

Dear Shareholders


We are pleased to present the un-audited Financial Statements of the Company for the half year ended on June 30, 2011 in accordance with Section 13 of the Securities and Exchange Rules 1987.

During the period from January 01, 2011 to June 30, 2011 your company witnessed consolidated net profit after provision & tax during the period stood at Tk. 544.96 million compared to Tk. 897.40 million of the same period of previous year.

The Earning Per Share (EPS) stood at Tk. 6.21 (per share of Tk.10) as on June 30, 2011 from same period of the last year of TK. 10.08 (restated).

We believe that continuation of our superior services, adoption of new products, harmonious customer relationship, prudent business policies would enable us to face the challenges ahead to make another successful year of 2011.

Thank you for your cooperation & support.


Mohammed Nasir Uddin Chowdhury
 Managing Director (Current Charge)

Consolidated Statement of Financial position

Consolidated Statement of Financial position (Un-Audited) As at 30 June 2011

I. PROPERTY & ASSETS

	Amount in Taka	
	30 June 2011	31 December 2010
1 Cash	80,536,494	92,634,585
a) Cash in hand	237,242	202,122
b) Balance with Bangladesh Bank	80,299,252	92,432,463
2 Balance with others bank and financial institutions	2,301,818,104	1,765,749,856
Local Currency:	2,301,688,477	1,765,620,232
Foreign Currency:	129,627	129,624
3 Investment	3,464,814,625	2,299,844,449
a) Government securities	2,068,448,674	1,345,693,012
b) Others investment	1,396,365,951	954,151,437
4 Lease, loan & advance	13,659,444,953	9,472,165,117
5 Fixed assets	178,062,052	195,003,546
a) At cost	318,377,528	331,922,323
b) Less: Accumulated depreciation	140,315,476	136,918,777
5 Other assets	1,656,705,262	5,496,845,259
TOTAL ASSETS:	21,341,381,490	19,322,242,812

II. LIABILITY & CAPITAL

1 Liabilities	11,637,693,927	10,911,453,955
Borrowings from Bangladesh Bank, Other Banks & Financial Institutions	7,279,943,911	6,351,455,722
Term deposits	4,357,750,016	4,559,998,233
2 Other liabilities	4,025,191,828	3,277,591,656
3 Capital/Shareholder's Equity	5,301,489,594	4,790,041,221
Paid up Capital	823,515,000	531,300,000
Share premium	1,090,888,800	1,090,888,800
Retained earnings	2,665,872,631	2,459,287,496
Statutory reserve	230,466,803	221,201,348
General reserve	38,183,719	34,800,936
Fair value measurement reserve	448,531,657	448,531,657
Payable to LB Foundation	4,030,984	4,030,984
Non-controlling interest	377,006,141	343,155,979
TOTAL LIABILITIES:	21,341,381,490	19,322,242,812


Mohammed Nasir Uddin Chowdhury
 Managing Director (Current Charge)


Quamrul Islam
 Senior Vice President & CFO

Consolidated Statement of Comprehensive Income

Consolidated Statement of Comprehensive Income (Un-Audited) For the half year ended 30 June 2011

Operating Income

	Amount in Taka			
	For the half-yearly (01 January to June30, 2011)	For the half-yearly (01 January to June30, 2010)	For the quarter (01 April to June30, 2011)	For the quarter (01 April to June30, 2010)
Net interest	220,556,944	268,788,891	96,517,831	180,133,299
Interest income	831,693,890	716,030,817	434,446,912	419,687,504
Less: Interest paid on deposits & borrowings	611,136,946	447,241,926	337,929,081	239,554,205
Income from investment	75,467,331	189,202,335	48,153,126	144,559,267
Commission, Exchange and Brokerage Income	453,076,352	808,390,453	193,920,100	442,287,445
Other operational income	260,890,123	177,088,243	135,896,995	119,505,092
Total Operating Income:	1,009,990,750	1,443,469,922	474,488,052	886,485,103

Operating Expenses

Salary and allowances	79,791,093	59,409,158	41,129,466	31,121,211
Rent, taxes, insurance, electricity etc.	17,831,355	11,154,391	8,583,700	6,312,678
Legal & professional fees	3,679,684	3,043,657	1,823,674	1,539,232
Postage, stamp, telecommunication etc.	2,173,171	2,105,915	1,375,755	1,453,286
Stationery, printing, advertisement	5,330,725	6,842,161	2,256,026	3,781,643
Managing director's salary & allowance	2,275,000	2,730,000	920,000	1,365,000
Director fees and expenses	181,000	170,000	167,000	110,000
Audit fees	102,376	68,100	54,688	31,900
Repairs, maintenance and depreciation	15,471,811	17,688,777	8,216,168	9,599,438
Other expenses	80,712,365	91,480,729	38,401,820	43,824,363
Total Operating Expenses:	207,548,580	194,692,888	102,928,297	99,158,751

Net Operating Income

Net Operating Income	802,442,170	1,248,777,034	371,559,755	787,326,352
Provision for loans & advance	62,957,407	143,295,257	8,355,093	119,401,001
Specific provision	28,400,340	111,170,217	5,000,340	97,540,443
General provision	34,557,067	32,125,040	3,354,753	21,860,558

Profit before tax and reserve:

Profit before tax and reserve:	739,484,763	1,105,481,777	363,204,662	667,925,351
Provision for tax	194,524,581	208,077,603	90,273,200	143,149,175
Provision for the period	194,524,581	208,077,603	90,273,200	143,149,175
Net profit after tax:	544,960,182	897,404,174	272,931,462	524,776,176

Attributable to:

Shareholders of the Company	511,448,373	829,901,107	258,397,595	457,279,251
Non-controlling interest	33,511,809	67,503,067	14,533,867	67,496,925
	544,960,182	897,404,174	272,931,462	524,776,176
Earning per share (Restated June-2010)	6.21	10.08	3.14	5.55


Mohammed Nasir Uddin Chowdhury
 Managing Director (Current Charge)


Quamrul Islam
 Senior Vice President & CFO

Statement of Consolidated Changes in Shareholders' Equity

Statement of Consolidated Changes in Shareholders' Equity (Un-Audited) For the half year ended 30 June 2011

Particulars	Amount in Taka						
	Balance as at 01 January 2011	Items involved in changes in equity	Net profit for the period	Appropriation to statutory reserve	Adjustment-against general reserve	Stock dividend (55%)	Balance as at 30 June 2011
Share Capital	531,300,000	-	-	-	-	292,215,000	823,515,000
Statutory Reserve	221,201,348	9,265,455	-	-	-	-	230,466,803
General Reserve	34,800,936	-	-	3,382,783	-	-	38,183,719
Fair Value measurement reserve	448,531,657	-	-	-	-	-	448,531,657
LB Foundation	4,030,984	-	-	-	-	-	4,030,984
Share Premium	1,090,888,800	-	-	-	-	-	1,090,888,800
Retained Earnings	2,459,287,496	511,448,373	(9,265,455)	(3,382,783)	(292,215,000)	2,465,872,631	
Total	4,790,041,221	511,448,373	-	-	-	5,301,489,594	
Non-controlling Interest	343,155,980	185,701,631	-	-	-	-	528,857,611
Opening balance	343,155,980	-	-	-	-	-	343,155,980
Addition during the period	-	33,511,809	-	-	-	-	33,511,809
Total Non-controlling Interest	343,155,980	185,701,631	-	-	-	-	528,857,611
Balance as at 30 June 2011	823,515,000	230,466,803	42,002,877	493,394,000	4,030,984	1,090,888,800	2,885,086,071


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 Managing Director (Current Charge)


Quamrul Islam
 Senior Vice President & CFO

Consolidated Statement of Cash Flows (Un-Audited)

For the half year ended 30 June 2011

	Amount in Taka	
	30 June 2011	30 June 2010
A) Cash flows from operating activities		
Interest received	8,316,993,890	716,030,817
Interest paid	(611,136,946)	(447,241,926)
Dividend received	740,444	2,011,958
Fees and commission received	2,595,589	105,342,079
Income from investment	47,726,887	187,190,377
Cash paid to employees (including directors)	(56,536,216)	(36,027,460)
Cash paid to suppliers	(7,080,209)	(4,716,738)
Income taxes paid	(124,228,842)	(86,229,374)
Received from other operating activities	541,093,371	841,185,891
Paid for other operating activities	(181,171,262)	(58,718,895)
Cash generated from operating activities before changes in operating assets and liabilities	7,955,996,706	1,218,826,729
Increase/ (decrease) in operating assets & liabilities		
Changes in trading securities	(280,177,604)	(147,929,708)
Loans and advances to customers	(1,184,776,000)	(1,602,561,404)
Other assets	237,940,436	(546,166,079)
Deposits from customers	177,719,093	664,252,014
Other liabilities	(5,328,204,725)	(490,140,723)
Total increase/ (decrease) in operating assets & liabilities	(6,377,498,800)	(2,122,545,900)
Net Cash from Operating Activities (Total of "A"):	1,578,497,906	(903,719,096)
B) Cash flows from investing activities		
Changes in non-trading securities	(3,148,358)	21,698,000
Net proceeds/(payments) for sale/ purchase of Treasury bills	(722,755,662)	245,265,228
Purchase of property, plant and equipment	(15,124,857)	(31,932,484)
Net Cash used by Investing Activities (Total of "B"):	(741,028,877)	235,030,744
C) Cash flows from financing activities		
Increase/(decrease) of long term loan	(313,498,871)	492,216,474
Issuance of share	-	50,000,000
Share Premium	-	1,200,000,000
Dividend paid (cash dividend)	-	(37,215,896)
Net Cash used by Financing Activities (Total of "C"):	(313,498,871)	1,705,000,578
D) Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	523,970,158	1,036,312,226
E) Opening cash and cash-equivalents	1,858,384,440	1,089,034,705
F) Closing cash cash-equivalents (D+E)*	2,382,354,598	2,125,346,856
* Closing cash and cash-equivalents		
Cash in hand (including foreign currencies)	237,242	202,122
Balance with Bangladesh Bank and its agent bank (s)	80,299,252	128,653,497
Balance with other Banks and Financial Institutions	2,301,818,104	1,996,491,237
Total:	2,382,354,598	2,125,346,856

Mohammed Nasir Uddin Chowdhury
Managing Director (Current Charge)

Quamrul Islam
Senior Vice President & CFO

Notes to the Half Yearly Financial Statement

for the period ended June 30, 2011

1. Half- Yearly financial report

This half-yearly financial report has been prepared in accordance with the Bangladesh Accounting Standard (BAS - 34) "Interim Financial Reporting"

2. Accounting policies and methods of computation

The accounting policies and methods used are consistent with those used in the Annual Financial Statements for the period ended December 31, 2010, which was approved and published.

3. Consolidation of operations of subsidiary

The financial statements of the company and its subsidiary companies named LankaBangla Securities Limited, LankaBangla Asset Management Company Limited and LankaBangla Investment Limited have been consolidated in accordance with Bangladesh Accounting Standards (BAS) No. 27 "Consolidated and Separate Financial Statements". The Consolidation of financial statements has been made after eliminating all material intra group transactions.

Total profits of the Company and its Subsidiary are shown in the Consolidated Statement of Comprehensive Income with the proportion of profit after taxation pertaining to minority shareholders being deducted as "Non-controlling Interest". All Assets and Liabilities of the company and of its subsidiary are shown in the Consolidated Statement of Financial Position. The Interest of minority shareholders of the subsidiary is shown separately in the Consolidated Statement of Financial Position under the head "Non-controlling Interest".

4. Capital enhancement

Stock dividend @ 55% for the year 2010 has been transferred to share capital on March 30, 2011. Therefore, Paid up Capital has been increased to BDT 823.52 million as on June 30, 2011.

5. Approval of half-yearly report

The half yearly financial statements for the half year ended June 30, 2011 were approved by the Board of Directors on its 71st Board of Director Meeting held on July 30, 2011.

6. Dividend

The Board of Directors has not declared any interim dividend for the half year ended June 30, 2011.

7. Subsequent event

There is no significant event to the end of the interim period that has to be reflected in the financial statements.

8. Currency and comparatives

The financial statements are expressed in Bangladeshi Taka Currency and rounded off to the nearest integer.

Where necessary comparative figures and accounts title in the financial statements have been adjusted to conform to changes in presentation for the interim period.

9. Copies of the half-yearly report

The Company will send its half yearly report to the shareholders within July 31, 2011 and will make copies available from the registered office of the company at Safura Tower (Level - 11), 20 Kemal Ataturk Avenue, Banani, Dhaka and on the Company's website at www.lankabangla.com

Products and Services

Credit and Investment Products



- Lease Finance
- Term Finance
- Short Term Finance
- Working Capital Finance
- Work Order Finance
- Factoring Finance
- Personal Loan

Deposit Schemes



- Periodic Return Term Deposit
- Cumulative Term Deposit
- Double Money Term Deposit
- Money Builders Term Deposit

Mortgage Loan



- Home Loan
- Real Estate Developers' Finance

Merchant Banking Operation



- Investors' Portfolio Management Services
- Margin Loan
- IPO Advisory
- Issue Management
- Underwriting

SME Finance



- SME Finance- for small and medium businesses to empower the people.

Corporate Services



- Syndication of Lease/Loan
- Corporate Advisory Services
- Investment Counseling

Auto Loan



- Car Finance – for individuals and institutions.

Stock Broking



- Cutting edge Broking provided by LBSL, our Subsidiary

Card Operation



- MasterCard & VISA Card Issuing
- MasterCard Acquiring
- Third Party Card Processing

Primary Dealership



- Primary and secondary operation of Treasury Bill and Treasury Bond

LankaBangla
FINANCE

LankaBangla Finance Limited
Safura Tower (Level 5 & 11), 20 Kemal Ataturk Avenue, Banani
Dhaka 1213, Bangladesh

Phone: +88 02 9883701-10, Fax: +88 02 8810998, E-mail: info@lankabangla.com
www.lankabangla.com

HALF-YEARLY FINANCIAL REPORT 2011



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