

Strictly Private & Confidential

INFORMATION MEMORANDUM

Non-Convertible, Zero Coupon Bond of up to BDT 3,000 Million for LankaBangla Finance Limited

ISSUER



LankaBangla Finance Limited

Safura Tower (Level 11), 20, Kemal Ataturk Avenue, Banani
Dhaka, 1213, Bangladesh

TRUSTEE



IIDFC Capital Limited

Type of Security: Nonconvertible, Zero-Coupon Bond

Number of Securities: 3,000

Total Face Value: Up to BDT 3,000,000,000

Total Issue Price: BDT 2,653,371,721*

Face Value of Each Bond: BDT 1,000,000; Face Value of Each Lot: BDT 6,000,000

Issue Price of Each Bond is Variable as it is ZCB and mentioned in Features of Bond

Issue Price of Each Lot: BDT 5,306,743*

Coupon Rate/Discount Rate and YTM: 7.25% to 9.00% p.a.

*Calculated based on the Face Value of BDT 3,000 million of the Bonds and YTM of 7.25% p.a. Depending on the range of YTM 7.25% to 9.00% the issue price of lot and total issue price may change

Issue Date of IM: _____, 2021

Credit Rating Status of the Issue: AA₃ (Outlook: Stable)

Credit Rating Status of the Issuer:

Long Term: AA₃

Short Term: ST-2 (Outlook: Stable)

"If you have any query about this document, you may consult the issuer and the trustee"

MANDATED LEAD ARRANGER




Mohammad Safah Ahmed
Chief Executive Officer
IIDFC Capital Limited


Khwaja Shahriar
Managing Director & CEO
LankaBangla Finance Limited


Mostafa Kamal FCA
Company Secretary
LankaBangla Finance Limited


Shamim Al Mamun, FCA
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited

DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of prospectus. The issue of non-convertible zero coupon bonds is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the bond issue to the public in general. Apart from this Information Memorandum, no information memorandum or prospectus has been prepared in connection with the offering of this issue.

This Information Memorandum has been prepared to provide general information about the issuer to potential investors to whom it is addressed and who are willing and eligible to subscribe to the bond issue. This Information Memorandum does not purport to contain all the information that any potential investor may require. Neither does this Information Memorandum nor any other information supplied in connection with the bond issue is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt a recommendation to purchase any bonds. Each potential investor contemplating the purchase of any bonds should make his/her own independent investigation of the financial condition and affairs of the issuer and his/her own appraisal of the creditworthiness of the issuer.

Potential investors should consult their own financial, legal, tax, and other professional advisors as to the risks and investment considerations arising from an investment in the bonds and should possess the appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances.

The information relating to the company contained in this Information Memorandum is believed by the issuing company to be accurate in all respects as to the date hereof.

It is the responsibility of potential investors to also ensure that they will sell/transfer these Bonds in strict accordance with this Information Memorandum and other applicable laws. None of the intermediaries or their agents or advisors associated with this issue undertake to review the financial condition or affairs of the issuer during the life of the arrangements contemplated by this Information Memorandum or have any responsibility to advise any investor or potential investor in the bonds of any information available with or subsequently coming to the attention of the intermediaries, agents or advisors.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the issuer to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the issuer.

The contents of this Information Memorandum are intended to be used only by those potential investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.


Information Memorandum (Draft)
Khwaja Shahriar
Managing Director & CEO
LankaBangla Finance Limited
Mostafa Kamal, FCA
Company Secretary
LankaBangla Finance Limited
Shamim Al Mamun, FCA
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited
Mohammad Saleh Ahmed
Chief Executive Officer
IIDFC Capital Limited
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- Such person has been afforded an opportunity to request and to review and has reviewed and received this Information Memorandum and all additional information considered by an individual to be necessary to verify the accuracy or to supplement the information herein; and
- Such person has not relied on any intermediary that may be associated with the issuance of the bonds in connection with his/her investigation of the accuracy of such information or his/her investment decision.

The issuer does not undertake to update the Information Memorandum to reflect subsequent events after the date of the Information Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the issuer. Neither the delivery of this Information Memorandum nor any sale of bonds made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the issuer since the date hereof.

This Information Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the bonds or the distribution of this Information Memorandum in any jurisdiction where such action is required. The distribution of this Information Memorandum and the offering and sale of the bonds may be restricted by law in certain jurisdiction. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions.




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LankaBangla Finance Limited Nonconvertible, Zero Coupon Bond

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1 REPORT TO THE ELIGIBLE INVESTORS

Issuer has obtained information regarding Bangladesh and its economics from various government publications and other sources. Although the issuer believes that its sources are reliable, you should keep in mind that it has not independently verified information it has obtained from industry and government sources and that information from its internal surveys has not been verified by any independent sources. In addition, we have obtained information about the Trustee, i.e., IIDFC Capital Limited, from the Trustee and do not accept any responsibility for the information contained in the section entitled "The Trustee". Further, we do not accept any responsibility for the information contained in the section entitled "Credit Rating". We are not making any representation to you concerning the accuracy or completeness of the information contained in the section "The Trustee" or in the section "Credit Rating" section.

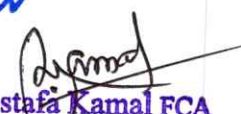
The distribution of this Information Memorandum and the Offering is restricted only in Bangladesh. It is not intended or made to offer or sale the Bonds in any other jurisdiction. The Offerings will not be offered to the public at large in Bangladesh, or outside Bangladesh.

We may withdraw this offering at any time, and we reserve the right to reject any offer to purchase the Bonds in whole or in part and to sell to any prospective investor less than the full amount of the Bonds sought by such investor.

We have obtained approval of the Bangladesh Securities and Exchange Commission for issue of Bonds and the distribution of this Information Memorandum. Bangladesh Securities and Exchange Commission has given their consent to issue the Bonds through its letter no. _____ dated _____, 2021 and Bangladesh Bank has given its approval through letter no. DFIM(BS)1057/19/2021-1065 dated May 25, 2021.




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2 RISK FACTORS & MANAGEMENT'S PERCEPTION ABOUT THE RISKS

Risks are inevitable in every form and nature of business. There are a number of risk sources, both specific to LankaBangla (idiosyncratic) and of general nature (systematic), which may affect the future operating and financial performance of LankaBangla and the value of an investment in it. Some of these risks can be mitigated by way of avoidance, transference, and active firm-level risk management.

The information given below does not assert to be exhaustive. Additional risks or uncertainties that are presently not known to the company or that are currently deemed immaterial may also have a material adverse effect on LankaBangla's business, financial condition, and operating results. The order in which the risks are presented below does not provide an indication of the likelihood of their occurrence, severity, or significance.

2.1 Interest Rate Risk

Interest rate risk is the exposure of an institution's financial condition to adverse movement in interest rates. Accepting this risk is a normal part of financial intermediation and can be an important source of profitability and shareholder value. However, excessive level of interest rate risk can pose a significant threat to an institution's earnings and capital base. As financial intermediaries, non-bank financial institutions, like banks, encounter interest rate risk in several ways. The primary source of interest rate risk is differences in the timing of the repricing of assets, liabilities, and off-balance sheet instruments. Such mismatches can expose an institution to adverse changes in both the overall level of interest rates (parallel shifts in the yield curve) and the relative level of rates across the yield curve (nonparallel shifts in the yield curve). Another important source of interest rate risk occurs when the adjustment of the rates earned and paid on different instruments is imperfectly correlated with otherwise similar repricing characteristics.

Management Perception: Management of LankaBangla has addressed the issue of interest rate risk and has taken active measure to keep the gap between interest sensitive assets and interest sensitive liabilities at a minimum to ensure that changes in interest rates do not affect profitability adversely. Moreover, the Asset-Liability Management Committee (ALCO) of the company periodically meets and observes the trend in the macroeconomic variables and takes necessary measures to minimize the interest rate risk.

2.2 Exchange Rate Risk

Exchange rate risks is the chance that unanticipated exchange rate changes can have adverse effect on the profitability of the Company. Financial Institutions, which have foreign trade commitments from various sources of foreign exchange like export proceeds and other incoming remittance, or payment commitments, can suffer from the changes of exchange rate against local currency.

Management Perception: As per Financial Institutions Act, 1993, non-bank financial institutions in Bangladesh are barred from dealing with foreign exchange. Hence, LankaBangla is not likely to be directly affected by any unanticipated change in foreign exchange rate. However, any indirect effect of

exchange rate movement on the earnings of LankaBangla or on its assets is closely monitored by the management.

2.3 Non-Repayment Risk

Non-repayment risk is defined as the potential risk that a borrower or counterparty may fail to meet its obligations in accordance with agreed terms that would have adverse impact on the quality of assets and eventually erode the profitability of the NBFIs. As LankaBangla's primary business is lending, the company is exposed to non-repayment risk from loans to retail, corporate, and other institutional customers.

Management Perception: Considering the key elements of non-repayment risk, LankaBangla has segregated duties of the officers/executives involved in credit related activities. Separate divisions for retail, corporate, and SME are in place, which are entrusted with the duties of maintaining effective relationship with the customers, marketing of credit products, and exploring new business opportunities. Moreover, credit division carries out thorough assessment before approving any credit facility. The risk assessment includes, but is not limited to, borrower risk analysis, financial analysis, industry analysis, and historical performance of the customer. Operation division ensures compliance with all legal formalities, completion of all documents, security of the proposed credit facility, and finally disburses the loan. This segregation of duties and accountability helps to minimize the risk of compromise with the credit portfolio.

2.4 Prepayment, Call, or Refunding Risk

The risk associated with the early unscheduled return of principal on a fixed-income security is referred to as prepayment, call, or refunding risk. In NBFIs operations this risk mostly pertains from early settlement/repayment by the counterparty as well as by not making drawing/withdrawal against approved facility limit. This incidental risk dilutes the forecasted income/earning as well as creates the cause of mismatch in fund management.

Management Perception: LankaBangla's borrowing customers can pose it with prepayment risk as interest rates decrease and new lower-cost funds become available. Though this risk cannot be eliminated completely LankaBangla takes proactive approach to mitigate the consequences of early retirement of its loans. For instance, sanctions of loans are subject to provisions that loans cannot be prepaid within a certain period and that a prepayment penalty will be charged. These provisions put a cushion against the chance of refunding and allow the company to cover up losses arising as a consequence of having to reinvest the fund at a lower rate.

2.5 Security Risk

Security Risk pertains from the adverse changes in the value of collaterals securing the credit exposure of the NBFIs and it takes the worst turn in case of default situation. Components of security risk are more related with the operational part i.e. failure of system, process, procedure or occurrence of any other incident due to supervisory lapses on the part of management.

Management Perception: As part of risk mitigation the management attaches importance on strengthening supervisory control and oversight over the functionaries of LankaBangla to avert the risk of any breakdown in the process.

2.6 Liquidity Risk

Liquidity risk refers to the risk that comprises failure of a financial institution to meet its obligation due to shortfall of cash and cash equivalents and also loss of opportunity to invest in potential high yielding assets. The main objective of managing liquidity risk is to maintain sufficient liquid assets, optimization of the capacity to build up comfortable liquidity base for meeting short and long-term financial obligation/commitment as well as to face any contingency affecting liquidity of the FI.

Management Perception: LankaBangla's Treasury division assesses the need for funds to meet obligations and ensures the availability of cash or collateral to fulfil those needs at the appropriate time by coordinating the various sources of funds available under normal and stressed conditions. LankaBangla also has laid down a contingency liquidity plan so that enough liquidity is available to meet the fund requirements in liquidity crisis situation. Management of LankaBangla believes in maintaining a level of liquid assets exceeding the regulatory requirement and maintains adequate liquidity buffer.

2.7 Management Risk

Management risk emanates from the inefficiency of the persons in the existing pool of management or departure of any key person as well as absence of the appropriate successors to take over the responsibility and manage the overall affairs of the company in a prudent manner. Management risk is also the offshoot of failure of the management people to ensure optimum utilization of available resources by setting priorities towards attainment of corporate goal with the bottom line objective to make economic value addition of FI operation.

Management Perception: In LankaBangla, the corporate governance framework guides the 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 its corporate objectives LankaBangla management has committed to the highest level of governance and strives to foster a culture that values and rewards exemplary ethical standards, personal and corporate integrity, and mutual respect. LankaBangla has strengthened the composition of the board with the appointment of two non-executive independent directors in compliance with the SEC Notification No. SEC/CMRRCD/2006-158/129/Admin/44 dated August 07, 2012. The company has already formed Risk Management Forum and Risk Analysis Unit.

2.8 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed processes, people, and systems or from external events. It arises in record keeping, computing correct payment amounts, processing system failures, and compliance with various regulations. Operational risk includes legal risk and

reputational risk. As such, individual operating problems are small probability events for well-run organizations, but they expose a firm to outcomes that may become quite costly.

Management Perception: LankaBangla manages operational risk through a framework that ensures operational risks are properly identified, managed, monitored, mitigated, and reported in a structured and consistent manner. The framework is underpinned by an internal control system that reinforces the company's control culture by establishing clear roles and responsibilities for staff and preserving their rights in executing their control functions. Each business unit undertakes regular self-assessment of the risk and control environment to identify, assess, and measure its operational risks, which include regulatory and legal risks. Risk matrices are also used to detect early warning signals and drive appropriate management actions before risks materialize into material losses.

2.9 Business Risk

Business Risk refers to the failure of a company to generate adequate cash flow with corresponding expansion of business towards augmentation of capital base/net worth. Business risk may also stem from the internal organization wise limitation, abrupt fall in revenue earning stream, fall in business volume which are also largely affected by the external environment like that of economic recession, abrupt change in government policies and other externalities.

Management Perception: LankaBangla is the country's leading provider of integrated financial services including corporate financial services, retail financial services, SME financial services, stock brokerage, corporate advisory, and wealth management services. LankaBangla is the lone financial institution to operate credit card and it also provides third party card processing services to different banks in Bangladesh. LankaBangla management recognizes the importance of product and service diversification and innovation. LankaBangla is already offering innovative financial products like factoring, reverse-factoring, club financing etc. In an attempt to maintain and grow its competitive edge LankaBangla is continuing its effort to introduce new products attractive to the local market.

2.10 Industry Risk

Industry risk is the possibility that a specific industry will not perform up to the expected level or at par. When problems plague one industry, they affect the individual organizations of that particular industry. They may also cross over into other industries which is identified as systemic risk. Industry risk also refers to the risk of increased competition from foreign and domestic sources leading to lower revenues, profit margins, loss of market share etc. which could have an adverse impact on the business, financial condition and result of operation.

Management Perception: To address the industry risk arising from cyclicity LankaBangla has developed a diversified pool of products and services offering. LankaBangla has also differentiated its product offerings by including unique features. Furthermore, LankaBangla's strong foothold in the capital market makes it more adept to meet the needs of different corporate houses in times when capital market becomes a dominant alternative source of financing.

Management Perception: LankaBangla operates under specific guidelines laid down by Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), and other regulatory authorities. It also operates under The Companies Act, 1994, The Financial Institutions Act, 1993, Income Tax Ordinance, 1984, Income Tax Rules, 1984, Value Added Tax (VAT) Act, 1991, and Value Added (VAT) Rules, 1991. Any abrupt change in the policies made by the regulatory authorities may adversely affect the business of the company. Nevertheless, LankaBangla management remains alert and ensures full compliance with rules relating to capital adequacy, liquidity reserve, single borrower exposure, loan classification, loan provisioning, investment in shares, call money borrowing, etc.

2.14 Risks Related to Potential Changes in Global or National Policies

Profitable operation of a financial institution hinges to a great extent on national and global policies. Monetary policy and fiscal policy of the government, in particular, have a large bearing on the business of financial intermediation. Imposition of restrictive monetary and fiscal policy by the government at any time may affect a company's profitability.

Management Perception: The management of LankaBangla always remains vigilant and abreast of the prevailing and possible future changes in the national or global policy and responds aptly and timely to safeguard the interest of the company. Unless a material change takes place, which would affect the entire industry as whole, LankaBangla is well prepared to address the issue that may have significant effect on the company's business.




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3 Detailed description and information

3.1 Particulars of issuer

(a)	Name	LankaBangla Finance Limited
(b)	Legal status:	Public Limited Company listed on Dhaka Stock Exchange and Chittagong Stock Exchange
(c)	Details of contact information:	Mr. Khwaja Shahriar Managing Director & CEO LankaBangla Finance Limited Safura Tower (Level 11) 20, Kemal Ataturk Avenue Banani, Dhaka 1213 Phone No. +8802 222283701-10
(d)	Date of incorporation	November 05, 1996 under Companies Act 1994
(e)	Date of commencement of business:	November 05, 1996
(f)	Authorized capital	BDT 10,000 Million
(g)	Paid-up capital	BDT 5,388 Million
(h)	Total equity:	BDT 10,094 Million (Consolidated), as on December 31, 2020
(i)	Total liabilities:	BDT 71,564 Million (Consolidated), as on December 31, 2020
(j)	Total financial obligations:	
(k)	Total assets:	BDT 81,835 Million (Consolidated), as on December 31, 2020
(l)	Total tangible assets:	BDT 2,112 Million (Consolidated), as on December 31, 2020
(m)	Net worth:	BDT 10,094 Million (Consolidated), as on December 31, 2020
(n)	Others	Not applicable

3.2 Particulars of the Issue

(a)	Name of the issue:	LankaBangla Zero Coupon Bond
(b)	Type of instruments to be issued:	Non-Convertible Zero Coupon Bond
(c)	Purpose of the issue:	To generate liquidity to meet ongoing financing requirements
(d)	Number of securities and total size of the issue to be offered:	Number of Securities: 3,000 Total size of the issue to be offered: BDT 3,000,000,000
(e)	Face value and issue price of securities mentioning discount or premium thereof:	Face Value: BDT 3,000,000,000 Issue price of securities mentioning discount: BDT 2,653,371,721
(f)	Coupon rate or rate of profit or discount rate and yield to maturity(YTM):	7.25% to 9.00% p.a. Based on present market condition the indicative discount rate is expected to be 7.25% p.a.
(g)	Tenor or maturity:	From 6 months up to 3 years from the issue date
(h)	Details of conversion/exchange option features:	Not Applicable
(i)	Mode of redemption:	Semi-annually

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LankaBangla Finance Limited Nonconvertible, Zero Coupon Bond

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(j)	Mode of option (call or put), if any, in case of redemption or conversion/exchange and discount or premium thereof:	Being Zero Coupon Bond the issue does not have any call or put option and there is no conversion feature in the bond.
(k)	Rate of return/discount rate:	7.25% to 9.00% p.a. Based on present market condition the indicative discount rate is expected to be 7.25% p.a.
(l)	Applicable tax rate:	Taxable as per the law of the country
(m)	Default protection mechanism (details of credit enhancement arrangement/agreement, redemption reserve, sinking fund etc.), if any:	The issue is unsecured in nature. In case default, the Trustee may, without further notice to Issuer, take any action, remedy or method of judicial proceedings for the enforcement of rights of Bondholders as may be available under the Governing Law from time to time (Enforcement Proceedings) against the Issuer.
(n)	Type of collateral securities being offered, if any:	Since the issue is unsecured zero coupon bond, no collateral securities being offered
(o)	Status of securities holders in case of priority of payment:	The payment obligations of the Issuer in respect of the Bonds (whether on account of principal or otherwise) will rank paripassu with all other present and future unsecured obligations of the Issuer
(p)	Period within which securities to be issued:	As per the consent of Bangladesh Securities and Exchange Commission
(q)	Nature of tradability or listing in the stock exchange(s) (Main Board / ATB /any other platform, mentioning the name of the stock exchange):	The issue will be Privately Placed thus will not be tradable in the stock exchange
(r)	Others:	Not applicable

3.3 Particulars of the Trustee

(a)	Name of the trustee:	IIDFC Capital Limited
(b)	Paid-up capital of the trustee:	BDT 600,000,000
(c)	Net worth of the trustee:	BDT 570,790,025
(d)	Name of the issue(s) where performing as trustee:	The trustee—IIDFC Capital Limited—has not yet acted as the trustee to any debt securities
(e)	Others:	Not applicable

3.4 Particulars of the credit rating company

(a)	Name of credit rating company:	Credit Rating Agency of Bangladesh Limited (CRAB)
(b)	Credit rating status of the issuer:	Long Term : AA ₃ Short Term : ST-2 Outlook : Stable
(c)	Credit rating status of the issue:	Long Term: AA3, Outlook: Stable
(d)	Date and validity of rating along with surveillance rating for the issuer or originator and for the issue:	Date of rating of issuer: 19 July 2021 Valid till: 30 June 2022
(e)	Latest default rate of the credit rating company:	Not applicable
(f)	Average time to default of the rated category:	Not applicable
(g)	Rating trigger, if any:	Not applicable
(h)	Others:	Not applicable

4 DETAILS OF THE UTILIZATION OF THE PROCEEDS


LankaBangla Finance Limited (LBFL) is going to issue Zero Coupon Bond to generate liquidity to meet ongoing financing requirements.

The fund thus raised will be utilized to grow the lending portfolio of the company by lending to retail, corporate, and SME clients. It will also help to dilute the cost of fund and bring about better match between the maturity of assets and liabilities.


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Company Secretary
LankaBangla Finance Limited


Shamim Al Mamun, FCA
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited


Mohammad Saleh Ahmed
Chief Executive Officer
HDFC Capital Limited

5 FEATURES OF THE DEBT SECURITIES TO BE ISSUED

Issuer	LankaBangla Finance Limited
The Issue	Non-Convertible Zero Coupon Bond
Mandated Lead Arranger (MLA)	Green Delta Capital Limited
Purpose	To generate liquidity to meet ongoing financing requirements
Investors	Prospective Eligible investors include the following: <ul style="list-style-type: none"> ▪ Banks & Financial Institutions: registered under the applicable laws in Bangladesh which are duly authorized to invest in bonds; ▪ Insurance companies ▪ Provident, Gratuity, Pension & Superannuation Funds ▪ Mutual Funds ▪ Companies, Corporate Bodies authorized to Invest in bonds ▪ High Net Worth Individuals
Currency	BDT
Transferability/ Liquidity	Freely transferable subject to the terms and conditions of the Bond documents
Total Face Value	Up to BDT 3,000 Million
Face Value per Unit	: BDT 1 (One) Million
Number of Issuing Unit	: 3,000 Units
Lot Size	: 6 units or multiples (1 Unit = BDT 1,000,000)
Mode of Placement	: Privately Placed on a best-effort basis
Minimum Subscription for Private Placement	: BDT 6 (Six) Million
Maturity	: From 6 months up to 3 years from the issue date
Discount Rate Range	7.25% to 9.00% p.a. Based on present market condition the indicative discount rate is expected to be 7.25% p.a.
Governing Law	: The laws of People's Republic of Bangladesh
Transferability/Liquidity	: Freely transferable subject to the terms and conditions of the Bond documents
Trustee	: IIDFC Capital Limited
Tax Features	: Taxable as per the law of the country
Prepayment, Call of Refunding	: Being Zero Coupon Bond the issue cannot be prepaid or refunded unless otherwise agreed by the investors. There is no conversion feature in the bond.
Redemption	: Will be structured in a way so the issue is redeemed in 6 equal instalments starting from the end of the 6th month from the issue date and each 6 months thereafter.

Information Memorandum (Draft)

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IIDFC Capital Limited

Tentative Redemption
Schedule*

: *Assuming YTM=7.25%. The repayment schedule may vary depending on the YTM

End of Month	For the Entire Issue		For Each Lot	
	Draw Down	Repayment	Draw Down	Repayment
0	2,653,371,721	-	5,306,743	-
6	-	500,000,000	-	1,000,000
12	-	500,000,000	-	1,000,000
18	-	500,000,000	-	1,000,000
24	-	500,000,000	-	1,000,000
30	-	500,000,000	-	1,000,000
36	-	500,000,000	-	1,000,000
Total	2,653,371,721	3,000,000,000	5,306,743	6,000,000

Credit Rating of the
Issuer

: Long Term : AA₃
Short Term : ST-2
Outlook : Stable

Issue Rating Status

: Long Term: AA₃, Outlook: Stable

Rating done by

: Credit Rating Agency of Bangladesh Limited (CRAB)

Early Redemption

: Bonds can be redeemed by the Issuer in accordance with the terms and conditions set out in the Bond Documents

Late Redemption

: In case of any delay of payment issuer shall pay delay payment charges as per bond documents

Listing

: Unlisted

Security

: Unsecured

Enforcement of
Charges over Securities

: At any time after the bonds have become due and repayable, the Trustee may, without further notice to the Issuer, take any action, remedy or method of judicial proceedings for the enforcement of rights of Bondholders as may be available under the governing law from time to time against the issuer. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

Documentation

: Documentation will include but not be limited to the followings:
1. Bond Subscription Agreement;
2. Trust Deed;
3. Any other instrument(s) relating to this sort of transaction

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LankaBangla Finance Limited


Mohammad Saleh Ahmed
Chief Executive Officer
DFC Capital Limited

Cost Related to the Issue	: <ul style="list-style-type: none"> Regulatory Fees: the applicable regulatory fees payable to the BSEC in connection with the Issue. Professional advisers: the fees and expenses of the legal, financial, accountancy and other professional advisers instructed by the Issuer in connection with the creation and issue of the Bonds; Legal documentation: the costs incurred in connection with the preparation and execution of this Agreement and the Bond Documents; The fees and expenses of the Trustee and the Paying Agent of the Bond and the other parties to this Agreement and the Bond Documents; The cost of obtaining and maintaining any credit rating for the Bonds and the Issuer; and Other associated costs: other costs and expenses associated with the Issue including the fee payable to the Arranger.
Condition Precedent:	: In form and substance satisfactory to the MLA including without limitation: <ol style="list-style-type: none"> due diligence having been conducted and completed, documentation for the Financing and appropriate business description disclosure in the offering circular, receipt by the MLA of appropriate legal opinions from external counsel, the Issuer having obtained all relevant approvals for the Issuance.


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LankaBangla Finance Limited


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FC Capital Limited

6 DESCRIPTION OF COLLATERAL SECURITY AND TYPES OF CHARGES TO BE CREATED AGAINST THE ISSUE

The issue is unsecured hence no charge on assets against the issue is to be created.

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LankaBangla Finance Limited

7 RIGHTS & OBLIGATIONS OF THE ISSUER

Covenant to Repay

The Issuer covenants with the Trustee that it will, as and when the Bonds or any of them become due to be redeemed or any principal on the Bonds or any of them becomes due to be repaid in accordance with the Conditions as contained in the Trust Deed and the Agency Agreement, unconditionally pay or procure to be paid to or to the order of the Bondholders by pay order/cheque delivered to the Trustee on the relevant due date for payment the principal amount of the Bonds or any of them becoming due for redemption or repayment on that date and shall (subject to any terms and conditions of the Bonds) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Bondholders, through the Trustee, as aforesaid on the dates provided for in the Trust Deed, or any of them outstanding from time to time as set out in the Trust Deed *provided that*:

- if any payment in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the third Business Day after notice by the Trustee to the Bondholders in accordance with the Trust Deed that the full amount has been received by the Bondholder or the Trustee under the Trust Deed;
- in any case where payment due in respect of any Bond is improperly withheld or refused upon due presentation of a Bond Certificate, payment shall accrue in accordance with the Payment Clause 12.3 on the Trust Deed on the whole or such part of such amount from the date of such withholding or refusal until the date either on which such amount due is paid to the Bondholders or, if earlier, the third Business Day after which notice by the Trustee is given to the Bondholders in accordance with the Trust Deed that the full amount payable in respect of the said principal amount is available for collection by the Bondholders provided that on further due presentation thereof such payment is in fact made.

General Covenants by the Issuer

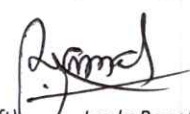
- The Issuer hereby covenants that the Bonds will be issued in registered and unlisted form.
- The Issuer covenants with the Trustee that it will comply with and perform and observe all the provisions of this Trust Deed, the Agency Agreement, the Conditions and the other Transaction Documents which are expressed to be binding on it. The terms and conditions of the Bonds shall be binding on the Issuer, the Bondholders and the Trustee. The Trustee shall be entitled to enforce the obligations of the Issuer under the Bonds as if the same were set out and contained in this Trust Deed, which shall be read and construed as one document with the Bonds. The Trustee shall hold the benefit of this covenant to pay all sums due and payable but unpaid by the Issuer in respect of payments with respect to the Bonds upon trust for itself and the Bondholders.
- Covenant to comply with Bangladesh Bank Rules and Guidelines, Trust Deed, conditions, Schedules and Subscription Agreement(s):

Information Memorandum (Draft)


LankaBangla Finance Limited Nonconvertible, Zero Coupon Bond

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Mohammad Saleh Ahmed
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IIDFC Capital Limited

- (a) The Issuer hereby covenants with the Trustee to comply with, perform and observe the conditions of all Rules and Guidelines published by the Bangladesh Bank, all those provisions of this Trust Deed, the Conditions, the Schedules and the Subscription Agreement which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in this Trust Deed, the Conditions, the Schedules and the Subscription Agreement, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, this Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents.
- (b) The Issuer hereby confirms that it has obtained due approval from the Bangladesh Bank and the BSEC for issuance of the Bonds.
- As long as any of the Bonds remains outstanding (and, for the avoidance of doubt, a Bond is outstanding as long as it has not been redeemed in full notwithstanding that it has become due) or any amount is outstanding to the Trustee or any Bondholder under any Bond Document, the Issuer undertakes to each of the Trustee and the Bondholders that it shall comply with the following.
 - **Negative Pledge**
The Issuer shall not without the prior approval of the Trustee create any new liability senior to the Bondholders. But this condition does not apply to any Security Interest arising in the ordinary course of business.
 - **Disposals**
The Issuer shall not without the prior approval of Majority Lenders, enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset exceeding BDT 1,500,000,000
 - **Change of Business**
The Issuer shall procure that no substantial change is made to the general nature of the business of the Issuer.
 - **Arms' length transactions**
The Issuer shall not enter into any transaction, agreement or arrangement with any of its Affiliates other than on arm's length basis.
 - **General Undertakings**
 - The Issuer shall promptly:
 - (1) obtain, comply with and do all that is necessary to maintain in full force and effect; and
 - (2) supply to the Trustee certified copies of, any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Bond Documents to which it is a party (or any of them) and/or to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Bond Document to which it is a party.

▪ **Compliance with laws**

The Issuer shall comply in all respects with all laws to which it is subject (including, without limitation, the requirements and guidelines of the Bangladesh Bank with respect to capital adequacy), if failure so to comply would, or could reasonably be expected to, have a Material Adverse Effect.

▪ **Insurance**

The Issuer shall maintain insurances on and in relation to its business and assets with reputable underwriters or insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

▪ **Corporate Governance**

The Issuer shall ensure that it remains duly incorporated and validly existing under the laws of its jurisdiction of incorporation.

The Issuer shall ensure it shall at all times have the power and necessary Authorisations to own its assets and carry on its business as from time to time being conducted.

The Issuer shall maintain and preserve all of its assets, which may be necessary in the conduct of its business as conducted from time to time, in good working order and condition, ordinary wear and tear excepted.

▪ **Taxation and claims**

The Issuer shall duly and punctually pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties, save to the extent that (1) payment is being contested in good faith, (2) adequate reserves are being maintained for those Taxes and (3) payment can be lawfully withheld.

▪ **Maintenance of and access to books and records and inspection**

The Issuer shall, maintain books and records (with respect to itself and its business) in the manner described in the Trust Deed.

▪ **Obligations of Agents**

Observe and comply with its obligations and use all reasonable endeavours to procure that the Agents observe and comply with all their obligations under the Agency Agreement; maintain the Register; and notify the Trustee immediately it becomes aware of any material breach of such obligations, or failure by any Agent to comply with such obligations, in relation to the Bonds

▪ **Further assurance**

The Issuer shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Trustee may reasonably specify (and in such form as the Trustee may reasonably require in favour of the Trustee or its nominee(s)) for the exercise of any rights powers and remedies of the Trustee (for and on behalf of any or all of the Trustee and/or the Bondholders) provided by or pursuant to the Bond Documents or by law on a best efforts basis and to the extent permitted by applicable laws.

Loans and Guarantee

The Issuer shall not:

be a creditor in respect of any Financial Indebtedness, except for:

- any loan in its ordinary course of business consistent with its current practice; and
- incur or allow to remain outstanding any guarantee in respect of any obligation (whether actual or contingent) of any person, or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any person, except for:
 - (3) any guarantee under any Bond Document;
 - (4) any guarantee in the ordinary course of business consistent with its current practice.

Undertakings to Comply with Bangladesh Bank Authorisation and Rules and Guidelines

It will at all times comply with the terms of the Bangladesh Bank Approval; and any other Guidelines issued by the Bangladesh Bank from time to time (including maintaining any required Bangladesh Bank rating and/or rating grade of the Bonds and/or the Issuer; the provisions of the Prudential Guidelines on Capital Adequacy and Market Discipline for Banks.

Undertakings to Maintain Investment Grade

It will make all endeavours to maintain a credit rating of itself and of the Bonds not falling below Investment Grade. For the purpose of this undertakings, "Investment Grade" means a rating of "AAA", or "AA", or "A" or "A-" an equivalent rating representing one of the seven highest rating categories by the Credit Rating Agency of Bangladesh (CRAB) or any other reputable credit rating agency authorised in Bangladesh or any of their respective successors or assigns;



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8 RIGHTS & OBLIGATIONS OF THE TRUSTEE

Duties and Powers of the Trustee

The Trustee has the following duties and powers in connection with the Trust:

- to hold the benefit of the covenants made by the Issuer in the Trust Deed and the Conditions on trust for the Bondholders;
- to open such accounts as it deems necessary for discharging the functions of Trustee;
- to keep the money and assets representing the Trust Property (including enforcement proceeds) and to deposit and withdraw such moneys and assets as may be required from time to time;
- to undertake all such actions for the recoveries of any overdue in accordance with the provisions of the Trust Deed and to execute all such documents, deeds and papers and to do all acts in relation thereto;
- to issue, manage and administer the Bonds in accordance with the terms of the Trust Deed and execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith;
- to call any Meetings of the Bondholders in accordance with the provisions of the Trust Deed and the Bonds and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of this Trust Deed;
- to implement, give effect to and facilitate the terms and conditions of the Bonds and such other documents, deeds and agreements in contemplation thereof;
- upon instruction by the Bondholders in accordance with the Trust Deed, to sell or otherwise dispose of the Trust Property and close any bank accounts that may have been opened in pursuance of the Trust Deed after distribution of amounts standing to their credit;
- to take such action as may be appropriate for the protection of the interest of the Bondholders in accordance with the Trust Act, 1882 and the provisions of the Trust Deed;
- to perform all responsibilities of a trustee as required under Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 or any other successive rules of the BSEC.
- The Trustee shall have power to insert any additional terms and conditions for the performance of the obligations under the Trust Deed for the protection of the interest of the Bondholders; and
- to do all such other acts, deeds and things as may be necessary and incidental to the above objects for exclusive benefit of the Bondholders unless such acts require the prior consent of the Beneficiaries in accordance with the Trust Deed.

Advice: The Trustee may in relation to the Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert and shall not be responsible for any Liability occasioned by so acting;

Certificate of Directors or Authorised Signatories: The Trustee, in the exercise of its functions, may call for and shall be at liberty to accept a certificate signed by two Authorised Signatories of the Issuer or other person duly authorised on their behalf as to any fact or matter *prima facie* within the knowledge of the Issuer, as the case may be, as sufficient evidence thereof and a like certificate to the effect that any particular dealing, transaction or step or thing is, in the opinion of the person so certifying, expedient as sufficient evidence that it is expedient and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by its failing so to do;


Information Memorandum (Draft)


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Resolution or Direction of Bondholders: The Trustee shall not be responsible for acting in good faith upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Bondholders;

Bondholders as a Class: In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including without limitation any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Bondholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Bondholders whatever their number and in particular, but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers, authorities and discretions for individual Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders;

No Obligation to Monitor: The Trustee shall not be under any obligation to monitor or supervise the functions of any other person under the Bonds or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations;

Bonds Held by the Issuer: In the absence of actual knowledge or express notice to the contrary, the Trustee may assume without enquiry (other than requesting a certificate of the Issuer), that no Bonds are for the time being held by or for the benefit of the Issuer or any of its Affiliates;

Events of Default: The Trustee shall not be bound to give notice to any person of the execution of the Trust Deed or to take any steps to ascertain whether any Default or Event of Default has happened and, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Default or Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and the Bond Documents and no event has happened as a consequence of which any of the Bonds may become repayable;

Right to Deduct or Withhold for Taxes: To the extent required by any applicable law, but without prejudice to Taxation clause, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whensoever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under this Trust Deed (other than in connection with its remuneration as provided for herein or any other amounts for its own account) or any investments or deposits from time to time representing the same, including any income or gains arising

therefrom or any action of the Trustee in connection with the trusts of the Trust Deed (other than the remuneration herein specified or any other amounts for its own account) or otherwise, then the Trustee shall be entitled to make such proper deduction or withholding to the extent required by any applicable law or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax (as required by any applicable law) which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax (as required by any applicable law) from any funds that may from time to time be held by the Trustee upon the trusts;

No Responsibility to Investigate: The Trustee shall not have any responsibility for or have any duty to investigate except under any applicable laws or regulations:

- the execution, delivery, legality, validity, effectiveness, adequacy, genuineness, enforceability or admissibility in evidence of any Bond Document;
- any recitals, statements, warranties, representations or covenants of any party to any Bond Document;
- its ability to exercise the rights, trusts, powers, authorities or discretions purported to be conferred on it by any of the Bond Documents; or
- the capacities, powers or credit standing of the Issuer or other party to any of the Bond Documents;

Error of Judgment: The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters;

No Responsibility for Loss: The Trustee shall not in any circumstances, except under any applicable laws or regulations:

- be liable to account to any Bondholder or any other person for anything except sums actually received by the Trustee which have not been distributed or paid to the persons entitled or at the time of payment believed by the Trustee to be entitled thereto, or
- be liable to any Bondholder or any other person for any costs, charges, losses, damages, liabilities or expenses arising from or connected with any act, default, omission or misconduct of the Trustee, any Appointee or their respective officers, employees or agents in relation to the Bond Documents except to the extent that they shall have been finally judicially determined to have been caused by the Trustee's own gross negligence, wilful default or fraud.

Force Majeure: The Trustee shall not be liable for any failure or delay in the performance of its obligations under the Trust Deed or any other Bond Document because of circumstances beyond such Trustee's control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labour disputes, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by the Trust Deed or any other Bond Document, and other causes beyond such Trustee's control whether or not of the same class or kind as specifically named above. However, the Trustee shall use commercially reasonable efforts consistent with accepted practice in its industry to resume performance as soon as practicable under the circumstances.

Immunities: The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under the Trust Deed shall extend to the Trustee's officers, directors and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of the Trust Deed and final payment of the Bonds but in any event will be subject to any gross negligence, wilful default or fraud of which the Trustee or its officers, directors or employees may be guilty in relation to their duties under the Trust Deed. The Issuer acknowledges that in any proceedings taken in relation to the Trust Deed, it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

Trustee's exercise of powers and its discretion in exercise of powers and fulfilment duties


- **Trustee's determination:** The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of any Bond Document or contained in the Bonds is capable of remedy and/or materially prejudicial to the interests of the Bondholders and if the Trustee certifies that any such default is, in its opinion, not capable of remedy and/or materially prejudicial to the interests of the Bondholders, such certificate shall be conclusive and binding upon the Issuer and the Bondholders provided however that the Trustee may not exercise any powers conferred upon it unless the Trustee having given not less than 10 Business Days' notice of such proposed determination to the Bondholders in accordance with the Trust Deed, it has not, within 30 days of such notice being received by the Bondholders or a shorter period as may be agreed by the Bondholders in writing, been directed by Majority Bondholders instructing the Trustee as to the determination which shall be made;
- **Determination of questions:** the Trustee as between itself and the Bondholders shall have full power to determine all the questions and doubts arising in relation to any of the provisions of the Trust Deed which in the opinion of the Trustee relates to Bond Specific Matters and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders provided however that the Trustee may not exercise any powers conferred upon it unless the Trustee having given not less than 10 Business Days' notice of such proposed determination to the Bondholders in accordance with the Trust Deed, it has not, within 30 days of such notice being received by the Bondholders or a shorter period as may be agreed by the Bondholders in writing, been directed by Majority Bondholders instructing the Trustee as to the determination which shall be made;
- **Trustee's discretion:** the Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by the Trust Deed or by operation of law, have absolute discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof but whenever the Trustee is under the provisions of this Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing provided however that the Trustee may not exercise any discretion conferred upon it unless the Trustee having given not less than 10

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LankaBangla Finance Limited Nonconvertible, Zero Coupon Bond

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Khwaja Shahriar
Managing Director & CEO
LankaBangla Finance Limited


Mostafa Kamal FCA
Company Secretary
LankaBangla Finance Limited


Shamim Al Mamun, FCA
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited


Mohammad Saleh Ahmed
Chief Executive Officer
IIDFC Capital Limited

Business Days' notice of such exercise of discretion to the Bondholders in accordance with the Trust Deed, it has not, within 30 days of such notice being received by the Bondholders or a shorter period as may be agreed by the Bondholders in writing, been directed by Majority Bondholders instructing the Trustee as to how such discretion shall be exercised;


- **Trustee's consent:** any consent given by the Trustee for the purposes of the Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require;
- **Application of proceeds:** the Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds or the delivery of any Bond Certificate to the persons entitled to it;
- **Delegation:** the Trustee may, with the prior consent in writing of the Issuer, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether being a joint trustee of this Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Bondholders and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee and the Trustee shall not be bound to supervise the proceedings or acts of and shall not in any way or to any extent be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of such delegate or sub-delegate;
- **Agents:** Subject to the provisions of the Trust Act 1882, the Trustee may, in the conduct of the trusts of the Trust Deed, with the prior consent in writing of the Issuer, instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee, as the case may (including the receipt and payment of money) and, provided that the Trustee shall have exercised reasonable care in the selection and appointment of any such agent(s), the Trustee shall not be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person;
- **Custodians and nominees:** the Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian the Trust Deed or any document relating to the trust created hereunder and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee, the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person; and
- **Confidential information:** the Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder any confidential information (financial or otherwise) made available to the Trustee by the Issuer or any other person in connection with the Trust

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Khwaja Shahriar
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Company Secretary
LankaBangla Finance Limited


Shamim Al Mamun, FCA
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited


Shammad Saleh Ahmed
Chief Executive Officer
IIDFC Capital Limited



Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information. The Trustee shall forward to the Bondholders any non-confidential information made available to the Trustee by the Issuer in connection with this Trust Deed.

- **Interests of Bondholders**

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, authorisation, waiver or substitution) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders except to the extent provided for in the Trust Deed and/or any undertakings given in addition thereto or in substitution therefore pursuant to the Trust Deed.


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Company Secretary
LankaBangla Finance Limited**Shamim Al Mamun, FCA**
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited
Mohammad Saleh Ahmed
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9 RIGHTS & OBLIGATIONS OF THE ELIGIBLE INVESTORS

- Each investor (Bondholder/Investor) shall enter into a separate Subscription Agreement(s) with the Issuer and shall be bound by the terms and conditions contained in such Subscription Agreement containing in details the rights and obligations of the Investors, and which shall be an integral part of the Trust Deed.
- The obligations of the Bondholders under the Subscription Agreement and other agreements with identical terms are several and the failure by a Bondholder(s) to perform its obligations under the Bond Documents shall not affect the obligations of the Issuer towards any other Bondholder(s) under other identical agreements nor shall any other Bondholder(s) be liable for the failure by such Bondholder(s) to perform its obligations under the Subscription Agreement or any other Bond Document.
- The rights of the Bondholder are several and any debt or other obligation arising under the Subscription Agreement at any time from the Issuer to any other Bondholder(s) shall be a separate and independent debt. Each Bondholder will be entitled to protect and enforce its individual rights independently of any other Bondholder and it shall not be necessary for any other Bondholder(s) to be joined as an additional party in proceedings for such purpose.
- The Bondholders shall hold meetings with such power and scope and in the manner provided for as per provision of Trust Deed.



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Executive Vice President &
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Mohammad Saleh Ahmed
Chief Executive Officer
IIDFC Capital Limited

10 DESCRIPTION OF THE ISSUER

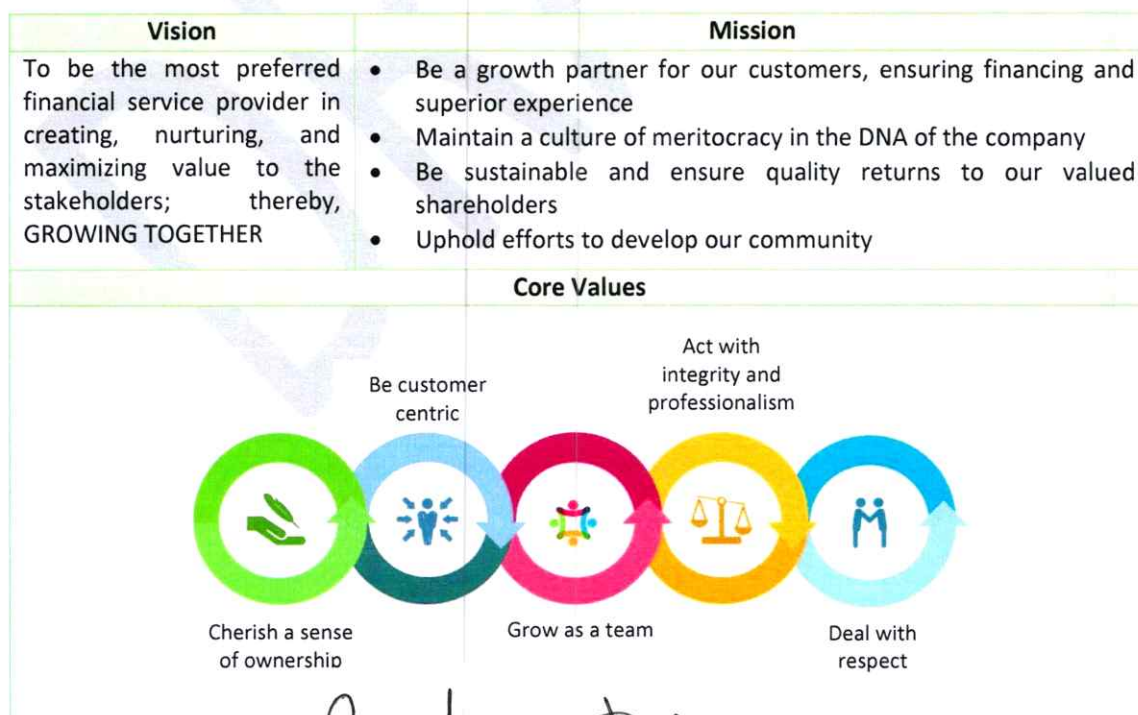
10.1 LankaBangla Finance Limited

LankaBangla Finance Limited, with a history dating back over 24 years, is one of the leading non-bank financial institution in Bangladesh. LankaBangla's roots can be traced back to 1997, when it started its operation as a joint-venture financial institution in multinational collaboration, with license from Bangladesh Bank under the Financial Institutions Act 1993. LBFL has been listed on both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) since 2006.

Today, LankaBangla is the country's leading provider of integrated financial services including Corporate Financial Services, Personal Financial Services, SME Financial Services, Stock Broking, 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.

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 has also received "Best Presented Annual Report" for the last few consecutive years (2014, 2015, 2016, 2017, and 2018) from South Asian Federation of Accountants (SAFA) (an Apex body of SAARC). These recognitions are, undoubtedly, remarkable accomplishments and reflection of ethical practices, right compliance, and great team work.



10.2 LankaBangla Group Structure

The group consists of six companies including the parent LankaBangla Finance Limited. LBFL has direct holding on three companies—LankaBangla Securities Limited, LankaBangla Investment Limited, and LankaBangla Asset Management Company Limited. LankaBangla Finance has indirect holding on two companies—LankaBangla Information System Limited and BizBangla Media Limited.

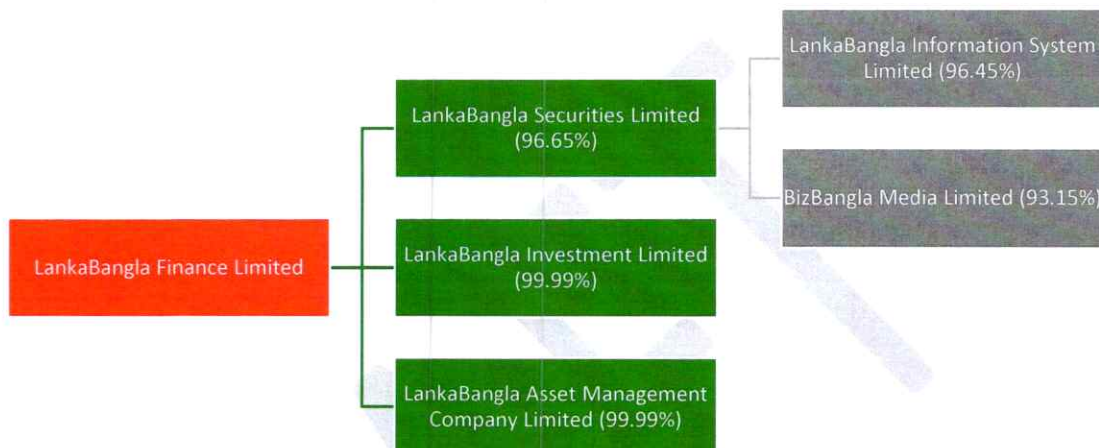


Figure: Subsidiaries of LankaBangla Finance

10.2.1 LankaBangla Securities Limited

LankaBangla Securities Limited (LBSL) provides top notch brokerage services and leads the industry with cutting edge trading, top rated research and customer service. LankaBangla Securities began as Vanik Bangladesh Securities Ltd in 1997 with their activities confined only within the Chittagong Stock Exchange (CSE) Ltd. A year later, they made a step ahead and introduced themselves to the Dhaka Stock Exchange (DSE). It was rebranded as LankaBangla Securities Limited in 2005 following a restructuring of the company. The company is 96.65% owned subsidiary of LankaBangla Finance Limited (LBFL).

10.2.2 LankaBangla Investment Limited

LankaBangla Investments Limited is a premier investment bank in the country providing corporate advisory, issue management and portfolio management services. It is a fully owned subsidiary of LankaBangla Finance Limited, LBIL was incorporated in Bangladesh with the Registrar of Joint Stock Companies and

Firms (RJSCF), vide registration no. C 83568/10 dated 29 March 2010 as a Private Limited Company under the Companies Act, 1994. LBIL inherited its merchant banking operation from its parent company, LankaBangla Finance Limited, which was the first merchant bank to offer discretionary portfolio management services back in 1997. The Company obtained Merchant Banking license (registration certificate no. MB-57/2010) from the Securities and Exchange Commission on 2 January

2011 and spun off its merchant banking operation as a separate company. Later on the company converted itself into a public limited company with effect from 12 June 2013. LBIL has positioned itself prominently in investment banking arena of Bangladesh through its wide range of services including Primary Market Services and Portfolio Management Services.

10.2.3 LankaBangla Asset Management Company Limited

Established in 2007, LankaBangla Asset Management Company Limited is a 99.99% owned subsidiary of LankaBangla Finance Limited, one of the leading NBFIs in Bangladesh. It received its license from Bangladesh Securities and Exchange Commission (BSEC) on June 24, 2012 to operate as a full-fledged asset management company. LBAMCL is the 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. Backed by the group's strong operating history and strong footprint in the financial sector LBAMCL makes continual investments in the asset management and client service platform, resulting in a client-focused, solutions-driven orientation. LBAMCL values original thinking, due diligence, first hand research and investment discipline. By keeping the target investors in focus, it opts to become one of the leading asset management companies in Bangladesh very soon.

10.2.4 LankaBangla Information System Limited

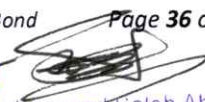
LankaBangla Information System (LBIS) is a leading information technology service provider in the country. It is a subsidiary of LankaBangla Securities Limited. LBIS started its journey on May, 2013. LBIS's strong base of expertise and technical know-how is built on the firm belief that "Technology Serves the Business". This belief enables us to deliver IT services that match and grow with clients requirements as they evolve. LankaBangla Information System is an IT Management Services outsourcing and consulting company providing IT solutions, project management and comprehensive infrastructure support and monitoring. With well understanding of the communications industry, access to current and emerging technologies, mature development processes, global resources and a proven track record, LBIS creates complete solutions to help clients succeed. In today's world, organizations will have to quickly reengineer themselves and be more responsive to changing customer demands. LBIS is well positioned to be a partner and innovator to businesses in their transformation journey, identify new growth opportunities and facilitate their venture into new sectors. The value is in the unification of proven experiences, skilled expertise and defined thought leadership.

10.2.5 BizBangla Media Limited

BizBangla Media Limited is an 80% owned subsidiary of LankaBangla Securities Limited, BizBangla Media Ltd. is committed to publishing the country's first Bengali business daily 'The Daliy Bonik Barta'. Since 2011, Bonik Barta (BB) has been ensuring sustainable growth in quality business reporting and large clientele base, thereby leading to a strong market positioning in the market. Today this highly regarded business daily has an extensive network of circulation across the major operation i.e. business hubs/outlets across the country. In the recent years with a consolidated effort and prudent Management leadership, BizBangla has attempted to position itself within the top performing (Bengali) business newspapers in Bangladesh. This has resulted to emergence as one of the major Department of Film & Publications (DFP) compliant organizations. This rating by the DFP provides a

very important indication of the integrity and strength of the organization and the concerned Newspaper and is particularly relevant to its ultimate readers/ consumers and other stakeholders such as the strategic partners, shareholders and lenders.

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Mohammad Saleh Ahmed
Chief Executive Officer
DFC Capital Limited

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10.3 Shareholding Structure

The shareholding structure of LBFL as on December 31, 2020, includes sponsor shareholding of 33.46% and 66.44% general public shareholding.

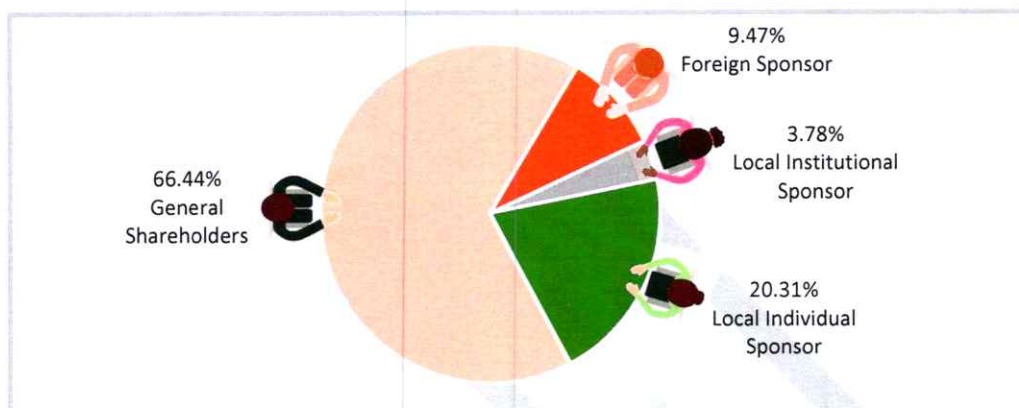


Figure: Shareholding Structure of LankaBangla Finance Limited

	Shareholders	No. of Share	% of Shareholding
a.	Foreign Institutional Sponsor: Sampath Bank PLC (Sri Lanka)	51,036,605	9.47%
b.	Local Institutional Sponsor: ONE Bank Limited	20,362,737	3.78%
c.	Individual Sponsors:	109,416,717	20.31%
	Mr. Mohammad A Moyeen	22,842,546	4.24%
	Ms. Aneesha Mahial Kundanmal	41,503,844	7.70%
	Mr. Mahbubul Anam	23,998,741	4.45%
	Mr. Tahsinul Huque	20,993,703	3.90%
	Ms. Jasmine Sultana	77,883	0.01%
	Sponsors	180,816,059	33.56%
d.	General Shareholders	358,022,564	66.44%
	Total	538,838,623	100.00%

10.4 Business Divisions of LankaBangla Finance Limited

10.4.1 Retail Financial Services

The Retail Financial Services division offers a variety of personal financial services to fulfill the needs of individuals. By providing innovative, customized solutions and services, the Personal Financial Services division of LankaBangla Finance has established itself as one of leaders in the market of customer finance. LankaBangla offers its services through its 27 branches across the country.

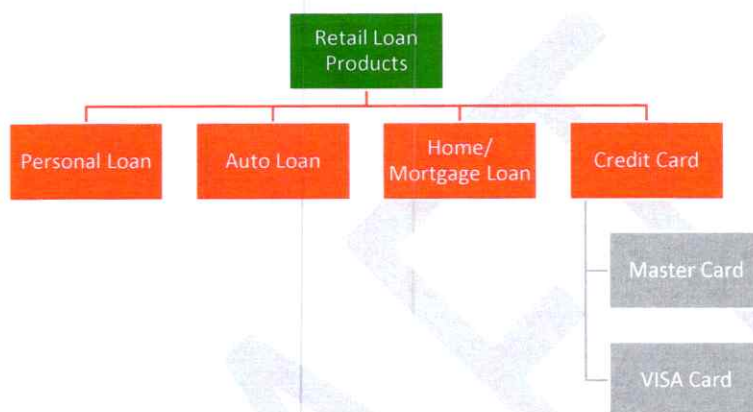


Figure: Retail Loan Products of LankaBangla Finance

LankaBangla is the only NBFI operating in Bangladesh that offers credit card. LankaBangla offers both Master Card and VISA Card. Presently, there are more than 135,000 live LankaBangla credit cards in the market. LankaBangla offers the widest payment network for its cardholders by embracing and partnering with other mobile and digital payment platforms.



Figure: Retail Deposit Products of LankaBangla Finance

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INFC Capital Limited

LankaBangla's Personal Financial Services also offers a myriad array of deposit products for individuals to cater their requirements ranging from traditional term deposits to flexi deposits, periodic return term deposits, annuity schemes, and special long-term deposit schemes (e.g., double money scheme, triple money scheme).

10.4.2 SME Financial Services

With the belief of 'growing together,' LankaBangla Finance has special focus on SME businesses and has performed well so far. Through the SME Financial Services division, the company offers various SME products based on the needs of the business. The value created by this unit is demonstrated through the unique relationship model, industry expertise, and local market advantage.

SME Division of LankaBangla created a sound footprint in the year 2015, which has been surpassed in the succeeding years and is expected to excel further. The division is working on new product introduction, cluster analysis and finding out prospective sectors. The focus on SME growth is reflected by various campaign arrangements, SME Fair, etc. A dedicated team for each branch is working to develop woman entrepreneurship in Bangladesh. LankaBangla is providing SME finance facilities to different types of sector with increased focus on women. By availing the refinancing facility through Bangladesh Bank, LankaBangla is able to offer attractive rates for prospective women entrepreneurs of Bangladesh.

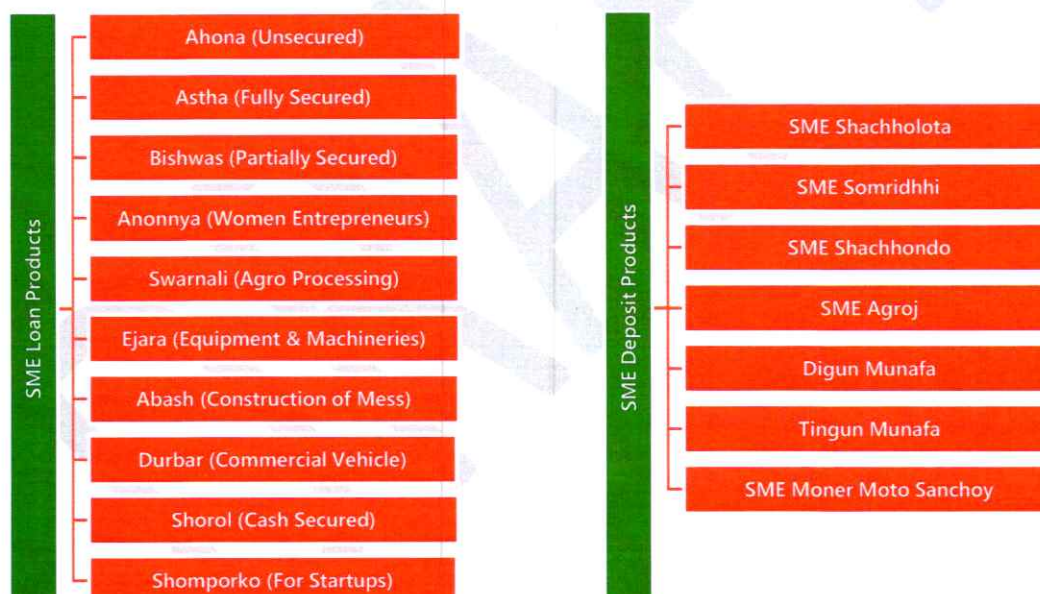


Figure: SME Loan & Deposit Products of LankaBangla Finance

The SME Financial Services division has designed deposit products targeting the SMEs. These deposit products are making it easier for the small and medium enterprises and the proprietors to plan their finances properly.

10.4.3 Corporate Financial Services

The division delivers services through four units, namely Corporate & Institutions unit, Project & Structured Finance unit, Emerging & Commercial Business unit, and Corporate Liability unit.

The followings are the loans products offered by LankaBangla Corporate Financial Services division:

Corporate & Institutions Unit	Project & Structured Finance Unit	Emerging & Commercial Business Unit
<ul style="list-style-type: none"> • Lease Finance • Term Finance • Short Term Finance • Revolving Finance • Loan against TRD • Work Order Finance • Bridge Finance • Club Finance • Project Finance 	<ul style="list-style-type: none"> • Syndicate Finance • Project/Infrastructure Finance • Private Placement of Debt • Equity Floatation • Corporate Advisory Service • Merger & Acquisition • Foreign Currency Funding 	<ul style="list-style-type: none"> • Factoring • Reverse Factoring • Distributor Finance

Figure: Corporate Loan Products of LankaBangla Finance

Corporate Liability unit works to mobilize deposit from the cash-rich corporate bodies—both private and public. LankaBangla offers different forms of deposit schemes for the corporate bodies offering attractive investment opportunities to diversify their income and manage cash flow as part of the financial plan.



Figure: Corporate Deposit Products of LankaBangla Finance

10.4.4 Treasury & Financial Institutions

The Treasury & Financial Institutions division, apart from acting as the custodian of the company's monetary resources, also acts as a profit center. LBFL is an active player in the money market and takes arbitrage opportunities available in the market by short term placements. In addition, it makes investment in commercial papers of reputed companies. The Treasury division is entrusted with the responsibility of managing the investment portfolio of the company. The investment portfolio includes equity investments in the primary and secondary market, investment in fixed income securities such as government securities, corporate bonds, preferred shares, etc.

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Chief Executive Officer
IDFC Capital Limited

10.5 Management Team of LankaBangla Finance Limited



Khwaja Shahriar
Managing Director & CEO

Mr. Shahriar joined LankaBangla Finance as Managing Director on May 21, 2017. Prior to that, he was the Deputy Managing Director and Head of Business of LankaBangla Finance since June 2012. Before joining LankaBangla, Mr. Shahriar worked in various Banks and Financial Institutions for almost two decades. He served BRAC Bank Limited for almost a decade in different positions and capacity including Head of Corporate Banking, Head of Cash Management and Head of Probashi Banking. He also served in various positions in both GSP Finance Company Limited and Bangladesh Finance & Investment Company Limited. Mr. Shahriar also worked for Uttara Bank Limited, AB Bank Limited and Green Delta Insurance Company Limited.

Mr. Shahriar attended a good number of trainings, workshops and seminars at home and abroad including USA, UK, Dubai, Hong Kong, India during his long professional career.

Mr. Shahriar obtained Bachelor of Business degree in Banking & Finance from Monash University, Melbourne and Master of Business Administration in Finance from Victoria University, Melbourne, Australia. He also completed BA (Hons') and MA in English from University of Dhaka.



A. K. M. Kamruzzaman, FCMA
Head of Operations

Mr. Kamruzzaman is working as the Senior Executive Vice President & Head of Operations, with the responsibility of Asset Operations, Liability Operations, Treasury Operations, Asset Monitoring, Collection & Recovery, Special Asset Management (SAM), Asset Accounts Maintenance, Closing & Clearance and MIS & Regulatory Reporting. During his long sixteen 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 Credit & Investment, Head of Business, Head of Credit Administration, Head of Accounts, Head of Administration & Company Secretary. He is a nominated Director in the Board of LankaBangla Asset Management Company 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). Currently he is the Chairman of Dhaka Branch Council (DBC) of ICMAB.

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.

Signature of Khwaja Shahriar
Khwaja Shahriar
Managing Director & CEO
LankaBangla Finance Limited

Signature of Mostafa Kamal FCA
Mostafa Kamal FCA
Company Secretary
LankaBangla Finance Limited

Signature of Shamim Al Mamun, FCA
Shamim Al Mamun, FCA
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited

Signature of Mohammad Saleh Ahmed
Mohammad Saleh Ahmed
Chief Executive Officer
IIDFC Capital Limited

For personal and professional development, he has travelled Sri Lanka, Thailand, Malaysia, Indonesia, Singapore, Germany, France, Switzerland & Italy.

Khurshed Alam

Head of Retail Financial Services



Mr. 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, he worked in various departments of the Company including Finance, Administration, HR, Portfolio Management, Credit Card, Home Loan, SME Finance, Auto Loan, Personal Loan and Secured Loan.

Mr. Khurshed started his career in 1992 as a 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 (PGDPM) from Bangladesh Institute of Management (BIM). He has attended a good number of training in home and abroad.

Quamrul Islam

Head of Treasury & Financial Institutions



Mr. Quamrul Islam, Senior Executive Vice President joined erstwhile Vanik Bangladesh Limited on October 7, 1997 which was later renamed as LankaBangla Finance Limited. During his tenure of office, he held different positions and looked after the functions of Finance and Treasury. Currently he is discharging the responsibility as Head of Treasury & Financial Institutions.

Mr. Islam obtained his graduation and post-graduation 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 in early 1997. Mr. Quamrul is the Joint Secretary of Bangladesh Money Market Dealers' Association (BAMDA).

Mohammad Kamrul Hasan, FCA

Chief Risk Officer



Mr. Mohammed Kamrul Hasan, Executive Vice President and Chief Risk Officer, heads the Risk Management Division which is responsible for managing the Enterprise Risk at LankaBangla and its subsidiaries. Mr. Hasan was appointed as Vice President in February 2007. He possesses extensive experience in Accounting, Auditing and Finance.

Mr. Hasan holds a Bachelor Degree in Accounting from the National University of Bangladesh. He is a Fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB).

Khwaja Shahriar
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Mostafa Kamal FCA
Company Secretary
LankaBangla Finance Limited

Shamim Al Mamun, FCA
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited

Mohammad Saleh Ahmed
Chief Executive Officer
IDFC Capital Limited



Mostafa Kamal, FCA
Group Company Secretary

Mr. Mostafa Kamal, Executive Vice President, joined LankaBangla in February 2009. Currently, he is working as the Group Company Secretary of LankaBangla Finance Limited and its subsidiaries. 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 of Bangladesh Limited 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 has been elected Council Member of ICAB for the term 2016-2018. He was elected Vice President (Education & Training) of ICAB for the year 2017. Mr. Kamal played a very vital role in opening Dhaka Chapter of Information System Audit and Control Association (ISACA) of USA. He is the Founder Director, Communication and Ex-Director, Academic Relations of ISACA Dhaka 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. Currently, Mr. Kamal is 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

Mr. 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 15 years of financial services experience and held various senior management positions in credit & investment, corporate finance, retail finance, SME 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. He has attended a good number of trainings, seminars and workshops both in home and abroad.



Shamim Al Mamun, FCA
Chief Financial Officer

Mr. Shamim Al Mamun, FCA brings 10 years of professional experience in various institutions. He is working as Chief Financial Officer of LankaBangla Finance since April 2013. Before joining this Company, he was the CFO & Company Secretary of Fareast

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Chief Financial Officer
LankaBangla Finance Limited

Shamimad Saleh Ahmed
Chief Executive Officer
C Capital Limited

Stocks & Bonds Limited. He is a Fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB).

He obtained his Bachelor degree in Computer Science from American International University of Bangladesh (AIUB). He is also an ex-cadet and completed his secondary education from Sylhet Cadet College. Mr. Shamim possesses extensive competencies and experiences in Strategic Planning & Forecasting, Process design and Productivity improvement, Financial Governance & Modelling, Financial Reporting and Financial Management. He is also a resource person of ICAB in the capacity of providing training to students and in the process of educational development.



Md. Kamruzzaman Khan
Head of SME Financial Services

Mr. Md. Kamruzzaman Khan, Senior Vice President joined LankaBangla Finance Limited as Head of SME in December 2013. He is currently working as the Head of SME of SME Financial Services Division.

Mr. Khan has over 14 years of Banking and Financial Services experiences. Prior to joining LankaBangla Finance Limited, he served in BRAC Bank Limited under SME Division in different positions including Manager and Senior Manager. Mr. Khan has obtained M. Com in Accounting and also attained an MBA from State University of Bangladesh with Major in Finance & Banking. He participated in advance training programme on Financing SMEs in NIBM, Pune (India) organized jointly by Frankfurt School of Finance and Management, Germany. Currently Mr. Khan also participated in strategic Planning & Thinking Program on SME Financing in SIM (Singapore). Mr. Khan also attended a good number of trainings, seminars and workshops both in home and abroad.



Sheik Mohammad Fuad
Head of ICT

Mr. Sheik Mohammad Fuad, Head of Information & Communication Technology Division, has been working in LankaBangla Finance Limited since 1999. He has more than 15 years of experience in IT Operations, IT Project Management, IT Governance and Risk Management. As the Head of ICT, Mr. Fuad is responsible for enabling various business requirements through development and successful deployment Information Technology features. He also contributes to the strategic planning of the organization as a member of the Management Committee.

Here in LankaBangla Mr. Fuad is leading a team of highly professional personnel experienced in various wing of Information & Communication Technology such as Infrastructure & Network, ICT Security & Risk, Application & Database Management, Project Management. Mr. Fuad has attained professional credentials such as ITIL(F), COBIT 5, PRINCE 2, MCP, CDCP.

**Mohammad Nazmul Hasan Tipu, CFA**

Chief Credit Officer

Mr. Tipu, Senior Vice President, is responsible for Credit Risk Management division of LankaBangla Finance Limited. He joined LankaBangla as AVP in 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.

Mr. Tipu obtained B.Sc. in Chemical Engineering from Bangladesh University of Engineering & Technology (BUET) and Masters in Business Administration from Institute of Business Administration (IBA), University of Dhaka. In 2018, he obtained the 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.

**Mohammad Hafiz Al Ahad**

Head of Human Resources

Mohammad Hafiz Al Ahad, Head of Human Resources & Senior Vice President, joined LankaBangla Finance Limited on April 16, 2019. He is responsible to take care of human resources and overall strategic directions that will help LankaBangla to anticipate the change initiatives and promote people productivity, organizational efficiency and cost effectiveness.

Prior to this, Mr. Ahad worked as the Head of Human Resources at Rahimafrooz Superstores Limited. He was the Chief People Officer (CPO) in Unique Group. He also served as Head of Human Resource for IBPL (SBU of The Coca-Cola Company) and Philip Morris International, Bangladesh and Pakistan. He started his career with the American Express Bank in HR Department back in June 2000. He also worked in Nokia India Private Limited and in SABINCO. He has more than 16 years of diversified professional experiences with international exposure in the field of HR.

Mr. Ahad completed his Masters of Business Administration (MBA) from Oxford Brookes University Business School, Oxford, UK. He also completed his MA and BA (Honours) from the University of Dhaka, Bangladesh.

**Muhammad Habib Haider**

Head of GIS

Mr. Muhammad Habib Haider, Head of GIS, is responsible for General & Infrastructure Services Division of LankaBangla Finance Limited. He has joined LankaBangla Finance in February 2015. Prior to joining LankaBangla Finance Limited, he served in BRAC Bank Limited under GIS Division in different roles. He has over 10 years' experiences in Banking and Financial Institution sector with exposure in supply chain, logistics, and projects. He obtained his Honours degree from University of Dhaka and MBA from Southeast University. He has attended a number of trainings and workshops both in home and abroad.

10.6 Description of Encumbered and Unencumbered Assets with Value Thereof

LankaBangla Finance Limited being a non-bank financial institution (NBFI) has availed several credit facilities from different Banks and Financial Institutions for business disbursements. The credit facilities are secured by creation of charge to Registered of Joint Stock Companies (RJSC) on all of its assets comprising of Loans, Advances, Lease and Equipment by the lenders through the deed of hypothecation. Subsequently an agreement has also been signed by the lenders called "Pari-Passu Security Sharing Agreement" to share the security on pari passu basis. The total value of the asset is BDT 76,813 million (solo) as on December 31, 2020.

Total assets (solo) as on December 31, 2020:

		Amount in BDT Million
Particulars	31.12.2020	
Cash	631	
Balance with other banks and financial institutions	9,728	
Investment	3,026	
Leases, loans and advances	54,709	
Fixed assets including land, building, furniture and fixtures	1,718	
Other assets	7,000	
Total Property and Assets	76,813	


Khwaja Shahriar
 Managing Director & CEO
 LankaBangla Finance Limited


Mostafa Kamal FCA
 Company Secretary
 LankaBangla Finance Limited


Shamim Al Mamun, FCA
 Executive Vice President &
 Chief Financial Officer
 LankaBangla Finance Limited


Mohammad Saleh Ahmed
 Chief Executive Officer
 IIDFC Capital Limited

10.7 Brief Profile of Board of Directors



Mohammad A. Moyeen

Chairman

Mr. Moyeen is a leading entrepreneur in Bangladesh. He graduated from Bangladesh University of Engineering (BUET) with a Bachelor of Architecture degree. Mr. Moyeen is involved in a number of businesses which include, among others, Tropica Garments Limited, Bengal Meat Processing Industries Limited, STS Holdings Limited, STS Educational Group Limited and WAC Logistics Limited. He is also the Chairman of LankaBangla Securities Limited, a leading brokerage house of the country and LankaBangla Investments Limited, a leading merchant bank of the country.



I. W. Senenayake

Director (Representing Sampath Bank PLC)

Mr. Senenayake is one of the Founder Directors of Sampath Bank PLC. He was appointed as the Deputy Chairman of the bank in 1998 and was the Chairman of the bank from 2008 to 2011. Mr. Senenayake is past Honorary Trade Representative for Singapore Trade Development Board in Sri Lanka, Chairman of American President Lines Lanka (Pvt.) Limited, Chairman and Chief Executive Officer of I.W.S. Holdings (Pvt.) Limited, a conglomerate diversified into several fields including food and beverages processing and packaging, industrial solutions, communication services, transportation, commodities, general trading, shipping, warehousing and freight forwarding, logistics, automobile dealerships with Porsche and Volvo, engineering services, leisure, television broadcast, satellite transmission, IT services, and much more.



Nanda Fernando

Director (Representing Sampath Bank PLC)

Mr. Nanda is the Managing Director of Sampath Bank PLC, Director of Lanka Financial Services Bureau Ltd., a Governing Board Director of the Institute of Bankers of Sri Lanka and Director of Lanka Clear (Pvt) Limited. He is a Senior Fellow Member of the Institute of Bankers of Sri Lanka and holds a Masters of Business Administration degree specializing in Marketing from Sikkim Manipal University, India. He is also a qualified Four Bead Leader Trainer and functions as the Group Advisor to the Scouts Group Committee of S. Thomas' College, Mount Lavinia.



Mahbubul Anam

Director

Mr. Anam obtained Bachelor of Science in Engineering from Bangladesh University of Engineering (BUET). He has long experience in different businesses including freight forwarding, travel related services, international courier, etc. He has been running a number of well-reputed business houses in the country in management capacity. Currently, Mr. Anam is the Managing Director of Expo Freight Limited and Director of a number of businesses and industries. He was also the President of Bangladesh Freight Forwarders Association (BAFFA). Mr. Anam enjoys enormous reputation in the

field of sports, cultural and social work. Presently he is the Vice President of Bangladesh Cricket Board (BCB).



Fakhurul Alam

Director (Representing ONE Bank Limited)

Mr. Alam, Managing Director of ONE Bank Limited, is an MBA from the Institute of Business Administration (IBA) University of Dhaka. He has diverse experiences 25 in Banking spanning over 31 years, including Corporate, Treasury and Investment Banking in various capacities in different banks and financial institutions. He started his Career at Agrani Bank Limited as an Officer in 1983, and later served different organizations at home & abroad including IFIC Bank Limited and Bank of Credit & Commerce International (Overseas) Ltd. Before joining at ONE Bank Limited, he was the Deputy Managing Director and Head of Corporate Banking, Treasury & Investment Banking of Eastern Bank Limited. He is serving ONE Bank Limited as Managing Director since October 08, 2013.



Tahsinul Zia Huque

Director

Mr. Huque is currently serving as an Independent Trustee in the Board of Trustees of Equity Residential, an S&P 500 company based in Chicago, USA. He served as the President and Chief Executive Officer of Deutsche Bank Securities Inc., the US Broker Dealer of Deutsche Bank, from May 2018 until his departure from Wall Street in mid-2019. At Deutsche Bank, Mr. Huque was Head of Equities, Fixed Income & Currencies for the Americas from February 2016 until May 2018 and Global Co-Chief Operating Officer of Corporate Banking and Securities from March 2012 until February 2016. During Mr. Huque's 30-year finance career on Wall Street, he held multiple executive positions in the United States and abroad while leading investment banking and sales and trading functions spanning many industries, products and clients. Also during his career, he was closely involved in creating the structure for public REITs to access the unsecured debt market. Mr. Huque received his B.A. in Economics and in Political Science from Williams College.



Aneesha Mahial Kundanmal

Director

Ms. Kundanmal is a graduate in Public Administration from University of Dhaka and is involved with a number of business houses as a leading woman entrepreneur in the country. She is Director of Royal Park Limited. She is associated with various social and cultural organizations. She is the wife of Mr. B. W. Kundanmal, a renowned business personality.

Shamim Al Mamun
Khawaja Shahriar
Managing Director & CEO
LankaBangla Finance Limited

Mostafa Kamal Khan
Mostafa Kamal Khan
Company Secretary
LankaBangla Finance Limited

Shamim Al Mamun
Shamim Al Mamun, FCA
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited

Mohammad Saleh Ahmed
Mohammad Saleh Ahmed
Chief Executive Officer
IIDFC Capital Limited



Zaitun Sayef
Independent Director

Ms. Sayef is an MBA from Institute of Business Administration (IBA) of Dhaka University. She has diverse experience in banking spanning over 30 years especially on corporate finance, treasury and branch banking. She played various management roles at IFIC Bank Limited. She started her career at Agrani Bank Limited as a Senior Officer in 1983. She attended a number of trainings, workshops and seminars at home and abroad. She had been with IFIC Bank Limited from 1984 joining as Probationary Officer and retired in 2013 from the Bank holding the position of Deputy Managing Director.



Abdul Malek Shamsheer
Independent Director

Mr. Shamsheer started his banking career with Grindlays Bank Limited in 1966 and carried out various management roles till 1980. He joined Bank of Credit and Commerce International Limited in 1981, where he served in various positions in Philippines, South Korea and Hong Kong from 1981 to 1991. He joined Arab Bangladesh Bank Limited as Vice President in 1992 and retired in 2004 as Executive Vice President. He has diverse experience in local and international banks for over 38 years. Mr. Shamsheer attended a number of training programs in India, Philippines, Hong Kong and UK during his long banking career.



Khwaja Shahriar
Managing Director & CEO

Profile given in Management Profile

Khwaja Shahriar
Managing Director & CEO
LankaBangla Finance Limited

Mostafa Kamal FCA
Company Secretary
LankaBangla Finance Limited

Shamim Al Mamun, FCA
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited

Mohammad Saleh Ahmed
Chief Executive Officer
IIDFC Capital Limited

10.8 Description of Assets & Liabilities

10.8.1 Assets

Since LankaBangla Finance Limited is a Non-Bank Financial Institution, most of its assets are financial assets like loans and advances, investment, cash and cash equivalents, etc.

Total assets (consolidated) as on December 31, 2020:

Particulars		Amount in BDT Million
		31.12.2020
Cash		632
Balance with other banks and financial institutions		11,705
Investment		6,262
Leases, loans and advances		58,472
Fixed assets including land, building, furniture and fixtures		2,777
Other assets		1,988
Total Property and Assets		81,835

Leases, loans, and advances comprise the largest portion of LankaBangla's total assets. These contribute more than 70% of its total asset of BDT 58,472 Million. The 2nd largest component, 14.30% of total assets is Balance with other banks and financial institutions. The total Investment portfolio of LBFL is BDT 6,262 Million, which is 7.65% of total assets. LankaBangla has maintained a sound liquidity position, with contingent liquidity well in excess of prudential liquidity requirements.

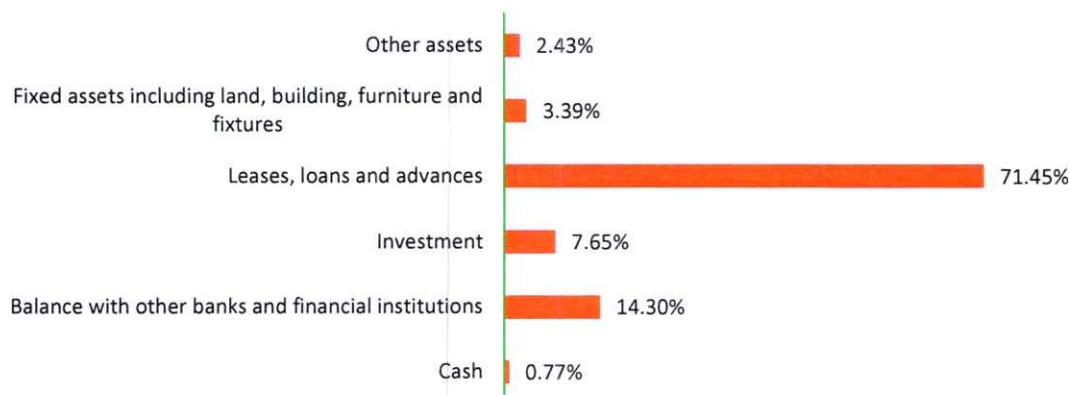


Figure: Asset Composition of LankaBangla Finance Limited

Following is a breakdown of the loans and advance portfolio:

Loan Portfolio		Amount in BDT Million
		31.12.2020
Corporate		14,661
Retail		20,592
SME		17,678
Others		5,541
Total		58,472

Investment Portfolio includes investment in government securities (i.e., treasury bills and treasury bonds), corporate bonds, and capital market:

Amount in BDT Million

Investment Portfolio	31.12.2020
Government Securities	230
Corporate Bonds	1,300
Shares and Mutual Funds	4,526
Discretionary Corporate Fund	206
Total	6,262

10.8.2 Liabilities

The assets of LBFL has been financed by deposits from individuals, corporates, and banks; borrowings from Bangladesh Bank, other banks and financial institutions, and equity. The Total equity of LBFL as on December 31, 2020 was BDT 10,094 million whereas, the Paid-up Capital was BDT 5,388 million.

Total liabilities can be broken down as below:

Amount in BDT Million

Particulars	31.12.2020
Borrowings from Bangladesh Bank, other banks and financial institutions	14,816
Deposits and other accounts	47,130
Other liabilities	9,618
Total Liabilities	71,564

Borrowings from Bangladesh Bank, other banks and financial institutions include:

Amount in BDT Million

Particulars	31.12.2020
Call Loans	1,170
Short Term Borrowings	4,769
Bank Overdraft	525
Long Term Loan	4,611
Foreign Currency Loan	893
Bonds	2,306
Others	542
	14,816

10.9 Description of Previously Issued Debt or Equity Securities

10.9.1 Debt Securities

Sl	Name of the Issue	Date of Consent	IM Issue Date	Date of Subscription	Maturity Period	Issue Amount (BDT Mn)	Subscription Amount (BDT Mn)	Redemption Amount as on Dec 31, 2020 (BDT Mn)	Outstanding Amount as on Dec 31, 2020 (BDT Mn)	Default, if any
1	Non-Convertible, Zero Coupon Bond	12-Aug-14	13-Aug-14	15-Dec-14	up to 3 years	3,000	3,000	3,000	0	None
2	Non-Convertible, Zero Coupon Bond	10-Aug-17	11-Aug-17	26-Dec-17	up to 3 years	3,000	743	743	0	None
3	Non-Convertible, Subordinated Bond	17-Nov-18	18-Nov-18	23-Dec-18	up to 6 years	3,000	1,810	615.83	2,384.17	None
				23-May-19			50			
				17-Aug-20			30			
				10-Sep-20			60			
				06-Oct-20			70			
				24-Nov-20			800			
				25-Nov-20			180			

10.9.2 Equity Securities

Year	Cumulative Share Capital (BDT)	Cumulative No. of Shares	New Issued Shares	Mode of Issue
1996	5,000,000	500,000	500,000	Formed
1998	100,000,000	10,000,000	9,500,000	Cash
2003	201,053,630	20,105,363	10,105,363	Cash
2004	241,053,630	24,105,363	4,000,000	Cash
2005	260,000,000	26,000,000	1,894,637	Cash
2006	350,000,000	35,000,000	9,000,000	Cash Received by IPO
2008	385,000,000	38,500,000	3,500,000	10% Stock Dividend
2009	442,750,000	44,275,000	5,775,000	15% Stock Dividend
2010	531,300,000	53,130,000	8,855,000	20% Stock Dividend
2011	823,515,000	82,351,500	29,221,500	55% Stock Dividend
2012	1,070,569,500	107,056,950	24,705,450	30% Stock Dividend
2012	1,894,084,500	189,408,450	82,351,500	1:1 Right issue
2013	2,083,492,950	208,349,295	18,940,845	10% Stock Dividend
2014	2,187,667,590	218,766,759	10,417,464	5% Stock Dividend
2015	2,406,434,340	240,643,434	21,876,675	10% Stock Dividend
2016	2,767,399,490	276,739,949	36,096,515	15% Stock Dividend
2017	3,182,509,410	318,250,941	41,510,992	15% Stock Dividend
2018	4,773,764,110	477,376,411	159,125,470	1R: 2 Right Issue
2018	5,131,796,410	513,179,641	35,803,230	7.5% Stock Dividend
2020	5,388,386,230	538,838,623	25,658,982	5% Stock Dividend

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LankaBangla Finance Limited Non-Convertible, Zero Coupon Bond

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Shahidul Alam
Managing Director & CEO
LankaBangla Finance Limited

Mostafa Kamal FCA
Company Secretary
LankaBangla Finance Limited

Shamim Al Mamun, FCA
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited

Mohammad Saleh Ahmed
Chief Executive Officer
IIDFC Capital Limited

11 AUDITOR'S REPORT ALONG WITH AUDITED FINANCIAL STATEMENTS

11.1 Balance Sheet (Consolidated)

	Amount in Taka	
	31.12.2020	31.12.2019
PROPERTY AND ASSETS		
Cash	631,529,281	877,735,689
Cash in hand (including foreign currencies)	1,341,797	777,880
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	630,187,484	876,957,809
Balance with other banks and financial institutions	11,704,566,493	8,332,124,314
Inside Bangladesh	11,704,566,493	8,332,124,314
Outside Bangladesh	-	-
Money at call and short notice	-	-
Investment	6,261,562,085	5,392,515,912
Government securities	229,908,878	-
Other investments	6,031,653,207	5,392,515,912
Leases, loans and advances	58,472,232,776	65,117,083,059
Loans, cash credit and overdraft etc.	58,472,232,776	65,117,083,059
Bills discounted and purchased	-	-
Fixed assets including land, building, furniture and fixtures	2,777,288,742	2,861,198,566
Other assets	1,988,266,759	1,782,294,566
Non-Banking assets	-	-
TOTAL PROPERTY AND ASSETS	81,835,446,136	84,362,952,106
LIABILITY AND SHAREHOLDERS' EQUITY		
Liabilities		
Borrowings from Bangladesh Bank, other banks and financial institutions	14,816,088,224	18,672,238,771
Deposits and other accounts	47,130,343,890	46,894,962,510
Current deposits and other accounts etc.		
Bills payable		
Saving bank deposit		
Term deposits	46,946,884,814	46,750,813,434
Bearer certificate of deposits	-	-
Other deposits	183,459,076	144,149,076
Other liabilities	9,617,691,952	9,140,721,458
TOTAL LIABILITIES	71,564,124,066	74,707,922,739
Shareholders' Equity	10,094,194,892	9,482,329,484
Paid up capital	5,388,386,230	5,131,796,410
Share premium	1,090,888,800	1,090,888,800
Statutory reserve	1,927,779,298	1,762,635,872
General reserve	45,409,424	49,919,671
Retained earnings	1,641,731,140	1,447,088,731
Non controlling interest	177,127,178	172,699,883
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	81,835,446,136	84,362,952,106

11.2 Profit & Loss Account (Consolidated)

Operating Income

Interest income
Less : Interest expenses on deposits & borrowings

Net interest income

Income from investment
Commission, exchange and brokerage income
Other operational income

Total operating income

Operating Expenses

Salaries and allowances
Rent, taxes, insurance, electricity etc.
Legal and professional fees
Postage, stamp, telecommunication etc.
Stationery, printing, advertisements
Managing director's salary and allowance
Directors' fees and expenses
Auditors' fees
Repairs, maintenance and depreciation
Other expenses

Total operating expenses

Net Operating Income

Provisions for loans, investments and other assets

Provisions for leases and loans
Provisions for margin loan
Provision for diminution in value of investments
General provision for other assets

Profit before tax and reserve

Provision for tax

Current tax
Deferred tax

Net profit after tax

Amount in Taka	
2020	2019
8,146,213,389	10,172,730,417
5,972,102,383	7,275,494,160
2,174,111,006	2,897,236,257
315,533,440	340,733,579
496,354,278	452,973,525
731,521,223	791,252,947
3,717,519,947	4,482,196,307
1,275,224,475	1,504,636,741
42,372,349	64,208,220
31,362,343	39,269,011
23,365,252	28,788,937
31,586,394	47,830,780
15,479,000	15,479,000
2,329,800	2,638,900
1,112,050	1,086,750
390,836,291	412,630,098
574,540,370	756,063,216
2,388,208,324	2,872,631,652
1,329,311,623	1,609,564,656
151,027,084	884,805,175
121,432,439	586,870,691
168,636,136	116,083,141
(140,741,491)	181,851,344
1,700,000	-
1,178,284,539	724,759,481
199,766,087	216,531,197
199,660,429	214,235,553
105,659	2,295,644
978,518,451	508,228,283

11.3 Cash Flow Statement (Consolidated)

	Amount in Taka	
	2020	2019
A) Cash flows from operating activities		
Interest received	8,128,968,111	10,217,294,760
Interest paid	(6,138,547,346)	(7,082,810,513)
Dividend received	80,661,146	108,560,777
Fees and commission received	860,265,355	841,027,560
Income from investment	186,814,914	223,309,168
Cash paid to employees (including directors)	(1,339,659,487)	(1,508,376,964)
Cash paid to suppliers	(126,186,037)	(144,193,285)
Income taxes paid	(174,843,967)	(217,918,275)
Received from other operating activities	357,956,746	402,525,283
Paid for other operating activities	(521,542,743)	(830,878,590)
Cash generated from operating activities before changes in operating assets and liabilities	1,313,886,693	2,008,539,922
Increase/(decrease) in operating assets & liabilities:		
Loans and advances to customers	6,433,966,714	3,553,032,960
Other assets	10,895,012	57,937,615
Deposits from customers	235,381,380	(6,509,583,908)
Other liabilities	511,721,390	(473,264,026)
Total increase/(decrease) in operating assets & liabilities	7,191,964,495	(3,371,877,360)
Net cash flows from /(used in) operating activities	8,505,851,188	(1,363,337,438)
B) Cash flows from investing activities		
Investment in securities	(135,102,623)	1,122,895,993
Treasury bills	(204,424,552)	-
Purchase of fixed assets	(175,738,539)	(326,222,184)
Sales proceeds of fixed assets	90,477,731	9,417,178
Investment in commercial paper	-	200,000,000
Investment in Perpetual bond	(500,000,000)	-
Investment in Subordinated bond	-	(800,000,000)
Investment in Discretionary corporate fund	(4,034,669)	(201,824,234)
Acquisition of shares from non-controlling interest	-	(13,250,000)
Net cash flows from /(used in) investing activities	(928,822,653)	(8,983,246)
C) Cash flows from financing activities		
Receipt of term loan, overdraft and REPO	(3,792,848,517)	2,039,422,446
Payment of lease liabilities-Vehicles	(6,540,811)	(5,885,814)
Payment of lease liabilities-Office premises	(230,252,930)	(154,708,848)
Transaction cost against share transfer (RJSC fee)	(3,000,000)	-
Dividend paid	(418,152,103)	(729,954,513)
Net cash flows from/(used in) financing activities	(4,450,794,361)	1,148,873,271
D) Net increase/(decrease) in cash & cash equivalents	3,126,234,175	(223,447,412)
E) Effect of exchange rates on cash and cash equivalents	1,596	2,102
E) Cash and cash equivalents at the beginning of the year	9,209,860,003	9,433,305,313
F) Cash and cash equivalents at the end of the year	12,336,095,774	9,209,860,003
* Closing cash and cash-equivalents		
Cash in hand (including foreign currencies)	1,341,797	777,880
Balance with Bangladesh Bank and its agent bank (s)	630,187,484	876,957,809
Balance with other banks and financial institutions	11,704,566,493	8,332,124,314
	12,336,095,774	9,209,860,003
Net Operating Cash Flows Per Share - (NOCFPS) (restated : 2019)	15.79	(2.53)

11.4 Balance Sheet (Separate)

	Amount in Taka	
	31.12.2020	31.12.2019
PROPERTY AND ASSETS		
Cash	630,754,144	877,497,557
Cash in hand (including foreign currencies)	566,660	539,748
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	630,187,484	876,957,809
Balance with other banks and financial institutions	9,728,246,688	7,011,942,991
Inside Bangladesh	9,728,246,688	7,011,942,991
Outside Bangladesh	-	-
Money at call and short notice	-	-
Investment	3,025,772,386	2,393,868,418
Government securities	229,908,878	-
Other investments	2,795,863,508	2,393,868,418
Leases, loans and advances	54,709,353,488	60,662,461,499
Loans, cash credit and overdraft etc.	54,709,353,488	60,662,461,499
Bills discounted and purchased	-	-
Fixed assets including land, building, furniture and fixtures	1,718,099,868	1,762,461,900
Other assets	7,000,311,664	6,473,187,859
Non-Banking assets	-	-
TOTAL PROPERTY AND ASSETS	76,812,538,240	79,181,420,224
LIABILITY AND SHAREHOLDERS' EQUITY		
Liabilities		
Borrowings from Bangladesh Bank, other banks and financial institutions	12,460,714,321	15,613,095,652
Deposits and other accounts	47,611,272,015	46,894,962,510
Current deposits and other accounts	-	-
Bills payable	-	-
Savings bank deposits	-	-
Term deposits	47,427,812,939	46,750,813,434
Bearer certificate of deposits	-	-
Other deposits	183,459,076	144,149,076
Other liabilities	6,245,039,099	6,655,430,108
TOTAL LIABILITIES	66,317,025,435	69,163,488,270
Shareholders' Equity	10,495,512,805	10,017,931,954
Paid up capital	5,388,386,230	5,131,796,410
Statutory reserve	1,927,779,299	1,762,635,872
Retained earnings	2,161,276,401	2,116,518,264
Revaluation reserve for investment in subsidiaries	1,018,070,876	1,006,981,408
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	76,812,538,240	79,181,420,224

11.5 Profit & Loss Account (Separate)

Operating Income

Interest income
Less : Interest expenses on deposits & borrowings

Net interest income

Income from investment
Commission, exchange and brokerage income
Other operational income

Total operating income

Operating Expenses

Salaries and allowances
Rent, taxes, insurance, electricity etc.
Legal and professional fees
Postage, stamp, telecommunication etc.
Stationery, printing, advertisement
Managing director's salary and allowance
Directors' fees and expenses
Auditors' fees
Repairs, maintenance and depreciation
Other expenses

Total operating expenses

Net Operating Income

Provisions for loans, investments and other assets

Provisions for leases and loans
Provision for diminution in value of investments
General provision for other assets

Profit before tax and reserve

Provision for tax

Current tax
Deferred tax

Net profit after tax

Amount in Taka	
2020	2019
7,628,152,436	9,421,797,188
5,714,195,118	6,841,087,973
1,913,957,318	2,580,709,214
115,347,060	340,650,469
-	-
533,299,248	571,435,517
2,562,603,627	3,492,795,201
898,066,403	986,385,119
27,797,266	36,671,081
27,386,792	34,967,372
19,265,935	22,993,022
26,487,822	38,378,054
15,479,000	15,479,000
660,000	691,200
632,500	632,500
308,927,557	314,812,709
321,611,232	446,481,853
1,646,314,507	1,897,491,908
916,289,119	1,595,303,293
(1,510,295)	739,009,755
121,432,439	586,870,691
(122,942,734)	152,139,065
-	-
917,799,415	856,293,538
92,082,283	120,280,914
92,082,283	120,280,914
-	-
825,717,132	736,012,624

11.6 Cash Flow Statement (Separate)

	Amount in Taka	
	2020	2019
A) Cash flows from operating activities		
Interest received	7,607,211,672	9,466,802,371
Interest paid	(5,875,370,489)	(6,617,920,102)
Dividend received	31,696,189	169,068,200
Fees and commission received	328,711,828	365,808,224
Income from investment	55,218,482	172,591,927
Cash paid to employees (including directors)	(921,311,734)	(989,595,719)
Cash paid to suppliers	(67,961,649)	(80,722,535)
Income taxes paid	(67,769,720)	(99,553,027)
Received from other operating activities	192,485,267	204,970,864
Paid for other operating activities	(347,456,453)	(521,733,828)
Cash generated from operating activities before changes in operating assets and liabilities	935,453,393	2,069,716,376
Increase/(decrease) in operating assets & liabilities:		
Loans and advances to customers	5,759,878,086	3,196,628,349
Other assets	(787,964)	(10,538,432)
Deposits from customers	716,309,505	(6,530,871,983)
Other liabilities	(101,743,734)	(99,896,467)
Total Increase/(decrease) in operating assets & liabilities	6,373,655,893	(3,444,678,533)
Net cash flows from /(used in) operating activities	7,309,109,286	(1,374,962,157)
B) Cash flows from investing activities		
Investment in securities	102,039,580	817,263,189
Treasury bills	(204,424,552)	-
Purchase of fixed assets	(156,635,597)	(278,514,907)
Sales proceeds of fixed assets	100,301,650	2,571,681
Investment in commercial paper	-	200,000,000
Investment in discretionary corporate fund	(4,034,670)	(201,824,234)
Investment in subordinated bond	-	(800,000,000)
Investment in Perpetual bond	(500,000,000)	-
Investment in subsidiaries	(453,000,000)	(13,250,000)
Net cash flows from /(used in) investing activities	(1,115,753,589)	(273,754,271)
C) Cash flows from financing activities		
Receipt of term loan, overdraft and REPO	(3,096,701,635)	2,669,684,670
Payment of lease liabilities-Vehicles	(3,608,595)	(3,847,536)
Payment of lease liabilities-Office premises	(205,371,362)	(111,174,023)
Dividend paid	(418,115,417)	(724,847,906)
Net cash flows from/(used in) financing activities	(3,723,797,008)	1,829,815,205
D) Net increase/(decrease) in cash & cash equivalents	2,469,558,689	181,098,778
E) Effect of exchange rates on cash and cash equivalents	1,596	2,102
F) Cash and cash equivalents at the beginning of the year	7,889,440,548	7,708,339,668
G) Cash and cash equivalents at the end of the year	10,359,000,833	7,889,440,548
* Closing cash and cash-equivalents		
Cash in hand (including foreign currencies)	566,660	539,748
Balance with Bangladesh Bank and its agent bank (s)	630,187,484	876,957,809
Balance with other banks and financial institutions	9,728,246,688	7,011,942,991
	10,359,000,833	7,889,440,548
Net Operating Cash Flows Per Share - (NOCFPS) (restated : 2019)	13.56	(2.55)

For the detail auditor's report and audited financial statements, please see Annexure – (a)

DRAFT

Information Memorandum (Draft)

LankaBangla Finance Limited Nonconvertible, Zero Coupon Bond

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Khwaja Shahriar
Managing Director & CEO
LankaBangla Finance Limited

Mostafa Kamal FCA
Company Secretary
LankaBangla Finance Limited

Shamim Al Mamun, FCA
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited

Mohammad Saleh Ahmed
Chief Executive Officer
DFC Capital Limited

12 COMPARATIVE FINANCIAL STATEMENTS OF THE ISSUER FOR THE LAST 5 YEARS


12.1 Balance Sheet of LankaBangla Finance Limited (Consolidated)

	31.12.2020	31.12.2019	31.12.2018	31.12.2017	31.12.2016
PROPERTY AND ASSETS					
Cash	631,529,281	877,735,689	1,002,028,777	1,155,230,423	700,351,241
Cash in hand (including foreign currencies)	1,341,797	777,880	904,927	476,721	786,380
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	630,187,484	876,957,809	1,001,123,850	1,154,753,702	699,564,861
Balance with other banks and financial institutions	11,704,566,493	8,332,124,314	8,431,276,535	8,874,982,033	4,343,232,588
Inside Bangladesh	11,704,566,493	8,332,124,314	8,431,276,535	8,874,982,033	4,343,232,588
Outside Bangladesh	-	-	-	-	-
Money at call and short notice	-	-	-	-	-
Investment	6,261,562,085	5,392,515,912	5,713,587,671	5,469,169,711	5,036,650,257
Government securities	229,908,878	-	-	-	-
Other investments	6,031,653,207	5,392,515,912	5,713,587,671	5,469,169,711	5,036,650,257
Leases, loans and advances	58,472,232,776	65,117,083,059	68,676,032,831	66,544,357,447	51,244,299,783
Loans, cash credit and overdraft etc.	58,472,232,776	65,117,083,059	68,676,032,831	66,544,357,447	51,244,299,783
Bills discounted and purchased	-	-	-	-	-
Fixed assets including land, building, furniture and fixtures	2,777,288,742	2,861,198,566	2,405,753,963	1,761,772,474	1,429,556,859
Other assets	1,988,266,759	1,782,294,566	1,660,000,929	1,637,203,086	1,289,422,836
Non-banking assets	-	-	-	-	-
TOTAL PROPERTY AND ASSETS	81,835,446,136	84,362,952,106	87,888,680,706	85,442,715,174	64,043,513,565


 Khwaja Shahriar
 Managing Director & CEO
 LankaBangla Finance Limited


 Mostafa Kamal FCA
 Company Secretary
 LankaBangla Finance Limited


 Shamim Al Mamun, FCA
 Executive Vice President &
 Chief Financial Officer
 LankaBangla Finance Limited


 Mohammed Saleh Ahmed
 Chief Executive Officer
 IIDFC Capital Limited

LIABILITY AND SHAREHOLDERS' EQUITY

Liabilities

Borrowings from Bangladesh Bank, other banks and financial institutions

Deposits and other accounts

Current deposits and other accounts
Bills payable
Savings bank deposits
Term deposits
Bearer certificate of deposits
Other deposits

Other liabilities

TOTAL LIABILITIES

Shareholders' Equity

Paid up capital
Share money deposit for right issue
Share Premium
Statutory Reserve
General Reserve
Retained Earnings

Non controlling interest

TOTAL LIABILITIES AND SHAREHOLDERS EQUITY

	31.12.2020	31.12.2019	31.12.2018	31.12.2017	31.12.2016
Borrowings from Bangladesh Bank, other banks and financial institutions	14,816,088,224	18,672,238,771	16,263,240,621	18,563,686,212	10,874,998,487
Deposits and other accounts	47,130,343,890	46,894,962,510	53,404,546,419	51,675,158,138	40,148,492,755
Current deposits and other accounts			-	-	-
Bills payable			-	-	-
Savings bank deposits	46,946,884,814	46,750,813,434	53,231,132,604	51,552,816,766	40,033,189,441
Term deposits					
Bearer certificate of deposits			-	-	-
Other deposits	183,459,076	144,149,076	173,413,815	122,341,372	115,303,314
Other liabilities	9,617,691,952	9,140,721,458	8,286,435,375	6,775,350,993	6,248,591,612
TOTAL LIABILITIES	71,564,124,066	74,707,922,739	77,954,222,415	77,014,195,343	57,272,082,854
Shareholders' Equity	10,094,194,892	9,482,329,484	9,823,214,683	8,327,000,468	6,686,609,319
Paid up capital	5,388,386,230	5,131,796,410	5,131,796,410	3,182,509,410	2,767,399,490
Share money deposit for right issue				160,307,660	-
Share Premium	1,090,888,800	1,090,888,800	1,090,888,800	1,090,888,800	1,090,888,800
Statutory Reserve	1,927,779,298	1,762,635,872	1,615,433,347	1,472,602,021	1,202,043,919
General Reserve	45,409,424	49,919,671	53,048,686	50,867,438	46,768,017
Retained Earnings	1,641,731,140	1,447,088,731	1,932,047,440	2,369,825,140	1,579,509,093
Non controlling interest	177,127,178	172,699,883	111,243,608	101,519,363	84,821,392
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	81,835,446,136	84,362,952,106	87,888,680,706	85,442,715,174	64,043,513,565



Mostafa Kamal FCA
Company Secretary
LankaBangla Finance Limited



Shamim Al Mamun, FCA
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited



Mohammad Saleh Ahmed
Chief Executive Officer
IIDFC Capital Limited



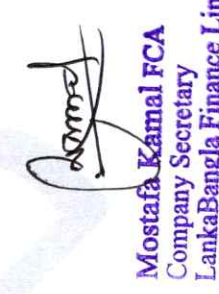
Khwaja Shahriar
Managing Director & CEO
LankaBangla Finance Limited

12.2 Profit & Loss Account of LankaBangla Finance Limited (Consolidated)

Amount in BDT Million

	2020	2019	2018	2017	2016
Operating Income					
Interest Income	8,146,213,389	10,172,730,417	9,095,252,849	7,076,089,286	5,661,544,246
Less: Interest expenses on deposits & borrowings	5,972,102,383	7,275,494,160	6,605,746,998	4,838,840,868	3,964,079,328
Net interest income	2,174,111,006	2,897,236,257	2,489,505,851	2,237,248,418	1,697,464,918
Income from investment	315,533,440	340,733,579	434,031,094	914,222,486	483,526,596
Commission, exchange and brokerage income	496,354,278	452,973,525	707,627,576	1,136,001,530	560,859,417
Other operational income	731,521,223	791,252,947	824,252,786	854,466,614	599,634,180
Total operating income	3,717,519,947	4,482,196,307	4,455,417,307	5,141,939,047	3,341,485,111
Operating Expenses					
Salary and allowances	1,275,224,475	1,504,636,741	1,443,411,956	1,300,145,142	987,348,613
Rent, taxes, insurance, electricity etc.	42,372,349	64,208,220	251,069,443	220,562,073	187,066,477
Legal and professional fees	31,362,343	39,269,011	27,864,545	33,424,026	30,013,397
Postage, stamp, telecommunication etc.	23,365,252	28,788,937	26,774,472	28,819,579	20,638,151
Stationery, printing, advertisement	31,586,394	47,830,780	51,789,343	66,035,302	47,485,747
Managing director's salary and allowances	15,479,000	15,479,000	15,479,000	10,726,667	17,489,000
Directors' fees and expenses	2,329,800	2,638,900	2,271,200	2,387,300	2,591,389
Auditors' fees	1,112,050	1,086,750	1,155,750	1,092,500	1,227,625
Repairs, maintenance and depreciation	390,836,291	412,630,098	209,094,554	183,401,905	123,478,392
Other expenses	574,540,370	756,063,216	741,095,546	824,585,567	581,834,581
Total operating expenses	2,388,208,324	2,872,631,652	2,770,005,810	2,671,180,060	1,999,173,372
Net Operating Income	1,329,311,623	1,609,564,656	1,685,411,497	2,470,758,986	1,342,311,739


Khwaja Shahriar
Managing Director & CEO
LankaBangla Finance Limited

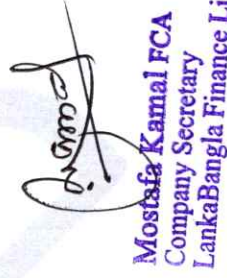

Mostafa Kamal FCA
Company Secretary
LankaBangla Finance Limited


Shamim Al Mamun, FCA
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited


Mohammad Saleh Ahmed
Chief Executive Officer
IIDFC Capital Limited

	2020	2019	2018	2017	2016
Provisions for loans, investments and other assets	151,027,084	884,805,175	976,337,321	206,948,220	395,649,328
Provisions for leases and loans	121,432,439	586,870,691	368,767,746	248,441,162	199,224,797
Provision for margin loan	168,636,136	116,083,141	261,083,418	36,766,605	313,531,665
Provision for diminution in value of investments	(140,741,491)	181,851,344	342,286,156	(76,109,546)	(117,107,133)
General provision for other assets	1,700,000	-	4,200,000	(2,150,000)	-
Profit before tax and reserve	1,178,284,539	724,759,481	709,074,176	2,263,810,766	946,662,411
Provision for tax	199,766,087	216,531,197	264,630,078	337,521,607	151,019,485
Current tax	199,660,429	214,235,553	259,278,400	334,274,885	148,304,531
Deferred tax	105,659	2,295,644	5,351,678	3,246,722	2,714,954
Net profit after tax	978,518,451	508,228,283	444,444,099	1,926,289,159	795,642,925


Khwaja Shahriar
 Managing Director & CEO
 LankaBangla Finance Limited


Mostafa Kamal FCA
 Company Secretary
 LankaBangla Finance Limited


Shamim AI Mamun, FCA
 Executive Vice President &
 Chief Financial Officer
 LankaBangla Finance Limited


Mohammad Saleh Ahmed
 Chief Executive Officer
 IIDFC Capital Limited

12.3 Cash Flow Statement of LankaBangla Finance Limited (Consolidated)

Amount on BDT Million

	2020	2019	2018	2017	2016
A) Cash flows from operating activities					
Interest received	8,128,968,111	10,217,294,760	9,100,352,454	7,000,853,944	5,643,928,216
Interest paid	(6,138,547,346)	(7,082,810,513)	(6,037,422,733)	(4,364,777,925)	(3,736,524,929)
Dividend received	80,661,146	108,560,777	67,614,353	91,737,809	267,597,867
Fees and commission received	860,265,355	841,027,560	1,131,493,341	1,655,361,503	919,862,071
Income from investment	186,814,914	223,309,168	365,527,356	834,879,162	294,121,128
Cash paid to employees (including directors)	(1,339,659,487)	(1,508,376,964)	(1,507,015,841)	(1,239,038,975)	(1,020,466,579)
Cash paid to suppliers	(126,186,037)	(144,193,285)	(135,351,794)	(133,776,169)	(101,908,389)
Income taxes paid	(174,843,967)	(217,918,275)	(256,764,724)	(334,203,698)	(235,715,801)
Received from other operating activities	357,956,746	402,525,283	396,575,396	332,160,541	242,891,136
Paid for other operating activities	(521,542,743)	(830,878,590)	(999,049,638)	(1,065,727,673)	(794,659,621)
Cash generated from operating activities before changes in operating assets and liabilities	1,313,886,693	2,008,539,922	2,125,958,170	2,777,468,520	1,479,125,099
Increase/(decrease) in operating assets & liabilities:					
Loans and advances to customers	6,433,966,714	3,553,032,960	(2,502,462,489)	(16,136,077,333)	(9,799,853,088)
Other assets	10,895,012	57,937,615	166,538,173	45,612,368	(183,113,452)
Deposits from customers	235,381,380	(6,509,583,908)	1,729,388,281	11,526,665,383	10,041,785,026
Other liabilities	511,721,390	(473,264,026)	156,670,981	196,817,863	957,913,557
Total increase/(decrease) in operating assets & liabilities	7,191,964,495	(3,371,877,360)	(449,865,055)	(4,366,981,719)	1,016,732,044
Net cash flows from/(used in) operating activities	8,505,851,188	(1,363,337,438)	1,676,093,115	(1,589,513,199)	2,495,857,143
B) Cash flows from investing activities					
Investment in securities	(135,102,623)	1,122,895,993	(494,417,960)	(682,519,454)	(543,795,463)
Treasury bills	(204,424,552)	-	-	-	-
Purchase of fixed assets	(175,738,539)	(326,222,184)	(815,517,352)	(455,798,713)	(244,124,515)
Sales proceeds of fixed assets	90,477,731	9,417,178	41,963,461	8,057,460	8,984,971
Investment in commercial paper	-	200,000,000	250,000,000	250,000,000	(120,000,000)
Investment in Perpetual bond	(500,000,000)	-	-	-	-
Investment in Subordinated bond	-	(800,000,000)	-	-	-
Investment in Discretionary corporate fund	(4,034,669)	(201,824,234)	-	-	-
Acquisition of shares from non-controlling interest	-	(13,250,000)	(1,250,000)	-	-
Net cash flows from/(used in) investing activities	(928,822,653)	(8,983,246)	(1,019,221,851)	(880,260,707)	(898,935,006)

Khawaja Shahriar

Khawaja Shahriar
Managing Director & CEO
LankaBangla Finance Limited

Mostafa Kamal FCA

Mostafa Kamal FCA
Company Secretary
LankaBangla Finance Limited

Monammad Saleh Ahme

Monammad Saleh Ahme
Chief Executive Officer
IIDFC Capital Limite

	2020	2019	2018	2017	2016
C) Cash flows from financing activities					
Receipt of term loan, overdraft and REPO	(3,792,848,517)	2,039,422,446	(2,293,645,817)	7,688,687,726	1,868,180,506
Payment of lease liabilities- Vehicles	(6,540,811)	(5,885,814)	(6,799,775)	-	-
Payment of lease liabilities- Office premises	(230,252,930)	(154,708,848)	-	-	-
Right Share Subscription	-	-	1,430,947,040	-	-
Share money deposit for right issue	-	-	-	160,307,660	-
Transaction cost against share transfer (RJSC fee)	(3,000,000)	-	(10,170,363)	-	-
Dividend paid	(418,152,103)	(729,954,513)	(374,109,324)	(392,592,853)	(365,181,408)
Net cash flows from/(used in) financing activities	(4,450,794,361)	1,148,873,271	(1,253,778,239)	7,456,402,533	1,502,999,099
D) Net increase/(decrease) in cash & cash equivalents	3,126,234,175	(223,447,413)	(596,906,975)	4,986,628,627	3,099,921,235
E) Effect of exchange rates on cash and cash equivalents	1,596	2,102	(168)	-	-
E) Cash and cash equivalents at the beginning of the year	9,209,860,003	9,433,305,313	10,030,212,456	5,043,583,829	1,943,662,593
F) Cash and cash equivalents at the end of the year	12,336,095,774	9,209,860,002	9,433,305,312	10,030,212,456	5,043,583,828


Khwaja Shahriar
 Managing Director & CEO
 LankaBangla Finance Limited


Mostafa Kamal FCA
 Company Secretary
 LankaBangla Finance Limited


Shamim Al Mamun, FCA
 Executive Vice President &
 Chief Financial Officer
 LankaBangla Finance Limited



Mohammad Saleh Ahmed
 Chief Executive Officer
 IIDFC Capital Limited

12.4 Balance Sheet of LankaBangla Finance Limited (Separate)

Amount on BDT Million

	31.12.2020	31.12.2019	31.12.2018	31.12.2017	31.12.2016
PROPERTY AND ASSETS					
Cash	630,754,144	877,497,557	1,001,794,766	1,155,072,909	699,874,581
Cash in hand (including foreign currencies)	566,660	539,748	670,916	319,207	309,720
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	630,187,484	876,957,809	1,001,123,850	1,154,753,702	699,564,861
Balance with other banks and financial institutions	9,728,246,688	7,011,942,991	6,706,544,902	6,867,656,341	2,230,011,116
Inside Bangladesh	9,728,246,688	7,011,942,991	6,706,544,902	6,867,656,341	2,230,011,116
Outside Bangladesh	-	-	-	-	-
Money at call and short notice	-	-	-	-	-
Investment	3,025,772,386	2,393,868,418	2,409,307,374	2,127,660,042	2,130,061,460
Government securities	229,908,878	-	-	-	-
Other investments	2,795,863,508	2,393,868,418	2,409,307,374	2,127,660,042	2,130,061,460
Leases, loans and advances	54,709,353,488	60,662,461,499	63,784,580,057	61,913,587,489	46,749,199,258
Loans, cash credit and overdraft etc.	54,709,353,488	60,662,461,499	63,784,580,057	61,913,587,489	46,749,199,258
Bills discounted and purchased	-	-	-	-	-
Fixed assets including land, building, furniture and fixtures	1,718,099,868	1,762,461,900	1,357,931,214	1,072,694,198	999,057,015
Other assets	7,000,311,664	6,473,187,859	6,700,200,023	5,110,935,231	4,814,291,262
Non-banking assets	-	-	-	-	-
TOTAL PROPERTY AND ASSETS	76,812,538,240	79,181,420,224	81,960,358,336	78,247,606,210	57,622,494,692


Khwaja Shahriar
 Managing Director & CEO
 LankaBangla Finance Limited


Mostafa Kamal FCA
 Company Secretary
 LankaBangla Finance Limited


Shamim Al Mamun, FCA
 Executive Vice President &
 Chief Financial Officer
 LankaBangla Finance Limited


Mohammad Saleh Ahmed
 Chief Executive Officer
 IIDFC Capital Limited

LIABILITY AND SHAREHOLDERS' EQUITY

Liabilities

Borrowings from Bangladesh Bank, other banks and financial institutions

Deposits and other accounts

Current deposits and other accounts

Bills payable

Savings bank deposits

Term deposits

Bearer certificate of deposits

Other deposits

Other liabilities

TOTAL LIABILITIES

Shareholders' Equity

Paid up capital

Share money deposit for right issue

Statutory Reserve


Retained Earnings

Revaluation reserve for investment in subsidiaries

TOTAL LIABILITIES AND SHAREHOLDERS EQUITY

31.12.2020	31.12.2019	31.12.2018	31.12.2017	31.12.2016
12,460,714,321	15,613,095,652	12,639,198,866	15,061,790,454	8,333,852,304
47,611,272,015	46,894,962,510	53,425,834,494	51,675,158,138	40,148,492,755
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
47,427,812,939	46,750,813,434	53,252,420,679	51,552,816,766	40,033,189,441
-	-	-	-	-
183,459,076	144,149,076	173,413,815	122,341,372	115,303,314
6,245,039,099	6,655,430,108	5,558,400,989	4,242,851,226	2,970,331,482
66,317,025,435	69,163,488,270	71,623,434,349	70,979,799,818	51,452,676,540
10,495,512,805	10,017,931,954	10,336,923,987	7,267,806,392	6,169,818,152
5,388,386,230	5,131,796,410	5,131,796,410	3,182,509,410	2,767,399,490
-	-	-	160,307,660	-
1,927,779,299	1,762,635,872	1,615,433,347	1,472,602,021	1,202,043,920
2,161,276,401	2,116,518,264	2,297,477,627	2,452,387,301	2,200,374,742
1,018,070,876	1,006,981,408	1,292,216,603	-	-
76,812,538,240	79,181,420,224	81,960,358,336	78,247,606,210	57,622,494,692


Khwaja Shahriar
 Managing Director & CEO
 LankaBangla Finance Limited


Mostafa Kamal FCA
 Company Secretary
 LankaBangla Finance Limited


Shamim Al Mamun, FCA
 Executive Vice President &
 Chief Financial Officer
 LankaBangla Finance Limited


Mohammad Saleh Ahmed
 Chief Executive Officer
 IIDFC Capital Limited

12.5 Profit & Loss Account of LankaBangla Finance Limited (Separate)

Amount in BDT Million

	2020	2019	2018	2017	2016
Operating Income					
Interest Income	7,628,152,436	9,421,797,188	8,567,125,131	6,623,172,217	5,432,663,241
Less: Interest expenses on deposits & borrowings	5,714,195,118	6,841,087,973	6,189,678,453	4,542,057,908	3,565,181,315
Net interest income	1,913,957,318	2,580,709,214	2,377,446,678	2,081,114,310	1,867,481,926
Income from investment	115,347,060	340,650,469	111,324,841	629,295,121	195,788,600
Commission, exchange and brokerage income	-	-	-	-	-
Other operational income	533,299,248	571,435,517	554,527,453	566,516,751	368,148,389
Total operating income	2,562,603,627	3,492,795,201	3,043,298,972	3,276,926,181	2,431,418,914
Operating Expenses					
Salary and allowances	898,066,403	986,385,119	948,046,260	795,440,906	634,844,436
Rent, taxes, insurance, electricity etc.	27,797,266	36,671,081	177,946,355	151,537,075	124,707,382
Legal and professional fees	27,386,792	34,967,372	20,969,653	30,932,570	23,863,346
Postage, stamp, telecommunication etc.	19,265,935	22,993,022	19,791,839	22,355,446	14,987,359
Stationery, printing, advertisement	26,487,822	38,378,054	38,421,114	52,134,306	37,743,769
Managing director's salary and allowances	15,479,000	15,479,000	15,479,000	10,726,667	17,489,000
Directors' fees and expenses	660,000	691,200	642,800	752,000	736,000
Auditors' fees	632,500	632,500	575,000	575,000	718,750
Repairs, maintenance and depreciation	308,927,557	314,812,709	149,886,801	131,206,897	79,655,031
Other expenses	321,611,232	446,481,853	378,323,282	438,343,936	313,674,123
Total operating expenses	1,646,314,507	1,897,491,908	1,750,082,104	1,634,004,803	1,248,419,196
Net Operating Income	916,289,119	1,595,303,293	1,293,216,868	1,642,921,379	1,182,999,718


Khwaja Shahriar
 Managing Director & CEO
 LankaBangla Finance Limited


Mostafa Kamal FCA
 Company Secretary
 LankaBangla Finance Limited


Shamim Al Mamun, FCA
 Executive Vice President &
 Chief Financial Officer
 LankaBangla Finance Limited

Information Memorandum (Draft)

LankaBangla Finance Limited

Non-convertible, Zero Coupon Bond

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Mohammad Saleh Ahmi
 Chief Executive Officer
 IIDFC Capital Limited

	2020	2019	2018	2017	2016
Provisions for loans, investments and other assets	(1,510,295)	739,009,756	477,483,902	245,531,162	75,663,937
Provisions for leases and loans	121,432,439	586,870,691	368,767,746	248,441,162	199,224,797
Provision for diminution in value of investments	(122,942,734)	152,139,065	108,016,156	-	(123,560,860)
General provision for other assets	-	-	700,000	(2,910,000)	-
Profit before tax and reserve	917,799,415	856,293,537	815,732,966	1,397,390,217	1,107,335,782
Provision for tax	92,082,283	120,280,914	101,576,334	44,599,710	35,281,610
Current tax	92,082,283	120,280,914	101,576,334	44,599,710	35,281,610
Deferred tax	-	-	-	-	-
Net profit after tax	825,717,132	736,012,623	714,156,632	1,352,790,507	1,072,054,172


Khwaja Shahriar
 Managing Director & CEO
 LankaBangla Finance Limited


Mostafa Kamal FCA
 Company Secretary
 LankaBangla Finance Limited


Shamim Al Mamun, FCA
 Executive Vice President &
 Chief Financial Officer
 LankaBangla Finance Limited


Mohammed Saleh Ahmed
 Chief Executive Officer
 IIDFC Capital Limited

12.6 Cash Flow Statement of LankaBangla Finance Limited (Consolidated)

Amount on BDT Million

	2020	2019	2018	2017	2016
Cash flows from operating activities					
Interest received	7,607,211,672	9,466,802,371	8,572,415,551	6,547,807,238	5,413,751,225
Interest paid	(5,875,370,489)	(6,617,920,102)	(5,629,002,106)	(4,090,518,475)	(3,327,572,519)
Dividend received	31,696,189	169,068,200	17,749,257	270,316,678	66,895,335
Fees and commission received	328,711,828	365,808,224	367,915,352	428,193,512	274,762,656
Income from investment	55,218,482	172,591,927	93,286,343	384,499,532	94,190,730
Cash paid to employees (including directors)	(921,311,734)	(989,595,719)	(952,711,238)	(796,120,318)	(632,272,854)
Cash paid to suppliers	(67,961,649)	(80,722,535)	(78,424,445)	(109,732,080)	(56,018,261)
Income taxes paid	(67,769,720)	(99,553,027)	(57,648,144)	(80,821,830)	(116,685,640)
Received from other operating activities	192,485,267	204,970,864	185,861,072	138,472,707	92,634,103
Paid for other operating activities	(347,456,453)	(521,733,828)	(581,868,434)	(634,160,851)	(472,324,201)
Cash generated from operating activities before changes in operating assets and liabilities	935,453,393	2,069,716,376	1,937,573,209	2,057,936,115	1,337,360,574
Increase/(decrease) in operating assets & liabilities:					
Loans and advances to customers	5,759,878,086	3,196,628,349	(2,470,057,910)	(15,195,306,939)	(10,684,775,913)
Other assets	(787,964)	(10,538,432)	191,730,488	(86,594,649)	39,693,610
Deposits from customers	716,309,505	(6,530,871,983)	1,750,676,356	11,526,665,383	9,952,488,088
Other liabilities	(101,743,734)	(99,896,467)	297,887,213	480,326,629	(147,711,083)
Total increase/(decrease) in operating assets & liabilities	6,373,655,893	(3,444,678,533)	(229,763,854)	(3,274,909,577)	(840,305,297)
Net cash flows from/(used in) operating activities	7,309,109,286	(1,374,962,157)	1,707,809,354	(1,216,973,462)	497,055,277
Cash flows from investing activities					
Investment in securities	102,039,580	817,263,189	(531,647,332)	(247,598,582)	(173,777,212)
Treasury bills	(204,424,552)	-	-	-	-
Purchase of fixed assets	(156,635,597)	(278,514,907)	(405,949,383)	(150,726,517)	(186,414,731)
Sales proceeds of fixed assets	100,301,650	2,571,681	38,902,860	4,897,260	1,115,500
Investment in commercial paper	-	200,000,000	250,000,000	250,000,000	(120,000,000)
Investment in Perpetual bond	(500,000,000)	-	-	-	-
Investment in Subordinated bond	-	(800,000,000)	-	-	-
Investment in Discretionary corporate fund	(4,034,670)	(201,824,234)	-	-	-
Investment in subsidiaries	(453,000,000)	(13,250,000)	-	(50,000,000)	(62,500,000)
Net cash flows from/(used in) investing activities	(1,115,753,589)	(273,754,271)	(648,693,854)	(193,427,839)	(541,576,443)

Khawaja Shahriar

Khawaja Shahriar
Managing Director & CEO
LankaBangla Finance Limited

Mostafa Kamal FCA

Mostafa Kamal FCA
Company Secretary
LankaBangla Finance Limited

Shamim Al Mamun, FCA

Shamim Al Mamun, FCA
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited

Mohammad Saleh Ahmed

Mohammad Saleh Ahmed
Chief Executive Officer

	2020	2019	2018	2017	2016
C) Cash flows from financing activities					
Receipt of term loan, overdraft and REPO	(3,096,701,635)	2,669,684,670	(2,419,141,762)	6,727,938,150	2,097,933,682
Payment of lease liabilities-Vehicles	(3,608,595)	(3,847,536)	(3,449,826)	-	-
Payment of lease liabilities-Office premises	(205,371,362)	(111,174,023)	-	-	-
Right Share Subscription			1,430,947,040	-	-
Share money deposit for right issue			-	160,307,660	-
Transaction cost against share transfer (RJSC fee)			(10,170,363)	-	-
Dividend paid	(418,115,417)	(724,847,906)	(371,690,002)	(385,000,956)	(365,138,883)
Net cash flows from/(used in) financing activities	(3,723,797,008)	1,829,815,205	(1,373,504,914)	6,503,244,854	1,732,794,799
D) Net increase/(decrease) in cash & cash equivalents	2,469,558,689	181,098,778	(314,389,414)	5,092,843,553	1,688,273,633
E) Effect of exchange rates on cash and cash equivalents	1,596	2,102	(168)	-	-
E) Cash and cash equivalents at the beginning of the year	7,889,440,548	7,708,339,668	8,022,729,250	2,929,885,697	1,241,612,064
F) Cash and cash equivalents at the end of the year	10,359,000,833	7,889,440,548	7,708,339,668	8,022,729,250	2,929,885,697


Khwaja Shahriar
 Managing Director & CEO
 LankaBangla Finance Limited


Mostafa Kamal FCA
 Company Secretary
 LankaBangla Finance Limited


Shamim Al Mamun, FCA
 Executive Vice President &
 Chief Financial Officer
 LankaBangla Finance Limited


Mohammad Saleh Ahmed
 Chief Executive Officer
 IIDFC Capital Limited

13 RATIOS FOR THE LAST FIVE (05) ACCOUNTING YEARS

Ratios for the last 5 years accounting year on the basis of consolidated and separate accounts:

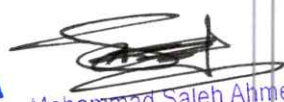
	CONSOLIDATED					SOLO				
	2020	2019	2018	2017	2016	2020	2019	2018	2017	2016
Current Ratio	1.13	1.04	1.08	1.11	1.14	1.05	1.02	1.12	1.04	0.95
Quick Ratio	1.13	1.04	1.08	1.11	1.14	1.05	1.02	1.12	1.04	0.95
Times Interest Earned Ratio	1.20	1.10	1.11	1.47	1.24	1.16	1.13	1.13	1.31	1.31
Break-Even Point	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Debt-to-Equity Ratio	7.09	7.88	7.94	9.25	8.57	6.32	6.90	6.93	9.77	8.34
Debt-to-Total Asset Ratio	0.87	0.89	0.89	0.90	0.89	0.86	0.87	0.87	0.91	0.89
Accounts Receivable Turnover Ratio	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Inventory Turnover Ratio	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Asset Turnover Ratio	0.12	0.14	0.13	0.13	0.13	0.11	0.13	0.12	0.12	0.12
Debt Service Coverage Ratio	1.25	1.15	1.13	1.50	1.26	1.21	1.17	1.15	1.33	1.33
Gross Margin Ratio	38.37%	38.12%	40.28%	51.52%	45.74%	30.96%	33.80%	32.96%	41.91%	40.55%
Operating Income Ratio	13.72%	13.69%	15.24%	24.76%	18.37%	11.07%	15.44%	14.01%	21.01%	19.73%
Net Income Ratio	10.10%	4.32%	4.02%	19.30%	10.89%	9.98%	7.12%	7.73%	17.30%	17.88%
Return on Assets	1.18%	0.59%	0.51%	2.58%	1.39%	1.06%	0.91%	0.89%	1.99%	2.10%
Return on Equity	10.00%	5.27%	4.90%	25.66%	12.29%	8.05%	7.23%	8.11%	20.13%	18.44%
Earnings-Per-Share (EPS)	1.81	0.94	0.81	3.52	1.48	1.53	1.37	1.33	2.51	1.99
Net Asset Value (NAV) per share	18.73	17.60	18.23	15.45	12.41	19.48	18.59	19.18	16.44	11.45
Net operating cash flow to Net Income;	869%	(268%)	377%	(80%)	314%	885%	(187%)	239%	(87%)	46%
Total debt to tangible assets ratio ¹	33.88	34.90	38.19	50.72	49.92	48.23	50.19	57.86	66.42	53.61

¹ Though as per Debt Securities rules 2021, total debt including the proposed issue along with redeemable preference share, if any, does not exceed 70% (seventy percent) of its total tangible assets, provided that aforementioned total debt to total tangible assets ratio shall not be applicable for a bank, financial institution, insurance company or trust as an applicant. Since LankaBangla Finance Limited (LBFL) is a financial institute, this ratio shall not be applicable for LBFL.


Khwaja Shahriar
Managing Director & CEO
LankaBangla Finance Limited


Mostafa Kamal FCA
Company Secretary
LankaBangla Finance Limited


Shamim Al Mamun, FCA
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited


Mohammad Saleh Ahmed
Chief Executive Officer
IIFDC Capital Limited

14 CREDIT RATING REPORT OF THE ISSUE AND THE ISSUER

Issuer Rating:

Date of Rating	Valid Till	Long Term	Short Term	Outlook
July 19, 2021	June 30, 2022	AA ₃	ST-2	Stable

Issue Rating:

Date of Rating	Valid Till	Long Term	Short Term	Outlook
April 7, 2020	June 30, 2022	AA ₃	n/a	Stable

For the detail Credit Rating Report of the issue and the issuer, please see **Annexure- (b)**


Khwaja Shahriar
 Managing Director & CEO
 LankaBangla Finance Limited


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 LankaBangla Finance Limited


Mohammad Saleh Ahmed
 Chief Executive Officer
 IIDFC Capital Limited

15 LATEST DEFAULT MATRIX AND TRANSITION STATISTICS OF CRC

15.1 Default Matrix

CRAB rating's default Study 2020

Rating Category	1-Year Default Rate	3-Year Cumulative Default Rate (CDR)
AAA	0.00%	0.00%
AA	0.00%	0.00%
A	0.00%	0.00%
BBB	0.00%	0.00%
BB	0.00%	0.00%
B	0.00%	0.00%
CCC	0.00%	0.00%

15.2 Transition Matrix

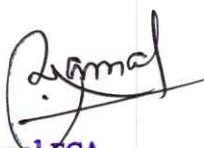
CRAB rating's transition Matrix (2019-2020)

Previous Rating	Rating after 1 year						
	AAA	AA	A	BBB	BB	B	CCC
AAA	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AA	0.00%	97.22%	2.78%	0.00%	0.00%	0.00%	0.00%
A	0.00%	3.76%	93.55%	2.69%	0.00%	0.00%	0.00%
BBB	0.00%	0.00%	2.43%	95.74%	1.83%	0.00%	0.00%
BB	0.00%	0.00%	0.00%	12.90%	87.10%	0.00%	0.00%
B	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%
CCC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%


Each row corresponds to a previous rating.

Each column corresponds to a rating after 1 year.


Khwaja Shahrlar
 Managing Director & CEO
 LankaBangla Finance Limited


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 Company Secretary
 LankaBangla Finance Limited


Shamim Al Mamun, FCA
 Executive Vice President &
 Chief Financial Officer
 LankaBangla Finance Limited


Mohammad Saleh Ahmed
 Chief Executive Officer
 IIDFC Capital Limited

16 DESCRIPTION OF THE TRUSTEE

IIDFC Capital Limited has blended its operations in a manner that the demand side and supply side of the capital market can be well covered and the needs of the customers from both the sides of the market are addressed adequately. The operations of the company, as stipulated by the Bangladesh Securities and Exchange Commission (BSEC), encompass the following broad areas:

1. Issue Management
2. Underwriting
3. Portfolio Management Services, and
4. Corporate Advisory Services

The company incorporated in Bangladesh on 30 November 1995 vide certificate of incorporation no. C-H.C 2097 in the name of South Asia Capital Limited which was acquired by Industrial and Infrastructure Development Finance Company Limited (IIDFC), a non-banking financial institution on 10 December 2009 and renamed as IIDFC Capital Limited.

On 26 April 2010 it obtained license from Bangladesh Securities and Exchange Commission (BSEC) vide its registration certificate no. MB 41/2010 to carry out its merchant banking operations.

Board of Directors

Sl	Name	Designation
1	Mr. Md. Matiul Islam	Chairman
2	Mr. S. A. Chowdhury	Independent Director
3	Mr. Anisuz Zaman Chowdhury	Director
4	Mr. Md. Golam Sarwar Bhuiyan	Managing Director, IIDFC Limited

Profile of Board of Directors

Mr. Md. Matiul Islam, FCA

Chairman

Mr. Md. Matiul Islam, widely known amongst his friends and colleagues as the “Doyen of Banking and Financial Sectors” started his career with Pakistan Civil Service in 1952. In 1972, he was appointed as the First Finance Secretary of Bangladesh and was assigned with the uphill task of rebuilding the shattered financial sector and implement the scheme for nationalization of the banking sector. He also worked as the Secretary, Ministry of Industries, Alternate Executive Director in the World Bank, Head of UNIDO/ World Bank Cooperative Program, Vienna and Country Director for UNIDO, India. Always a creative man, Mr. Islam is the founder Chairman of AB Bank Ltd., International Leasing and Financial Services, National Housing Finance & Investment and the Industrial and Infrastructure Development Finance Company (IIDFC) Limited. He also promoted Credit Rating Agency of Bangladesh (CRAB). Mr. Islam completed his B.Com from Dhaka University securing First Class First and Masters in Public Administration from Harvard University, USA. He is also a Fellow of the Institute of

Chartered Accountants of Bangladesh. Mr. Islam is currently the Chairman of the Financial Institutions' Promoters' Association (FIPA) and Chairman of the Board of Trustees of the Bangladesh Institute of Governance and Management (formerly Civil Service College), Agargaon, Dhaka. He was honored with "Lifetime Achievement Award" by The DHL– Daily Star in July 2011.

Mr. S. A. Chowdhury
Independent Director

Mr. S. A. Chowdhury served as chairman at state-owned Bangladesh Krishi Bank. He has a wide experience of about five decades in banking and management which included his performance of responsibilities as CEO/Managing Director in leading local banks and financial institutions, in total eight, including Sonali Bank, Janata Bank, Bangladesh Krishi Bank, ICB, BSRS, and Jamuna Bank. He has extensive experience as Consultant of different organizations of government and the private sector.

Mr. S.A. Chowdhury obtained MBA from IBA Dhaka University and Masters Degree from Asian Institute of Management of Manila, Philippines. He participated in many banking and management related training courses conducted by famous training institutes at home and abroad. He is involved with different universities and training institutes such as IBA, BIBM, BIM, PATC, CMD, and BSTD as trainer / consultant.

Mr. Anisuz Zaman Chowdhury
Director

Mr. Anisuz Zaman Chowdhury had his C.A. degree from London in 1964 and is admitted as an Associate Member (ACA) of the Institute of Chartered Accountants in England & Wales. He is also admitted as F.C.A., a Fellow of the Institute of Chartered Accountants in England & Wales in 1975. He has served a number of internationally reputed Chartered Accounts Firms and is widely experienced in investments and in share market. Mr. Anisuz Zaman Chowdhury is a Financial Consultant of Bangladesh General Insurance Company Limited (BGIC) and also a Trustee Committee Member of BGIC.

Mr. Md. Golam Sarwar Bhuiyan
Managing Director, IIDFC Limited

Mr. Md. Golam Sarwar Bhuiyan joined IIDFC Limited as Managing Director on April 01, 2018. Prior to joining IIDFC, he had been working as Deputy Managing Director and Managing Director (CC) of National Finance Limited. He was CEO of AIBL Capital Management Limited and Managing Director of BMSL Investment Limited. He has 31 years of experience in NBFI and investment banking industries. He started his career in Micro Industries Development Assistance and Services (MIDAS) and worked there as General Manager and Head of Consultancy, Research & Training Department. He is an International Certified Trainer in the field of Entrepreneurship Development and Small Business Management. He also worked for MIDAS Financing Ltd. as Sr. General Manager (Credit & Investment) and for GSP Finance Co. Bangladesh Ltd. as Chief Operating Officer (COO).

Mr. Bhuiyan obtained MBA from Institute of Business Administration (IBA), University of Dhaka. Earlier, he completed graduation in International Relations from the same University.

Key Management

Mohammad Saleh Ahmed
Chief Executive Officer

Mr. Mohammad Saleh Ahmed joined IIDFC Capital Limited in November 2009 as AVP and has been serving as CEO of IIDFC Capital Limited since April 01, 2012.

He has about 19 years of experience in the financial sector. He started his career in Merchant Banking & Investment Division of Prime Bank Limited in April 2002. In his long investment banking career, he has worked in Export Import Bank of Bangladesh Limited and Trust Bank Limited.

Mr. Saleh is currently perusing Doctor of Business Administration (DBA) degree from Faculty of Business Studies of Dhaka University and has completed his MBA from North South University. He has a BBM degree from University of Mysore, India.

Status of Debt Issues to Which IIDFC Capital Limited Has Acted As the Trustee

The trustee—IIDFC Capital Limited—has not yet acted as the trustee to any debt securities.



Shwaja Shahriar
Managing Director & CEO
LankaBangla Finance Limited



Mostafa Kamal FCA
Company Secretary
LankaBangla Finance Limited



Shamim Al Mamun, FCA
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited



Mohammad Saleh Ahmed
Chief Executive Officer
IIDFC Capital Limited

17 MODUS OPERANDI OF THE ISSUE

17.1 Application Procedure

The Bonds shall be distributed through private placement.

Each investor (Bondholder) shall enter into a separate Subscription Agreement with the Issuer and shall be bound by the terms and conditions contained in such Subscription Agreement which includes detail rights and obligations of the investors.

Closing: Subject to the conditions precedent contained in the Subscription Agreement, the closing of the issue of the Bonds shall take place on the Closing Date.

Investor Representation Letter: On the date indicated in the Subscription Agreement, the Bondholders will execute and deliver a letter addressed to the.

Payment of net issue proceeds: On each Closing Date, of the Bondholders shall pay the purchase price of Bonds to the Issuer in Bangladesh Taka.

Registration: On each Closing Date, the Issuer shall procure that the principal amount of Bonds subscribed for by the Bondholders for which payment has been received in accordance with the Subscription Agreement and are registered in name of the Bondholders (with a notation on the Register and on each Bond Certificate identifying the Issue Date of such Bond Certificate).

Issue: On the Closing Date, the Issuer shall duly execute and deliver the Bond Certificates to the Trustee for authentication. Promptly following the Closing Date, the Issuer will deliver to each Bondholder Bond Certificates, duly authenticated by the Trustee and representing such Investor's entire holding of Bonds.


17.2 Allotment:

Bonds

Each series of Bonds will be represented by Bond Certificates. On the date on which any Bond Certificates are issued, the Register shall be completed by the Issuer. On or promptly following the date of issuance, the Issuer shall procure delivery of the duly executed and authenticated Bond Certificates to the registered Bondholders.

The Bond Certificates

The Bond Certificates will be printed in accordance with applicable legal requirements substantially in the forms set out in Trust Deed. The Bond Certificates will be endorsed with the Conditions.


Khwaja Shahriar
Managing Director & CEO
LankaBangla Finance Limited
Mostafa Kamal FCA
Company Secretary
LankaBangla Finance Limited
Shamim Al Mamun, FCA
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited
Mohammad Saleh Ahmed
Chief Executive Officer
LankaBangla Finance Limited

Signature

The Bond Certificates and any replacement thereof will be signed manually by a duly authorised person(s) designated by the Issuer and will be authenticated manually by or on behalf of the Trustee. Bond Certificates so executed and authenticated will be binding and valid obligations of the Issuer.

Entitlement to treat Registered Holder as owner

The Register shall be prima facie evidence of any matter in relation to the rights under the Bonds. Each of the Issuer and the Trustee may deem and treat the holder of a Bond whose name appears in the Register as the holder of all rights and interests in such Bond, free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate holder of such Bond (whether or not the Bond shall be overdue and notwithstanding any notation of rights or interest or other writing thereon or any notice of previous loss or theft of the Bond Certificate issued in respect of that Bond) for all purposes and, except as ordered by a court of competent jurisdiction or as required by applicable law, the Issuer, the Trustee shall not be affected by any notice to the contrary. All payments made to any such holder of Bond shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for the moneys payable upon the Bonds.

17.3 Form, Denomination and Title**Form and Denomination**

The Bonds, (each, a "Series") are issued in registered form via private placement in a minimum denomination of BDT 1,000,000.00 (BDT one million) per Bond and BDT 6,000,000.00 (BDT six million) per lot in face value and integral multiples thereof. The Bonds will be issued by the Issuer in the name of the Bondholders at the Issue Price. A bond certificate (each a "Bond Certificate") will be issued to each Bondholder in respect of its registered holding of each series of Bonds. Each Bond and each Bond Certificate will be numbered serially with an identifying number which will be recorded on the relevant Bond Certificate and in the register of Bondholders (the "Register"), the Issuer and a copy of which will be kept by the Registrar. The Issuer may, without the consent of the Bondholders of a Series, create and issue other Series of Bonds with the same terms and conditions as the Bonds (except for the Issue Date and the Redemption Date).

Title

Title of the Bonds passes only by transfer and registration in the Register. A registered Bondholder shall (except as otherwise required by law) be treated as the absolute owner of such Bond for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Bond Certificate relating thereto (other than the endorsed Instrument of Transfer) or any notice of any previous loss or theft of such Bond Certificate) and no person shall be liable for so treating such Bondholder. In these provisions "Bondholder" and (in relation to a Bond) "holder" means the person in whose name a Bond is registered in the Register as owner of the Bond. In the event of any inconsistency between the Register, the record of the holders in the Register shall prevail.

Register

The Issuer will maintain an authoritative Register and will procure that the Trustee maintain a duplicate register in respect of the Bonds, in accordance with the provisions of the Subscription Agreement. The "Holder" of a Bond means the person in whose name such Bond is for the time being registered in the Register (or, in the

case of a joint holding, the first named thereof) and "Bondholder" shall be construed accordingly. The Register shall be prima facie evidence of any matter in relation to the rights under the Bonds except as ordered by a court of competent jurisdiction or as required by applicable law. Bondholders and the Trustee shall be entitled to inspect the Register and take copies therefrom upon payment of fees as may be prescribed by the Issuer from time to time.

17.4 Status of Bond

- (A) The Bonds shall constitute direct, unconditional and unsecured obligations of the Issuer and shall at all times rank paripassu and without any preference or priority among themselves. The payment obligations of the Issuer in respect of the Bonds (whether on account of principal or otherwise) will rank paripassu with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. For the avoidance of doubt, nothing shall require the exercise or enforcement of any other right or remedy prior to the exercise of any right or remedy to recover any amount under or in respect of the Bonds from the Issuer. No collateral is or will be given for the payment obligations under the Bonds and any collateral that may have been or may in the future be given in connection with other indebtedness of the Issuer shall not secure the payment obligations under the Bonds. The Bonds are eligible for as collateral for a loan by the Issuer.
- (B) The Bondholders shall not be entitled to any of the rights and privileges available to the members of the Issuer including, the right to receive notices of or to attend and vote at general meetings or to receive annual reports of the Issuer. If, however, any resolution affecting the rights attached to the Bonds is placed before the members of the Issuer, such resolution will first be placed before the Bondholders for their Authorization.
- (C) The rights of the holders of Bonds against the Issuer (including for principal and interest) are junior in right of payment to its obligations to Senior Creditors. In the event of any insolvency, receivership, conservatorship, reorganisation, readjustment of debt or similar proceedings or any liquidation or winding up of or relating to the Issuer, whether voluntary or involuntary, all such obligations of the Issuer shall be entitled to be paid in full before any payment shall be made to the Bondholders in respect of the Bonds. In the event of any such proceedings, after payment in full of all sums owing on such prior obligations, the Bondholders and any other payment required to be made to a creditor in respect of indebtedness which ranks or is expressed to rank paripassu with the Bonds, shall be entitled to be paid from the remaining assets of the Issuer. Nothing herein shall impair the obligation of the Issuer, which is absolute and unconditional, to redemption fulfil its payment obligations under the Bonds according to these Conditions. For this purpose, "Senior Creditors" shall mean creditors of the Issuer other than creditors in respect of indebtedness where, by the terms of such indebtedness, the claims of the holders of that indebtedness rank or are expressed to rank paripassu with, or junior to, the claims of the Bondholders.
- (D) The Bonds are not a deposit and are not insured by the Deposit Insurance Scheme as per The Bank Deposit Insurance Act 2000. The Bonds are in-eligible to be kept as collateral for a loan or credit facility by the Issuer.
- (E) Each Bondholder unconditionally and irrevocably waives any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Bond. No collateral is or will be given for the payment obligations under the Bonds and any collateral that

may have been or may in the future be given in connection with other indebtedness of the Issuer shall not secure the payment obligations under the Bonds.

- (F) The Bonds shall be distributed to Eligible Persons comprising of financial institutions, corporates and high net worth individuals via private placement only and may only be transferred to another Eligible Person.

17.5 Payments

Calculation of Discount Rate

- The Bonds shall be issued on their respective Issue Date at the discount rate range of 7.25% - 9% p.a. (the "Discount Rate"). Such discount rate is payable on the Redemption Date of each Bond in arrears, subject as provided in this Trust Deed.
- All amounts resulting from any calculations will be rounded upwards to the nearest unit (if 0.5 of a unit or higher) and downwards to the nearest unit (if less than 0.5 of a unit) of BDT.

Payments to Bondholders

Payment of redemption amount and other payments (if any) will be made on the Redemption Date by the Issuer to the Bondholders. All such payments shall be made by the Issuer to the Paying Agent for distribution to the respective Bondholders against presentation or surrender of the relevant Bond Certificate to Trustee as per the Agency Agreement.

Payments subject to applicable laws

All payments in respect of the Bonds are subject in all cases to any applicable laws and regulations of Bangladesh, but without prejudice to the Events of Default. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

Payments on Business Days

Payments will be made by the Issuer (a) (in the case of payments of principal and Discount Rate payable on redemption) on the later of the due date for payment and the day on which the relevant Bond Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of the Paying Agent. A holder of a Bond shall not be entitled to any payment in respect of any delay in payment resulting from the due date for a payment not being a Business Day.

Partial payments

Where the Issuer makes a partial payment in respect of any Bond, it shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Bond Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Bond Certificate.

Record Date

Each payment in respect of a Bond will be made to the person shown as the holder in the Register at the close of business on the day that is ten Business Days before the due date for such payment (the "Record Date").

Default Rate

If the Issuer fails to pay any sum in respect of the Bonds on the Redemption Date under the Trust Deed, Issuer shall pay Default Rate to the Bondholders from the Redemption Date until the date of payment of such amount to the Bondholders.

Failure to Surrender the Bond Certificate

In the event of any Bondholder not surrendering the Bond Certificate, for which the Trustee is ready to distribute a pay order/ cheque delivered to it by the Issuer, within seven (7) days, after the Redemption Date, the Trustee shall return the said unclaimed instrument to the Issuer who shall be at liberty to deposit in a scheduled bank in the name of the Issuer in an account for the purpose, an amount equal to the amount due to such Bondholders in respect of such Bond and upon such deposit being made subject to the condition that the monies deposited therein shall be withdrawn for settling the future claim of the Bondholders, the Bond which the Issuer is ready to pay or satisfy as aforesaid shall be deemed to have been paid off or satisfied in accordance with the provisions hereof. The Issuer agrees to furnish an undertaking from such scheduled bank that withdrawals from the no lien account shall be permitted only to meet the claims of the Bondholders.

Payment to Nominee

If the Holder of a Bond is a natural person he may appoint a nominee who shall on the death of the Holder of a Bond is entitled to all money in relation to the Bond held in the name of the Bondholder in the Register. Bondholder shall inform the Trustee in the prescribed form under Schedule 5 below the name of his nominee and upon receipt of such information the Trustee shall record the name of nominee in the Register and shall inform the Issuer. If the Holder of a Bond is more than one person each Holder of a Bond may appoint a nominee for himself who shall hold the Bond along with the surviving Holder of the Bond. Payment by the Trustee to the nominee on the Redemption Date on the death of the Bondholder shall be sufficient to discharge payment obligations of the Issuer to the Bondholders.

17.6 Taxation

All payments made by the Issuer under or in respect of the Bonds and the Trust Deed will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Bangladesh or any authority thereof or therein having power to tax ("Tax Deduction"), unless Tax Deduction is compelled by law.

17.7 Events of Default

Non-Payment: a default is made in the payment due remain unpaid for seven days from the due date in respect of the Bonds;

Downgrade of Credit Rating: the credit rating of the Issuer and of the Bonds falling below Investment Grade or the failure to provide the written confirmation of the credit rating of the Issuer and of the Bonds to the Trustee;

Breach of Other Obligations: the Issuer does not perform or comply with one or more of its other obligations in the Bonds or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 90 days after written notice of such default shall have been given to the Issuer by the Trustee;

Misrepresentation: any representation or statement made or deemed to be made by the Issuer in any Bond Document or any other document delivered by or on behalf of the Issuer under or in connection with any Bond Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;

Insolvency: the Issuer is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer; an administrator or liquidator of the Issuer or the whole or any material part of the assets and turnover of the Issuer is appointed (or application for any such appointment is made);

Cross-Default: (a) any other present or future indebtedness (whether actual or contingent) of the Issuer for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any event of default or the like (howsoever described), or (b) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (c) the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (iv) have occurred equals or exceeds BDT 100,000,000 or its equivalent in any other currency on the day on which such indebtedness becomes due and payable or is not paid or any such amount becomes due and payable or is not paid under any such guarantees or indemnity;

Enforcement Proceedings: a distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any material part of the property, assets or turnover of the Issuer and is not discharged or stayed within 90 days;

Security Enforced: an encumberer takes possession or an administrative or other receiver or an administrator or other similar officer is appointed of the whole or a material part of the property, assets or turnover of the Issuer and is not discharged or stayed within 90 days;

Winding-up: an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or the Issuer ceases or threatens to cease to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution of the Bondholders;

Nationalisation: (a) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or (b) the Issuer is prevented from exercising normal control over all or a material part of its property, assets and turnover;

Governmental Intervention: by or under the authority of any government or of the Bangladesh Bank (as the case may be) (a) the management of the Issuer is wholly or partially displaced; or (b) the authority of the Issuer in the conduct of its business is wholly or partially curtailed; or (c) any of the Shares of the Issuer or any material part of its assets is seized, nationalised, expropriated or acquired;

Repudiation: it rescinds or purports to rescind or repudiates or purports to repudiate a Bond Document or evidences an intention to rescind or repudiate a Bond Document.

Illegality: it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds or the Trust Deed;

Material Adverse Change: any event or circumstance (or any series of events or circumstances) occurs which the Trustee reasonably believes might have a Material Adverse Effect;

17.8 Acceleration

If an Event of Default occurs and is known to the trustee, the trustee shall give notice of the default within seven days after it occurs to Bond Holders and BSEC, and shall convene a Meeting of the Bond Holders.

If no Meeting is held after providing notice or the Meeting does not adopt any Extraordinary Resolution instructing the Trustee, the Trustee shall declare all other amounts accrued or outstanding under the Bonds be immediately due and payable, whereupon they shall become immediately due and payable and the Trustee can proceed to file Enforcement Proceedings. If the Meeting takes place and adopt any Extraordinary Resolution instructing the Trustee, the Trustee shall follow those instructions.

The trustee shall incur no liability if it follows the Extraordinary Resolution or, if there is no Extraordinary Resolution, the procedures required by this Trust Deed, and notwithstanding anything contained in the Trust Deed, Trustee will not be bound to take any Enforcement Proceedings unless it shall have been indemnified and/or secured to its satisfaction.

17.9 Enforcement Proceedings

At any time after the Bonds have become due and repayable, the Trustee may, without further notice to Issuer, take any action, remedy or method of judicial proceedings for the enforcement of rights of Bondholders as may be available under the Governing Law from time to time (Enforcement Proceedings) against the Issuer. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

17.10 Application of Moneys

All moneys received by the Trustee in respect of the Bonds or amounts payable under the Trust Deed, under an Enforcement Proceeding or otherwise, will be held by the Trustee on trust to apply them (subject to the terms of the Trust Deed):

- first, in payment or satisfaction of the costs, charges, expenses and liabilities incurred by, or other amounts owing to, the Trustee in relation to the preparation and execution of the Trust Deed (including remuneration of the trustee) agreed between the trustee and the Issuer but not paid by the issuer;
- secondly, in payment of any amounts due and owing by the Issuer to any Agent under the agency Agreement;
- thirdly, in or towards payment paripassu and rateably of all amounts remaining due and unpaid in respect of the Bonds; and
- fourthly, the balance (if any) in payment to the Issuer for itself.

17.11 Certificates/Reports

Any certificate or report of any expert or other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report and/or engagement letter or other document entered into by the Trustee and/or the Issuer in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.

17.12 Replacement of Certificates

If any Bond Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Issuer with intimation to the Registrar, upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may require. Mutilated or defaced Bond Certificates must be surrendered before replacements will be issued.

17.13 Notices

Addresses for notices

All notices and other communications hereunder shall be made in writing (by letter or fax) and shall be sent as follows:

Issuer: If to the Issuer, to it at:

- a) Address: LankaBangla Finance Limited
Safura Tower (Level 11) 20,
Kemal Ataturk Avenue, Banani,

Dhaka 1213, Bangladesh
Attention: Quamrul Islam
SEVP & Head of Treasury & Fls

- b) Trustee: If to the Trustee, to it at
Address: IIDFC Capital Limited
PFI Tower, 3rd Floor, 56-57 Dilkusha C/A, Dhaka-1000
Attention: Mohammad Saleh Ahmed
Chief Executive Officer

17.14 Effectiveness

Every notice or other communication sent shall be effective if sent by letter, seven days after the time of despatch and if sent by fax or email, 24 (twenty four) hours after the time of dispatch provided that any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee.

17.15 Notices to Bondholders:

All notices are validly given if:

- a) mailed to the Bondholders at their respective addresses in the Register; or
- b) published in one English newspaper and one Bengali newspaper, each having wide circulation in Bangladesh; or
- c) emailed to the Bondholders at their respective addresses set out in the Issuer Register

Any such notice shall be deemed to have been given on the seventh day after being so mailed or on the later of the date of such publications.

Indemnification

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

Cancellation

All Bonds which are redeemed by the Issuer, will forthwith be cancelled.




Khwaja Shahriar
Managing Director & CEO
LankaBangla Finance Limited



Mostafa Kamal FCA
Company Secretary
LankaBangla Finance Limited



Shamim Al Mamun, FCA
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited



Mohammad Saleh Ahmed
Chief Executive Officer
IIDFC Capital Limited

17.16 Termination

Date of Termination of the Trust

- The Trust shall be extinguished when all liabilities, if any, are repaid in full in accordance with the Trust Deed and the Conditions.
- Notwithstanding anything to the contrary in the Trust Deed or the other Bond Documents, the Settlor may revoke the Trust with the express consent of all Beneficiaries of the Trust and the permission from the BSEC.

The Bondholders may give a termination notice to the Issuer at any time on or prior to the Closing Date if:

- Breach of obligation: the Issuer fails to perform any of its obligations under the Subscription Agreement;
- Failure of condition precedent: any of the conditions precedent is not satisfied or waived by the Bondholders on the Closing Date; or
- Force majeure: since the date of the Subscription Agreement there has been (i) any material outbreak or escalation of hostilities involving Bangladesh or declaration by Bangladesh of a national emergency or war or other calamity or crisis or (ii) a material adverse change in economic, political or financial conditions or currency exchange rates or exchange controls in Bangladesh or international market, of such magnitude and severity in its effect on the financial markets as to make it impracticable or inadvisable to proceed with the offer, sale, distribution or delivery of the Bonds.

17.17 Mode of Redemptions and Transfers

Redemption

On any scheduled or early redemption of the Bond, the Issuer shall:

- accept for payment on a pro rata basis of Bonds or portions thereof that are being redeemed in accordance with that Clause; and
- deposit with the Paying Agent money sufficient to redeem all the Bonds or portions thereof so accepted together with any interest thereon.



Khwaja Shahriar
Managing Director & CEO
LankaBangla Finance Limited



Mostafa Kamal FCA
Company Secretary
LankaBangla Finance Limited



Shamim Al Mamun, FCA
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited



Mohammad Saleh Ahmed
Chief Executive Officer
IDFC Capital Limited

Scheduled Redemption

The redemption of the Bonds will start from the end of the 06th month from the Issue Date and on each anniversary thereafter in equal instalment and the redemption value shall be paid by the Issuer through payment to Trustee on the Record Date (Scheduled Redemption Date).

Figure in BDT

End of Month	For the Entire Issue		For Each Lot	
	Draw Down	Repayment	Draw Down	Repayment
0	2,653,371,721	-	5,306,743	-
6	-	500,000,000	-	1,000,000
12	-	500,000,000	-	1,000,000
18	-	500,000,000	-	1,000,000
24	-	500,000,000	-	1,000,000
30	-	500,000,000	-	1,000,000
36	-	500,000,000	-	1,000,000
Total	2,653,371,721	3,000,000,000	5,306,743	6,000,000

The calculation has been done considering the coupon rate of 7.25%

Redemption at the Option of the Issuer

The Issuer may use the option of redeeming one or more series of the Bonds before the maturity at regular redemption date, subjected to prior approval from the Majority Bondholders. The early redemption can only be exercised at Scheduled Redemption Date. If the Issuer wishes to exercise this option, the immediate past matured bond shall be redeemed as per the schedule and next series of Bonds can only be redeemed early by paying an amount equal to the sum of:

- the Issue Price; and
- the product of the 2% higher of YTM (compounded annually) being applied to the Issue Price from (and including) the Issue Date to (but excluding) the date of actual redemption

The early redemption value shall be paid in full by providing Bangladesh Bank cheques in the name of respective Bondholders who are eligible to encash Bangladesh Bank cheques and Pay Order for others Bondholders to the Paying Agent based on the list of Bondholders provided by the Trustee an amount equivalent to pay the redemption price of all Bonds or portions thereof so accepted. However, the Issuer shall communicate the early redemption information to the Investors at least 1 month before the exercise date

Redemption of Bonds after Scheduled Redemption Date

The Redemption Amount payable upon redemption of the Bond at any time after 30 Days of the Scheduled Redemption Date shall be an amount equal to the sum of:

- the Redemption Amount that would have been payable if the Bond had been redeemed on the Scheduled Redemption Date; and
- the product of the YTM (compounded annually) being applied to such amount from (and including) the Scheduled Redemption Date to (but excluding) the actual date of redemption; and
- the product of Default Rate being applied to aggregate of (i) and (ii) above

Information Memorandum (Draft)

LankaBangla Finance Limited Nonconvertible, Zero Coupon Bond

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Managing Director & CEO
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Mohammad Saleh Ahmed
Chief Executive Officer
IIDFC Capital Limited

Purchase

The Issuer or any of its Subsidiaries may at any time and from time to time purchase Bonds at any price as may be mutually agreed with respective Bondholder.

17.18 Transfer

A Bond may freely be transferred to another Eligible Person in Bangladesh (a "Transferee") upon surrender of the Bond Certificate issued in respect of that Bond, together with a duly completed and executed instrument of transfer (in the form attached to the Bond Certificate, a "Instrument of Transfer") by the registered holder of the Bond, as transferor (the "Transferor") or the proposed Transferee. A valid Instrument of Transfer shall be duly stamped, completed and executed by both the Transferor and the Transferee. If the Transferor or the Transferee is a body corporate, such Instrument of Transfer shall be executed by the authorised persons of the Transferor or the Transferee, as the case may be. Upon receipt of the Bond Certificate issued in respect of the Bond to be transferred along with the duly completed and executed Instrument of Transfer at the office of the Issuer, together with such evidence as the Issuer may reasonably require to prove (i) the title of the Transferor and (ii) the signature and authority of each of the individuals who have executed the Instrument of Transfer on behalf of the Transferor and the Transferee. Upon receipt of the Bond Certificate, the Instrument of Transfer and the other supporting documents named above, the authorised person of the Issuer shall approve and certify the transfer on behalf of the Board of Directors of the Issuer. If the Issuer refuses to register the transfer of any Bond it shall within 30 (thirty) days from the date on which the relevant Instrument of Transfer was lodged with the Issuer, send or cause to be sent notice of such refusal to both the Transferor and the Transferee. Where it is proved to the satisfaction of the Issuer that a duly completed and executed Instrument of Transfer has been lost, the Issuer may, in its discretion, on application in writing made by the Transferee and bearing such stamp as is required by an Instrument of Transfer, register such transfer on such terms as to indemnity as the Issuer may think fit. Where not all the Bonds represented by the surrendered Bond Certificate are the subject of the transfer, a new Bond Certificate in respect of the balance of the Bonds will be issued to the Transferor. The Issuer shall notify the Trustee of each such transfer.

17.19 Registration and Delivery of Bond Certificates

Within 5 (five) Business Days of receipt of notice by the Trustee of the approval of a transfer of Bonds by the Issuer, the Trustee shall (a) register the transfer in question in the Duplicate Register and procure the registration of such transfer in the Register. The Issuer shall make any necessary endorsements on the reverse of a Bond Certificate transferred in whole but not in part and (b) deliver a new Bond Certificate (or, in case of a transfer of Bonds in whole but not in part, the existing Bond Certificate), in each case in respect of which entries have been made in the Duplicate Register and the Register, of a like principal amount to the Bonds transferred to each relevant Bondholder (i) at its Specified Office or (ii) (at the request and risk of any such Bondholder) by uninsured first class mail to the address specified for the purpose by such relevant Bondholder.

Formalities Free of Charge

The transfer of a Bond will be effected without charge by or on behalf of the Issuer and the Trustee but against such indemnity as the Trustee may require in respect of any tax or other duty or governmental charges of whatsoever nature which may be levied or imposed in connection with such transfer.

18 DETAILS OF FEE STRUCTURE AND EXPENSES

- Regulatory Fees: the applicable regulatory fees payable to the BSEC in connection with the Issue.
- Professional advisers: the fees and expenses of the legal, financial, accountancy and other professional advisers instructed by the Issuer in connection with the creation and issue of the Bonds;
- Legal documentation: the costs incurred in connection with the preparation and execution of this Agreement and the Bond Documents;
- The fees and expenses of the Trustee and the Paying Agent of the Bond and the other parties to this Agreement and the Bond Documents;
- The cost of obtaining and maintaining any credit rating for the Bonds and the Issuer; and
- Other associated costs: other costs and expenses associated with the Issue including the fee payable to the arranger.




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Managing Director & CEO
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Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited



Mohammad Saleh Ahmed
Chief Executive Officer
IIDFC Capital Limited

19 Declaration about the responsibility of the directors, including the CEO of the issuer or originator in respect of the information memorandum

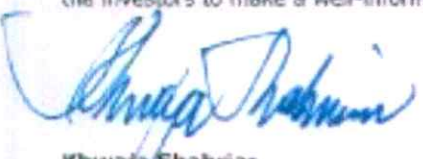
LankaBanglaTM
FINANCE

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20 Kemal Ataturk Avenue
Banani, Dhaka-1213, Bangladesh
Phone: +88 02 22283701-10
Fax: +88 02 588 10998
E-mail: info@lankabangla.com
Web: www.lankabangla.com
Financial Portal: http://lankabd.com

Declaration about the Responsibility of the Directors, including the CEO of the Issuer in respect of the Information Memorandum

This Information Memorandum has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which makes any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.


We also confirm that full and fair disclosures have been made in this Information Memorandum to enable the investors to make a well-informed decision for investment.


Khwaja Shahriar
Managing Director & CEO
Date: July 25, 2021


Khwaja Shahriar
Managing Director & CEO
LankaBangla Finance Limited


Mostafa Kamal FCA
Company Secretary
LankaBangla Finance Limited


Shamim Al Mamun, FCA
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited


Mohammad Saleh Ahmed
Chief Executive Officer
IIDFC Capital Limited

20 Due diligence certificate of the trustee



IIDFC CAPITAL LIMITED

(A Subsidiary of IIDFC)

Due Diligence Certificate of the Trustee

To
Chairman
The Bangladesh Securities and Exchange Commission
Securities Commission Bhaban
Plot# E-6/C, Agargaon, Sher-e-Bangla Nagar
Dhaka-1207, Bangladesh

Subject: Issuance of 3000 Non-convertible Zero Coupon Bond of BDT 1,000,000 each of LankaBangla Finance Limited

We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while act as trustee to the above-mentioned issue on behalf of the investors, have examined the draft Information Memorandum, Legal and other documents and materials as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer;

WE CONFIRM THAT:

- (a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft Deed of Trust and draft subscription agreement forwarded to the Commission has been approved by us;
- (b) we have also examined all documents of the assets to be charged with the Trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- (c) while examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;
- (d) we shall act as trustee to the issue as mentioned above as per provisions of the Deed of Trust to be executed with the issuer and shall assume the duties and responsibilities as described in the Deed of trust and in the IM;
- (e) we shall also abide by the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and
- (f) the above declarations are unequivocal and irrevocable.

For Trustee

Mohammad Saifur Rahman
Chief Executive Officer

Khwaja Shahriar
Managing Director & CEO
LankaBangla Finance Limited

Mostafa Kamel FCA
LankaBangla Finance Limited

Shamim Al Mamun, FCA
Executive Vice President &
LankaBangla Finance Limited

Chief Executive Officer
IIDFC Capital Limited

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Annexure – (a)

Audited financial report of the issuer

DRAFT


Khwaja Shahriar
Managing Director & CEO
LankaBangla Finance Limited


Mostafa Kamal FCA
Company Secretary
LankaBangla Finance Limited


Shamim Al Mamun, FCA
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited


Hammad Saleh Ahmed
Chief Executive Officer
IIDFC Capital Limited

Annexure – (b)

Detailed Credit Rating report of the issue and the issuer

DRAFT


Khwaja Shahriar
Managing Director & CEO
LankaBangla Finance Limited


Mostafa Kamal FCA
Company Secretary
LankaBangla Finance Limited


Shamim Al Mamun, FCA
Executive Vice President &
Chief Financial Officer
LankaBangla Finance Limited


Mohammad Saleh Ahmed
Chief Executive Officer
Green Delta Capital Limited