDT 514 million from BDT 344 million in 2016 resulting in a growth of 49.27%.

12.2.5 Retail Liability Management

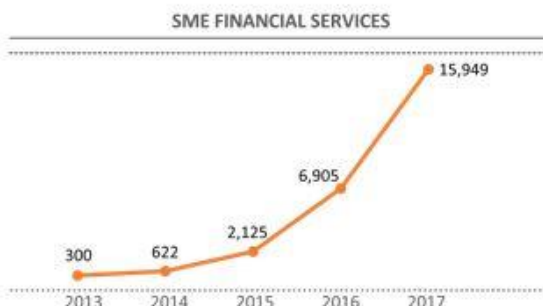
Retail Liability's core focus on retail deposits has resulted in a portfolio of BDT 10,610 million at the end of 2017 which shows a growth of 32.17% from 2016 portfolio and having a budget achievement of 103.24%. Retail liability mobilization for the year was BDT 5,947 million compared to 2016 figure of BDT 4,184 million. This is made possible due to strong personnel of product marketing officers.

RETAIL LIABILITY



12.3 SME

SME, the heart of worldwide growth of economies, is emerging as the most powerful and sustainable pillars of Bangladesh economy. Our country is moving towards SME led industrial development, and as such growth of SME Financial Service in LankaBangla Finance is also remarkable. In 2017, SME loan disbursement of BDT 7,074 million has been made compared to BDT 3,865 million in 2016, thereby resulting in an 83.01% growth. At the end of 2017, SME portfolio stood at BDT 15,949 million compared to BDT 6,905 million in 2016 resulting in 131% growth in portfolio. Management has taken a series of strategies to foster more disbursement in this sector and boost the portfolio size to a sizeable amount as this sector is less rate sensitive and more profitable.



12.3.1 SME Liability Management

SME Liability Division started its operation in December 2017 and has achieved the portfolio of BDT 75 million at the end of the year. With plenty of expertise on hand, It is expected that the portfolio of SME Liability would increase tenfold within the next year.

12.4 Treasury Operations

In view of the rising market risk and the Company's ambitious growth trajectory, treasury in LankaBangla assumed greater importance. Treasury is using its internal expertise successfully in reading the market, gaining market entry in a timely manner and availing itself of arbitrage opportunities thereby enabling the company to improve its revenue. It is also engaged in increasing the sources of funding, proprietary trading, as well as managing the maturity mismatches arising from short-term financing to long term lending in its attempt to sustain the Company's margins.

Treasury Department of LankaBangla Finance plays a crucial role with regards to understanding the market, taking advantage of arbitrage opportunities, and fund management. Treasury investments cover deposits with other banks and financial institutions, investments in capital markets and commercial papers. It strengthened its creditworthiness to counterparties in 2017, and thereby ensuring strong dominance in the market. Treasury investment portfolio at the end of 2017 was BDT 8,433 million which grew by 95% during the period.

Treasury relentlessly catered to the demands of business despite

high volatility in deposit mobilization. Cash management has played a very pivotal role in channelling all the cash flows of the company in a very effective and an efficient way, so that optimum utilization of fund is achieved throughout the year. It has continued to play an important role in managing cost of fund of the company. During 2017, the overall cost of fund has been reduced mainly due to Treasury's adherence to proactive policy of bringing down the cost of fund by seeking cheaper borrowing sources. Utilization of maximum exposure in money market and reduced deposit rate in the market has contributed to the reduction of cost of fund. All of these contributed to higher earnings and lower fund cost, and ultimately had a positive impact on profit. Dynamic approach to matching investments taken by treasury's dealing room has also contributed to profit in 2017.

There was a strategic shift in borrowing mix during 2017 undertaken by Treasury. To get more advantage of liquid money market, Treasury department of LBFL largely concentrated on borrowing from other treasuries. Among the funding mix of LBFL at the end of 2017, public deposit contributed to 52.11%, followed by money market exposure of 25.28%, while bank borrowing, zero-coupon bond, and commercial paper made up for the remainder of the funding mix.

13. Credit Rating

Credit Rating Agency of Bangladesh Ltd. (CRAB) has rated the Company on 13 July 2017 with "AA3" (Pronounced as AA Three) in the long term and ST-2 for the Short Term based on audited financial of FY2016 and other available information up to the date of rating declaration. The outlook on the rating is Stable.

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.

14. Financial Results and Appropriations

14.1 Revenue

Total Revenue of the Group for the year 2017 was BDT 9,981 million registering a 36.62% growth over 7,306 million of 2016. Total revenue of LBFL for the year 2017 was BDT 7,819 million which was 30.39% higher than the previous year's BDT 5,997 million. An analysis of the revenue is given in pages from 134 to 137 of the annual report.

14.2 Profitability

The Group has recorded a growth in operating profit and profit after tax of 84.07% and 142.10% respectively in 2017. LBFL's operating profit and profit after tax grew by 38.88% and 26.19% respectively in 2017. Consolidated net profit after tax for the year 2017 was BDT 1,926.29 million which was BDT 795.64 million in previous year. LBFL's net profit after tax for the year 2017 was BDT 1,352.79 compared to BDT 1,072.05 million in 2016.

Particulars	Consolidated		LBFL	
	2017	2016	2017	2016
Total Revenue	9,980.78	7,310.93	7,818.98	5,996.60
Total Expenses	7,510.02	5,968.62	6,176.06	4,813.60
Operating Profit	2,470.76	1,342.31	1,642.92	1,183.00
Provisions	206.95	395.65	245.53	75.66
Profit before Tax	2,263.81	948.66	1,397.39	1,107.34
Tax	337.52	151.02	44.60	35.28
Profit after Tax	1,926.29	795.64	1,352.79	1,072.05

14.3 Appropriation

Particulars	BDT
Net Profit After Tax for the year 2017	1,352.79
Retained Earnings brought forward	1,370.15
Profit available for appropriation	2,722.95
Less: Statutory Reserve	270.56
Amount available for declaration of dividend	2,452.39
Less: Dividend (Proposed 7.5% Stock & 7.5% Cash)	716.06
Retained Earnings carried forward	1,736.32

14.4 Dividend

Considering the overall environment of financial market, current financial strength of the Company, and future investment prospect the Directors recommended that dividend of BDT 1.50 per share in comparison to BDT 3.00 per share of the year 2016 is to be paid for the year ended 31 December 2017. This will be paid by BDT 0.75 per share as stock dividend and remaining 0.75 per share in the form of cash dividend compared to BDT 1.5 per share stock and BDT 1.5 per share cash dividend for the year 2016.

The dividend is subject to approval of the shareholders at the Annual General Meeting.

The Board was satisfied that LBFL would meet the solvency test immediately after the proposed dividend, which will be paid in 2017. Further details on liquidity position is given in page number 225 of this report.

15. Reserves

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

Particulars	Consolidated		LBFL	
	2017	2016	2017	2016
Share premium	1,090.9	1,090.9	-	-
Share money deposit	160.3	-	160.3	-
Statutory reserve	1,472.6	1,202.0	1,472.6	1,202.0
General reserve	50.9	46.8	-	-
Retained earnings	2,369.8	1,579.5	2,452.4	2,200.4
Total reserves	5,144.5	3,919.2	4,085.3	3,402.4

16. Key Operating and Financial Data

Key operating and financial data for last five years as per Notification No. SEC/CMRRCD/2006-158/129/Admin/44 dated 07 August 2012 is shown in pages 140 to 145.

17. 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 & the borrowing power of the Company would enhance.

18. Capital Expenditure

Total capital expenditure on acquisition of property, plant and equipment and intangible assets of LBFL and the Group for the year ended 31 December 2017 amounted to BDT 495.74 million and BDT 190.67 million respectively which were BDT 186.41 million and BDT 244.12 million respectively for the year 2016. Details are given in Annexure A & B of Financial Statements.

19. Capital Commitments

Capital expenditures approved and contracted for, as at the reporting date is given in note number 40 (g) of the financial statements.

20. Property, Plant & Equipment (PPE)

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

21. Share Capital and Bonds

21.1 Equity Capital

Paid-up Capital of LankaBangla Finance Limited as at 31 December 2017 amounted to BDT 3,182.51 million consisting of 318,250,941 ordinary shares as against BDT 2,767.40 million consisting of 276,739,949 Ordinary shares as at 31 December 2016.

The increase in number of share is the result of payment of stock dividend at a rate of 15% for 2016. Details about share in issue are given in note number 13 of the financial statements.

21.2 Debt Capital

On 15 December 2014, the Company issued Zero Coupon Bond with face value of BDT 3,000 million. After discounting the Bond at 11.5%, the Company received BDT 2,478,093,342. The mode of payment of the Bond was 6 equal instalments (2 instalments in a year, BDT 500 million each instalment). Total transaction costs incurred for issuance of the Bond was BDT 39,031,137. Subsequently, the Zero Coupon Bond was measured at amortized cost using the effective interest method. The effective interest rate for this bond stands at 12.51% as per Para 9 of BAS 39. Initially the Zero Coupon Bond was measured at fair value (BDT 2,478,093,342) less transaction costs (BDT 39,031,137),

i.e., as per para 43 of BAS 39. The Zero Coupon Bond, on arriving maturity on 15 December 2017, was completely amortized and repaid in full.

On 26 December 2017, the Company issued the first tranche of the second Zero Coupon Bond with face value of BDT 742,998,000 (with approved face value of BDT 3,000 million). The Company received BDT 654,466,856 after discounting the Bond at 7.5%. The bond will be repaid in 6 equal instalments (semi-annually). Total transaction costs incurred for issuance of the Bond was BDT 12,195,023. Subsequently, the Zero Coupon Bond was measured at amortized cost using the effective interest method. The effective interest rate for this bond stands at 8.66% as per Para 9 of BAS 39. Initially the Zero Coupon Bond was measured at fair value (BDT 654,464,856) less transaction costs (BDT 12,195,023).

Details about Zero coupon bond is given in note number 10.1.5 of the financial statements.

22. Share Information

Information relating to earnings, dividend, net assets and market value per share is given in the Financial Highlights on pages 140 to 145. Information on trading of the shares and movement in the number of shares of LankaBangla is given in the Investor Information section on page 265.

23. Shareholding

There were 15,325 nos. of registered ordinary shareholders as at 31st December 2017 (2016: 12,314). Information on distribution of shareholding and the respective percentages are given on page 39 of the Annual Report.

Details of shareholder's composition and percentage holding of the public are given in the Investor Information section on page 265.

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 94.

24. Equitable Treatments to Shareholders

LankaBangla has at all times ensured that all shareholders are treated equitably.

25. The Board of Directors

The Board of Directors of LBFL consists of nine Directors with wide commercial knowledge and experience. The names of the Directors of LankaBangla during the period 1st January 2017 to 31st December 2017 are mentioned in Report on Corporate Governance (page 93) and their brief profiles are given on pages 40 to 44 of the Annual Report.

26. Changes in the Board

Mr. Mirza Ejaz Ahmed has resigned from the Board of LankaBangla Finance Limited w.e.f. August 5, 2017.

27. List of Directors of the Subsidiaries

Names of the Directors of Subsidiary companies are as follows:

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

28. Board Sub Committees

The Board, while assuming the overall responsibility and accountability for the management oversight of the organization, has also appointed Board Sub Committees to ensure that the activities of LankaBangla at all times are conducted with the highest ethical standards and the best interests of all its stakeholders. The Board formed two Sub Committees named Executive Committee and Audit Committee. The compositions of these Sub Committees as at 31st December 2017 were as follows:

28.1 Executive Committee

The Executive Committee of the Board of LankaBangla Finance Limited was re-constituted in the 99th Board of Directors meeting held on May 12, 2016.

28.2 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. SEC/CMRRCD/2006-158/134/admin/44, dated 07 August 2012 the Audit Committee of LankaBangla Finance Limited was re-constituted in 107th Board of Director's meeting held on October 23, 2017.

29. 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 93 to 94 of the Annual Integrated Report.

30. Related Party Transactions

Directors have also disclosed transactions, that could be classified as Related Party Transactions in terms of Bangladesh Accounting Standard - BAS 24 (Related Party Disclosure) which is adopted in preparation of the Financial Statements. Those transactions disclosed by the Directors are given in note number 37 to the Financial Statements which form an integral part of the Annual Report of the Board of Directors.

31. Directors' Interest in Ordinary Shares

The shareholdings of Directors are as follows:

Sl. No.	Name of Director	Number of shares as on 31 December 2017	Number of shares as at 31 December 2016
1	Mr. Mohammad A. Moyeen	13,491,355	11,731,614
2	Mr. I.W. Senanayake (Representing Sampath Bank PLC)	30,143,437	26,211,685
3	Mr. Nanda Fernando (Representing Sampath Bank PLC)		
4	Mr. M. Fakhru Alam (Representing ONE Bank Limited)	12,026,719	10,458,017
5	Mrs. Aneesa Mahial Kundanmal (Mr. B. W. Kundanmal- Alternate Director)	24,513,161	21,315,793
6	Mr. Mahbubul Anam	14,174,230	12,325,418
7	Mr. Tahsinul Huque (Dr. M. Mahbubul Huque- Alternate Director)	12,399,383	10,782,073
8	Mr. Al Mamoon Md. Sanaul Huq	Nil	Nil
9	Mrs. Zaitun Sayef	Nil	Nil

32. Substantial Shareholdings

BSEC's Corporate Governance Notification dated August 7, 2012 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 Limited. The shareholding status of all sponsors shareholders as on December 31, 2017 is given in page 94 of this report.

33. Directors' Interest in Ordinary Shares of Subsidiaries as on December 31, 2017

LankaBangla Securities Limited				
Sl. No.	Name of Director	Position	Shares held on 31-Dec.-2017	Shares held on 31-Dec.-2016
1	Mr. Mohammad A. Moyeen (Representing LankaBangla Finance Limited)	Chairman	122,290	111,173
2	Mr. I.W. Senanayake (Representing LankaBangla Finance Limited)	Director	Nil	Nil
3	Mr. Mahbubul Anam	Director	119,841	108,947
4	Mr. Al-Mamoon Md. Sanaul Huq (Representing LankaBangla Finance Limited)	Director	Nil	Nil

LankaBangla Information System Limited				
Sl. No.	Name of Director	Position	Shares held on 31-Dec.-2017	Shares held on 31-Dec.-2016
1	Mr. Mohammad A. Moyeen	Chairman	100	100
2	Mr. Mahbubul Anam	Director	100	100

BizBangla Media Limited				
Sl. No.	Name of Director	Position	Shares held on 31-Dec.-2017	Shares held on 31-Dec.-2016
1	Mr. Mohammad A. Moyeen	Chairman	100	100
2	Mr. Mahbubul Anam	Director	100	100

34. Directors' Remuneration

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

35. 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 2017, the number of employees on the payroll of LankaBangla was 832 which was 672 in previous year. Details disclosure related to human resource are given pages 186 to 192 of this report which form an integral part of the Annual Report of the Board of Directors.

36. 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 confirm that to the best of

their knowledge and belief LankaBangla has complied with the relevant environmental laws and regulations.

37. 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 211 of this Annual Report.

38. Outstanding Litigations

In the opinion of the Directors and in consultation with the LBFL'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.

39. 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.

40. 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 no. 126 of the Annual Report.

41. Risk Management and Internal Control

41.1 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 110 to 117. The Directors, on a regular basis review the above mentioned process.

41.2 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.

42. Financial Risk Management

LBFL'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
- ▶ Operational Risk

The Company has provided in a separate note to the financial statements regarding 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 110 to 117 of this Annual Report.

43. 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 70 to 83.

Pursuant to Clause 5.00 of SEC Notification No. SEC/ CMRRCD /200658 /129/ Admin/44 dated 07 August 2012 the Company's compliance status is shown in Annexure-i page 85 - 89.

44. Additional Disclosures

The Directors, in accordance with SEC Notification No. SEC/ CMRRCD /200658 /129/ Admin/44 dated 07 August 2012; 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.

45. 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.

46. Auditors

The Board in its 109th meeting held on February 13, 2018 recommended the shareholders to appoint M/s. S. F. Ahmed & Co. Chartered Accountants at a remuneration of BDT 5,00,000 plus VAT. LBFL has also taken prior approval from Bangladesh Bank to appoint M/s. S. F. Ahmed & Co., Chartered Accountants, until conclusion of 22nd AGM.

Based on the declaration provided by M/s. S. F. Ahmed & Co. 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 6 of the annual report.

47. Recognition

As a reward of our relentless efforts to the best practices of corporate and financial reporting, LBFL 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
- ▶ ICAB Best Presented Annual Report 2016
- ▶ ICAB Best Presented Annual Report 2015
- ▶ ICAB Best Presented Annual Report 2014
- ▶ ICAB Corporate Governance Award 2016
- ▶ ICMAB Best Corporate Award 2016

LankaBangla Securities has achieved certificate for outstanding performance for being ranked 1st in terms of turnover for consecutive twelve years from 2006 to 2017 by Dhaka Stock Exchange (DSE) & for consecutive thirteen years from 2005 to 2017 by the Chittagong Stock Exchange (CSE).

48. Notice of Meeting

The 21st Annual General Meeting of LankaBangla Finance will be held at 10:00 am on 29th March 2018. The Notice of Meeting is given on page number 5 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.

49. Acknowledgement

The Board of Directors takes this opportunity of expressing its heart-felt appreciation and gratitude to the valued clients, depositors, lenders, bankers, patrons and business partners for their continued support and cooperation. The Board also

expresses its deep gratitude to Bangladesh Bank, Bangladesh Securities & Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (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 ACNABIN, Chartered Accountants, the Auditors of the Company, for their efforts for timely completion of audits.

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

I would like to take this opportunity to thank my colleagues on Board, who have extended their all sorts of cooperation, in the face of adverse internal and external conditions, and made the year 2017 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 A. Moyeen
Chairman