



# CHAMPIONING SUSTAINABILITY

## Sustainability Report 2022

Growing Together...



  
**LankaBangla**<sup>TM</sup>  
FINANCE

## ESG SCORECARD

	Goals Set	Target	Achievement
<b>Environment</b>	Comply with the central bank's guidelines to disburse 5% of disbursement for green finance	5%	<b>0.33%</b>
	Comply with the central bank's guidelines to disburse 20% of total disbursement for sustainable finance	20%	10.99%
	Reduce paper consumption by 5% by 2025 (over 2019 baseline)	(5%)	1.21%
	Reduce electricity and water consumption by 5% by 2025 (over 2019 baseline)	(5%)	(25.21%)
	Loan portfolio will not include any organization that pollutes the environment significantly including tobacco company		No environmentally harmful investments made
	20% of the annual CSR budget will be allocated to Environment & Climate Change Mitigation & Adaptation	20%	8%
<b>Social</b>	Increase female to total employee ratio by 2025	25%	20%
	Ensure female participation in leadership role by 2025	10%	3%
	Conducting training on health and safety for all employees	02	03
<b>Governance</b>	Ensure woman leadership in board level	20%	20%
	Ensure Anti - Corruption training for FTE every year	90%	91%

## ABOUT THE REPORT

[GRI: 102-1](#), [GRI: 102-46](#), [GRI: 102-50](#), [GRI: 102-51](#), [GRI: 102-52](#), [GRI: 102-53](#), [GRI: 102-54](#), [GRI: 102-56](#)

LankaBangla Finance Limited and its subsidiaries recognized the significance of long-term growth in terms of environmental, social, and economic aspects. This sustainability report is an illustrated portrayal of its performance in the key focus areas and material topics of 2022 as compared to previous years and the industry. LankaBangla Finance Limited, often known as the Company or LBFL, and its subsidiary companies are collectively referred to as the Group or the LBFL Group.

### Reporting Guidelines

The Report has been prepared in congruence with the 'GRI Standards – Core' option for reporting performance on material topics, as disclosed in the materiality assessment section. A comprehensive list of disclosures made in accordance with GRI standards, as disclosed in the GRI Content Index in this Report, with references to GRI standards.



### Reporting Boundary

The Boundary encompasses all relevant general and particular disclosures required to meet GRI reporting context standards for all topics designated as material under our materiality assessment.

### Reporting Principles

We assessed materiality by taking into account stakeholder interest and the impact of the themes on the business. This report explicates the entire evaluation process, data collection procedures, and the report's legitimacy. Finally, we disclosed both the good and negative impact of our performance to ensure reliability.



### External Assurance

Currently we do not have any practice of taking any external assurance on any report except financial statements and corporate governance guidelines.

### Feedback

We need your input to ensure that we cover the topics that are important to you. You can send an email to [info@lankabangla.com](mailto:info@lankabangla.com).

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## ABOUT LANKABANGLA

GROWING TOGETHER FOR A SUSTAINABLE FUTURE...

*LankaBangla Finance Limited (LBFL), a major integrated financial services company in Bangladesh, crafts and delivers products and solutions that enable its customers to shape their future. We assist to the nation's inclusive and sustainable development agenda, with a special emphasis on responsible finance, as well as global sustainability goals, in the process. We are infusing sustainability into every lending and investment decision, with a special focus on Economic, Social, and Environmental predispositions, driven by proven experience and an unwavering focus on governance. Our clients are at the heart of all we do at LBFL. We have a diverse foothold across the financial services sector, allowing us to address our customers' long-term demands.*

*We wish to be at the forefront of social change and green transition, drafting a long-term sustainability strategy, embedding all the factors in our risk framework and improving transparency. We recognize the importance of being purpose-driven global leaders, contributing to a more equitable and sustainable society: this is a great business opportunity we cannot miss.*

More than 1,200  
number of employees

Growth of women  
liability product by  
25%

Reduced paper  
consumption by 25%

FUM reached to BDT  
160,807 million

## ORGANIZATIONAL OVERVIEW

[GRI: 102-2](#)

LankaBangla is the country's leading provider of integrated financial services including corporate financial services, retail financial services, SME financial services, stock broking, and corporate advisory and wealth management services. Under the broadest umbrella of products and service offerings, we are the lone financial institution to operate credit card (MasterCard and VISA). Since 2006 LankaBangla has been listed in both DSE & CSE in Bangladesh. Two decades back LankaBangla Finance Limited started its journey in 1997 as a joint-venture financial institution in multinational collaboration with a license from Bangladesh Bank under Financial Institution Act-1993.

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

LankaBangla practices participatory management and adheres to industry's best practices in all its endeavors. Increasing stakeholders' value is a natural driving force for the people at LankaBangla. Our long-standing sustainability efforts are creating environmental and social value while we move forward. By embracing high ethical standards, governance, and transparency, LankaBangla dreams to go further and grow bigger. Its ethos is simple. The company envisions its success lies in becoming the growth partner of its enterprising clients. LankaBangla is committed to empowering lives and inspire changes in immunity.

### Mission

- Be a growth partner for our customers, ensuring financing and superior experience
- Maintain a culture of meritocracy in the DNA of the company
- Be sustainable and ensure quality returns to our valued shareholders
- Uphold efforts

### Vision

To be the most preferred financial service provider in creating, nurturing and maximizing value to the stakeholders, thereby, Growing Together.

### Core Values

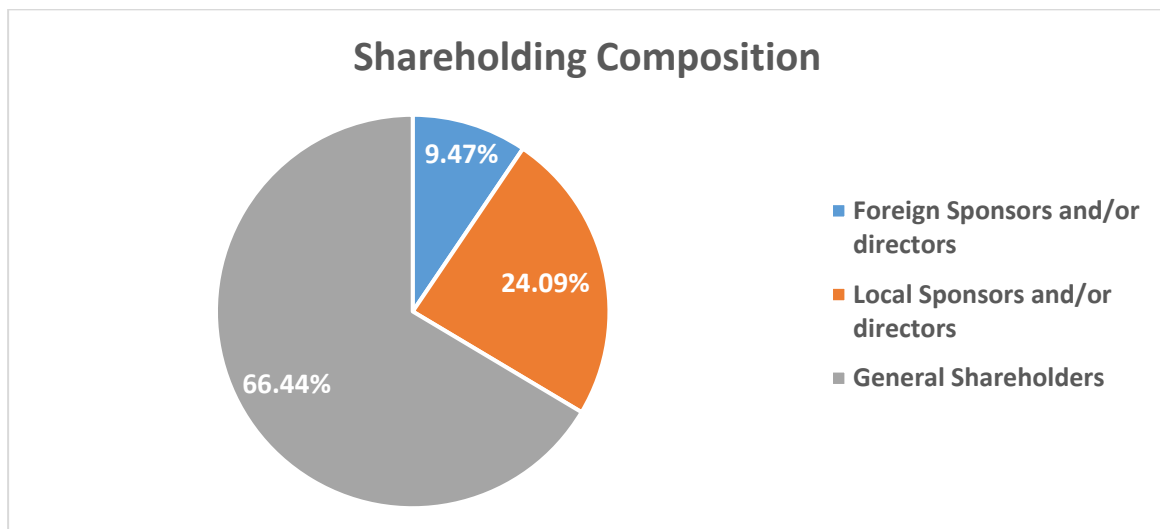
We have strong values that are well embedded in our culture. Our values create the following goals to help us deliver our strategy:

- Cherish a sense of ownership
- Be customer centric
- Grow as a team
- Act with integrity and professionalism
- Deal with respect

## SHAREHOLDING COMPOSITION

GRI: 102-5

<b>Authorized Capital:</b>	<b>Number of Shares</b>	<b>BDT</b>
<b>(Ordinary Shares of TK. 10.00 each)</b>	1,000,000,000	10,000,000,000
<b>Paid up Capital:</b>	<b>Number of Shares</b>	<b>BDT</b>
<b>(Ordinary Shares of TK. 10.00 each)</b>	538,838,623	5,388,386,230
<b>Details of shareholding structure is as under:</b>		
<b>Sponsors and/or directors</b>	<b>Total Holding (No. of Share)</b>	<b>% of Shareholding</b>
<b>a) Foreign Institution:</b>		
<b>Sampath Bank PLC (Sri Lanka)</b>	51,036,605	9.47%
<b>Sub-Total</b>	<b>51,036,605</b>	<b>9.47%</b>
<b>b) Local Institution:</b>		
<b>ONE Bank Limited</b>	20,362,737	3.78%
<b>Sub-Total</b>	<b>20,362,737</b>	<b>3.78%</b>
<b>c) Individuals:</b>		
<b>Mr. Mohammad A Moyeen</b>	22,842,546	4.24%
<b>Mrs. Aneasha Mahial Kundanmal</b>	41,503,844	7.70%
<b>Mr. Mahbubul Anam</b>	23,998,741	4.45%
<b>Mr. Tahsinul Huque</b>	20,993,703	3.90%
<b>Mrs. Jasmine Sultana</b>	77,883	0.01%
<b>Sub-Total</b>	<b>109,416,717</b>	<b>20.31%</b>
<b>Sponsors and/or directors Total</b>	<b>180,816,059</b>	<b>33.56%</b>
<b>General Shareholders</b>	<b>358,022,564</b>	<b>66.44%</b>
<b>Grand Total</b>	<b>538,838,623</b>	<b>100.00%</b>





## BUSINESS OVERVIEW

[GRI: 102-2](#)

### Corporate Financial Services Division

There are few NBFIs that can deliver the full range of 360-degree corporate finance solutions to large and middle-market organizations in both the public and private sectors, as the LBFL team can.

The value we provide is evidenced through our unique relationship model, industry experience, and local market advantage through the units which are Large Corporate, Emerging Corporate, Supply Chain Finance, Project, Structured and Sustainable Finance and Corporate Liability.

### Retail Financial Services Division

Individuals' requirements are met by the Retail Financial Service Division, which provides a variety of particular financial services. LankaBangla Finance's Retail Division is an industry leader in retail financial services by offering innovative, tailored solutions and services. The division currently offers services through three (three) distinct sectors: Loan Unit, Card Center, and Deposit. Auto Loan, Home and Mortgage Loan, Personal Loan, Credit Card, Retail Liability, and Alternative Business Delivery Channel are the division's six service units (ABDC).

### CMSME Financial Services Division

Cottage, micro, small, and medium enterprises (CMSMEs) are widely recognized around the world as the lifeblood of local trade, commerce, and industry. With less energy supply, fewer infrastructure facilities, and less environmental risk, CMSMEs contribute significantly to poverty alleviation, job creation, women empowerment, equitable income distribution, and industrial sector diversification in Bangladesh.

### Treasury & FI Division

Treasury is the "Financial Hub" which operates as a financial clearing house for all the parts of an organization. Traditionally, fund management is the key function of Treasury that ensures availability of funds at the Right Time, Right Place at the possible Minimum Cost.

### Capital Market

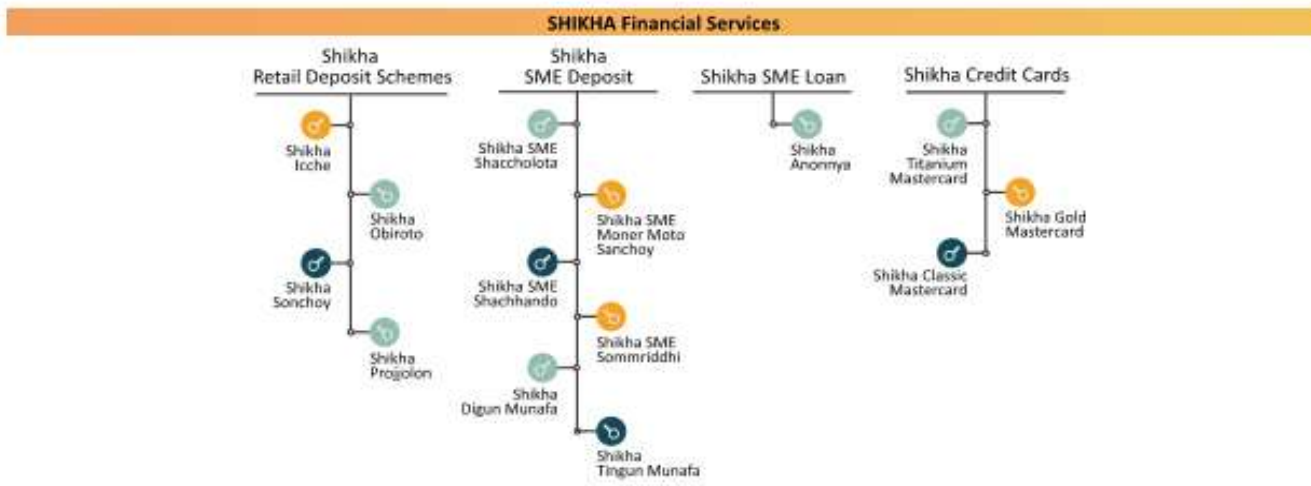
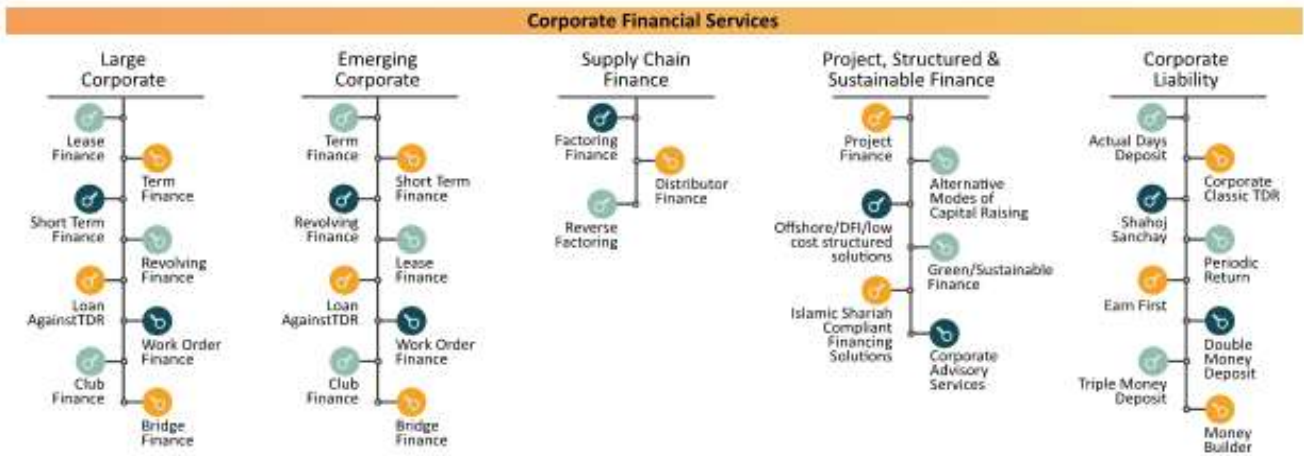
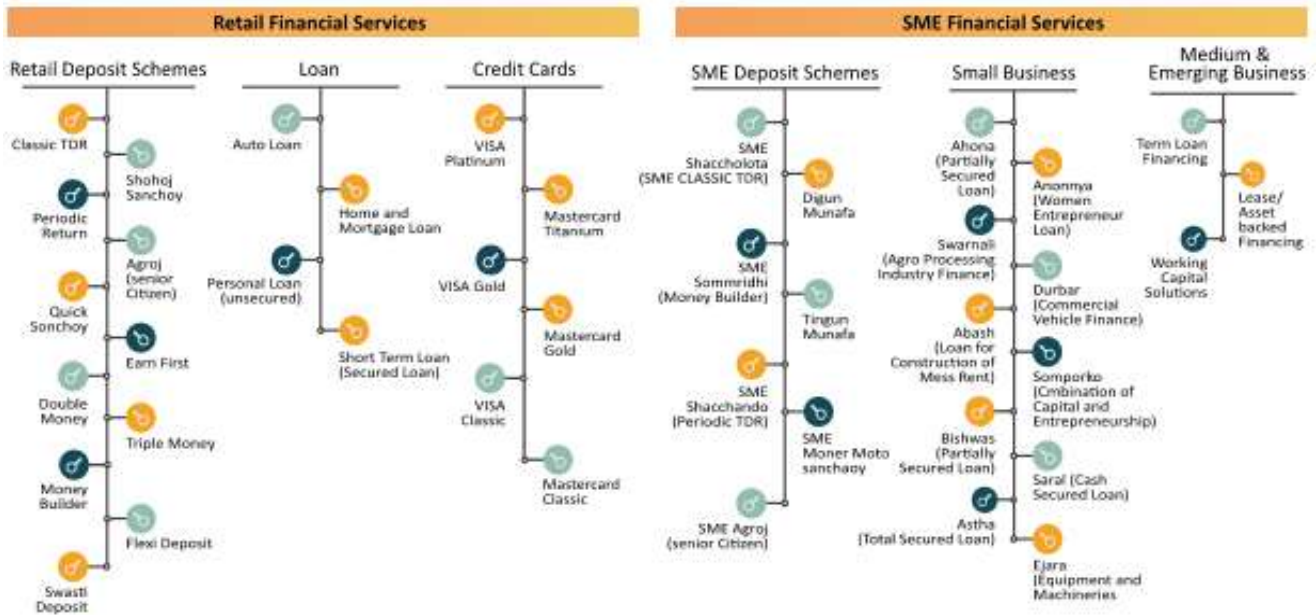
LankaBangla's Capital Market Team is in charge of developing equity and fixed income investment strategies, trading at proprietary funds, and effectively managing risks. The portfolio is managed using a top-down-bottom-up investment process that is fueled by economic, sector, and company fundamental research, as well as technical quantitative analysis.

Wings of LankaBangla Group's Capital Market companies are as follows-

- LankaBangla Securities Limited
- LankaBangla Investments Limited (LBIL)
- LankaBangla Asset Management Company Limited (LBAMCL)
- Information technology service
- LankaBangla Information System Limited (LBIS)
- Media- BizBangla Media Limited

# PRODUCTS AND SERVICES

GRI: 102-2, 102-7



## SECTOR WISE PORTFOLIO

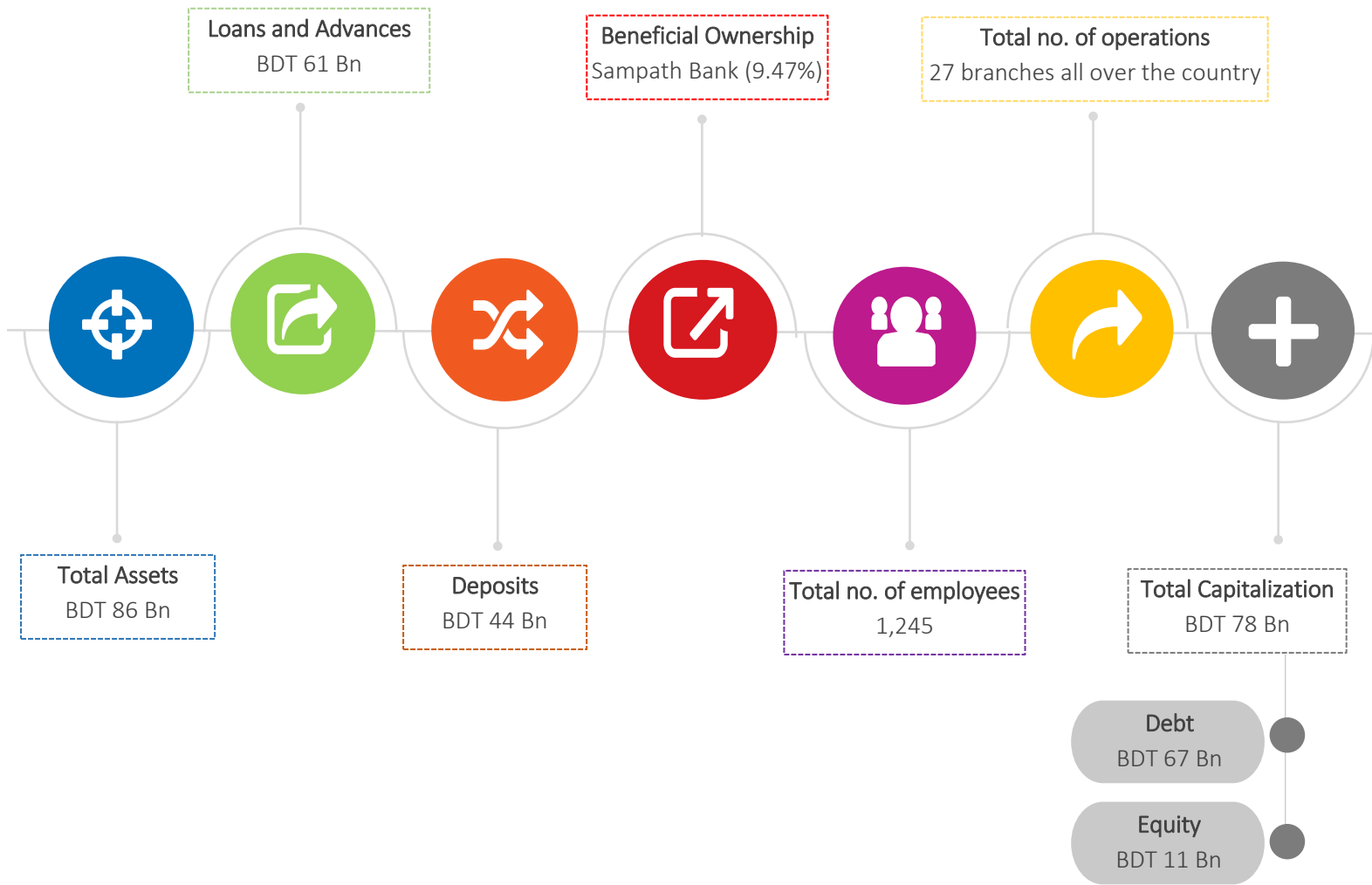
GRI: 102-6

SL. No.	Particulars	Amount (in BDT mn)	% of Total
1	<b>Trade &amp; Commerce</b>	<b>11,758.94</b>	<b>19.17%</b>
2	<b>Industry</b>		
	A. Garments & Knitwear	2,363.32	3.85%
	B. Textiles	1,948.91	3.18%
	C. Food Production, Processing & Rice Mills	5,224.60	8.52%
	D. Jute & Jute products	121.19	0.20%
	E. Plastic & Rubber Industry	1,303.19	2.12%
	F. Leather & Leather goods	288.16	0.47%
	G. Iron, Steel & Engineering	2,059.87	3.36%
	H. Pharmaceuticals & Chemicals	1,355.01	2.21%
	I. Cement & Allied Industry	1,711.81	2.79%
	J. Paper, Packaging, Printing, Publishing & Allied Industry	512.71	0.84%
	K. Wood, Furniture & Fixture	151.13	0.25%
	L. Glass, Glassware & Ceramic Industry	1.28	0.00%
	M. Ship Manufacturing & Breaking	-	0.00%
	N. Electronics & Electrical Products	1,425.13	2.32%
	O. Power, Gas, Petrollium, Water & Sanitary	597.15	0.97%
	P. Transport & Aviation	2,244.74	3.66%
	Q. Others	-	0.00%
3	<b>Agriculture</b>		
	A. Crops	-	0.00%
	B. Forestry	0.88	0.00%
	C. Poultry & Livestock	342.65	0.56%
	D. Fisheries	4.73	0.01%
	E. Others (Cold Storage, Biofuel, Seed, Feed, Agri-related Other Institutions & Services)	863.39	1.41%
4	<b>Mining &amp; Quarrying</b>	5.59	0.01%
5	<b>Housing</b>		
	A. Individual/Retail Housing	8,181.28	13.34%
	B. Project/Commercial Housing	-	0.00%
6	<b>Financial Corporation</b>		
	A. Bank	-	0.00%
	B. Financial Institution	-	0.00%
	C. Insurance Company	1.00	0.00%
	D. NGO	2,152.66	3.51%
	E. Audit & Accounting firm	11.63	0.02%
	F. Credit Rating Agency	-	0.00%
	G. Merchant Banking	-	0.00%
	i. Loans to Own Subsidiaries	1,576.68	2.57%
	ii. Loans to Other FI/Bank Subsidiaries	-	0.00%
	iii. Loans to Brokerage House	375.34	0.61%
	H. Other Financial Auxiliaries	-	0.00%
7	<b>Service</b>		
	A. Education, Career & Training (Institutional), Consultancy Supervisory	251.41	0.41%
	B. Tourism, Hospitality & Logistics	1,034.99	1.69%
	C. Health Sector	388.26	0.63%

	D. Media, Advertising & Event Management	92.95	0.15%
	E. Beautification & Gym	5.23	0.01%
	F. Tailoring & Laundry	13.07	0.02%
	G. Private Survey Institution	-	0.00%
	H. Restaurant Service, Catering & Online Food Supplier	61.46	0.10%
	I. Telecommunication & Information Technology	1,127.93	1.84%
	J. Others	1,328.72	2.17%
<b>8</b>	<b>Consumer Finance</b>		
	A. Personal Loan	1,956.24	3.19%
	B. Auto Loan	2,741.64	4.47%
	C. Employee/Staff Loan	433.77	0.71%
	D. Credit Card	4,786.39	7.80%
	E. Loan Against Deposit	526.15	0.86%
<b>9</b>	<b>Others</b>	-	0.00%
	<b>Grand Total</b>	<b>61,331.19</b>	

# SCALE OF THE ORGANIZATION

GRI: 102-7



## CORPORATE GOVERNANCE AND RISK MANAGEMENT

*LankaBangla's overarching risk management strategy is backed by a well-defined risk appetite, a thorough policy framework, strong governance structures, and suitable risk identification, measurement, and management tools and methodologies.*

*Our practice is led by our percipient leaders, who are harmonized by our Board of Directors and the Chairman, in order to stay within the guidelines for a purposeful and steady journey toward success. This technique guarantees that LankaBangla's corporate governance is transparent and effective.*



## STATEMENT FROM THE CHAIRMAN

[GRI: 102-14](#)




*“  
Innovation  
and Sustainability  
are well  
embedded into  
our business. We  
seek to ensure  
that, as we  
continue to grow  
from strength to  
strength, we take  
intentional and  
conscientious  
decisions to  
reduce our  
environmental  
impact on the  
planet, improve  
the quality of life  
of the  
communities we  
serve and run our  
company with the  
highest level of  
integrity.”*

Sustainability and related socioeconomic areas are a collective responsibility. As a responsible institution, LankaBangla has always strived to align its business actions with the societal requirements. As Bangladesh's leading NBF, LBFL is uniquely positioned to effect positive change across the nation. The Company is proud to shoulder this responsibility and has, therefore, embodied sustainability in its core values to drive and inspire action towards fulfilling national aspirations.

LBFL is funding sectors such as agriculture, livelihood generation, housing and renewable energy, which are playing a significant role in enhancing the resilience of communities. The Company is also leveraging its domain expertise to foster financial inclusion and literacy, through its outreach, products and services. Special consideration is given to design and tailor offerings in order to drive progress on SDGs concerning gender equality, generating livelihood directed at illiteracy reduction, promoting clean energy and climate action, among others.

Reducing the environmental impact of the Company's operations has also been a priority, in line with its commitment to going for green and sustainable financing. This is combined with LBFL's initiatives in other areas including education, skill development, healthcare, sanitation, rural development and women's empowerment, to drive sustainability in a holistic manner. The COVID-19 pandemic and the impending global crisis arising due to the geopolitical tension around the major economies of the world has highlighted and brought to the fore the need for a concerted effort to overcome the disruptions touching all aspects of human life.

The Company remains unwavering in its commitment to ensuring that its own success and resilience translate into that of all its stakeholders. As we embark on the journey of recovery and rebuilding, I invite your feedback and suggestions on how LBFL can amplify the value it creates for society.



**Mohammad A. Moyeen**

Chairman

27 April, 2023

## STATEMENT FROM THE CEO AND MANAGING DIRECTOR

[GRI: 102-14](#)



*“ We are fully cognizant of our overarching responsibility, not only towards our shareholders but also to wider society during this period of painful economic transition and are completely invested in generating opportunities for value creation. In striving to achieve this objective, LankaBangla intends to adopt the highest standards of governance, stringent internal controls and effective risk management practices in order to facilitate stable and sustainable growth. ”*

Even in the unprecedented trying times arising out of COVID-19 and the lockdowns needed to contain the virus' spread, as well as the growing geopolitical tension LankaBangla's focus remained on ensuring uninterrupted services without sacrificing health and safety. This translated into increased harmony and cohesion within the Company, to serve customers, communities and other stakeholders. I take pleasure in presenting the second installment of our Sustainability Report in compliance with GRI-Core standards, which showcases efforts undertaken in FY 2021-22 to usher in a sustainable, inclusive and prosperous future.

As one of the major NBFIs, we believe customer service has always been a key differentiator for LBFL, which has helped it earn and retain the trust of its large customer base. Specifically, during the pandemic and with the insurmountable sufferings of the people in 2022 due to economic crises, we have stood by our customers, taking proactive measures to support them. Close monitoring of the Company's portfolio helped identify sectors that were most likely to be affected. Remedial measures have been taken to support these businesses, while also mitigating credit risk. Responsible finance has been an integral aspect of LBFL's strategy to effect positive change. It has helped leverage the organisation's core strength to drive progress on national and global developmental goals.

In recent years, LBFL has also aligned its products, services and community development initiatives towards a digital drive. The Company has been investing in analytics and digital technologies to assess customer needs, improve product delivery, enhance customer satisfaction and optimize operational efficiency. These digital interventions have proved to be instrumental during the past few years, ensuring seamless service delivery and significantly reducing risk for employees and customers as well.

In its continuous pursuit to be future ready, The Company has accorded considerable focus towards upskilling its workforce. The past year, as a drive towards its ESG goals, the LBFL opted for gender and workforce inclusivity and development of its people, enhanced its range of equity and empowerment towards the society and women. Several online learning initiatives have been launched for skilling/reskilling of LBFL's workforce. Recognizing the unique stressors facing people during these volatile times, emotional wellbeing initiatives like webinars, ted talks and programmes on mental health and resilience-building were also done.

The Company is constantly striving to ensure energy and resource efficiency, health and comfort, and responsible waste management at its facilities. Going forward, the Company's new facilities will also be in compliance with green norms, cementing the commitment to internalising sustainable practices.

It is clear that rebuilding measures will be most inclusive if they are sustainable, inclusive and accessible to all. This report offers a snapshot of LBFL's endeavor to support its customers, workforce, communities, investors and other stakeholders and how it has been contributing to development efforts in a sustainable manner.

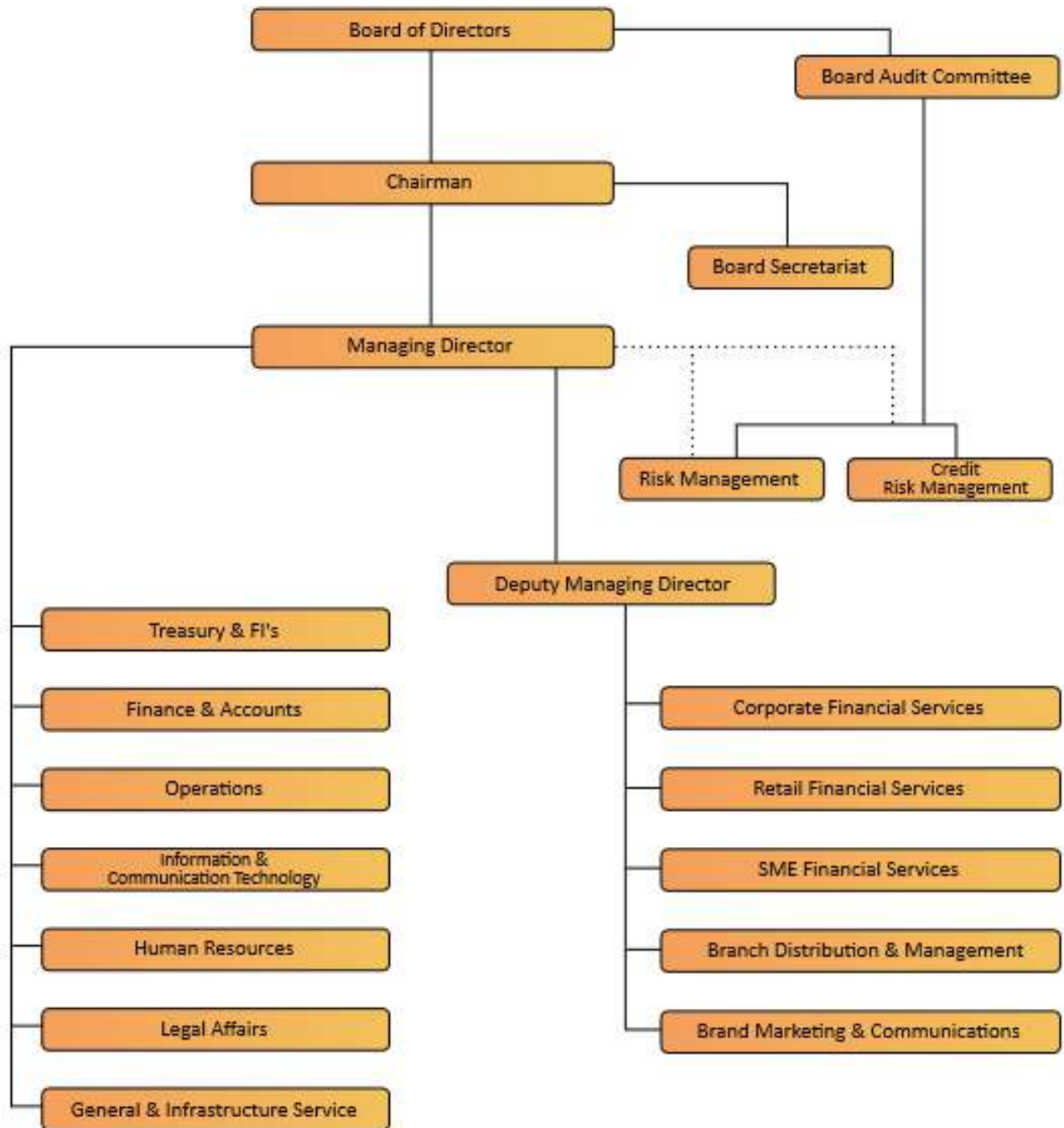
Thank you!



**Khwaja Shahriar**  
Managing Director & CEO  
27 April, 2023

# ORGANOGRAM OF LANKABANGLA

GRI: 102-18





## MANAGEMENT COMMITTEE

[GRI: 102-18](#)

LBFL's solid performance during these challenging times is a testament to the Management Committee's relentless pursuit of creating a sustainable and resilient brand and has been successful to live up to its efforts so far. The Management Committee has thirteen members in total, chaired by the Managing Director, and includes other Business and Department Heads as members. The Management Committee of LankaBangla Finance is focused on upholding its fundamental principles, which range from being customer-centric to operating with honesty and professionalism, overseeing the on-going operations of the Company and opts to go for proper implementation of planning of the future so that the company can act up on it.



### Sitting from the left

- 01 **Quamrul Islam**  
Head of Treasury & FI
- 02 **Khurshed Alam**  
Head of Retail Financial Services
- 03 **Khwaja Shahrar**  
Managing Director & CEO
- 04 **Mostafa Kamal, FCA**  
Group Company Secretary
- 05 **A. K. M. Kamruzzaman, FCMA**  
Head of Operations

### Standing from the left

- 06 **Mohammad Shoib**  
Head of Corporate Financial Services
- 07 **Muhammad Habib Haider**  
Head of GIS
- 08 **Mohammed Kamrul Hasan, FCA**  
Chief Risk Officer
- 09 **Shamim Al Mamun, FCA**  
Chief Financial Officer

- 10 **Mohammad Hafiz Al Ahad**  
Head of Human Resources
- 11 **Kamruzzaman Khan**  
Head of SME Financial Services

- 12 **Sheik Mohammad Fuad**  
Head of Information & Communication Technology
- 13 **Mohammad Nazmul Hasan Tipu, CFA**  
Chief Credit Officer



## BOARD OF DIRECTORS

GRI: 102-18

The key to the designing of the administrative structure and procedures through the adoption of strategic planning and counselling is played well by the LBFL Board of Directors, who strives to give justice to one of its visions of being the most preferred financial service provider. The Board is responsible for the design and implementation of governance procedures, which includes the selection of senior management. As a whole, under their progressive leadership, the Board offers strategic guidance to Management for accomplishing its vision while adhering with all relevant regulations criteria and generating returns to shareholders. LBFL’s Board of Directors is comprised of ten experienced and qualified personnel, including two independent directors and two female directors, one of whom is an independent female director.

*LankaBangla Finance’s corporate governance approach promotes transparency, accountability, and the creation of long-term value.*

### Corporate Governance Structure



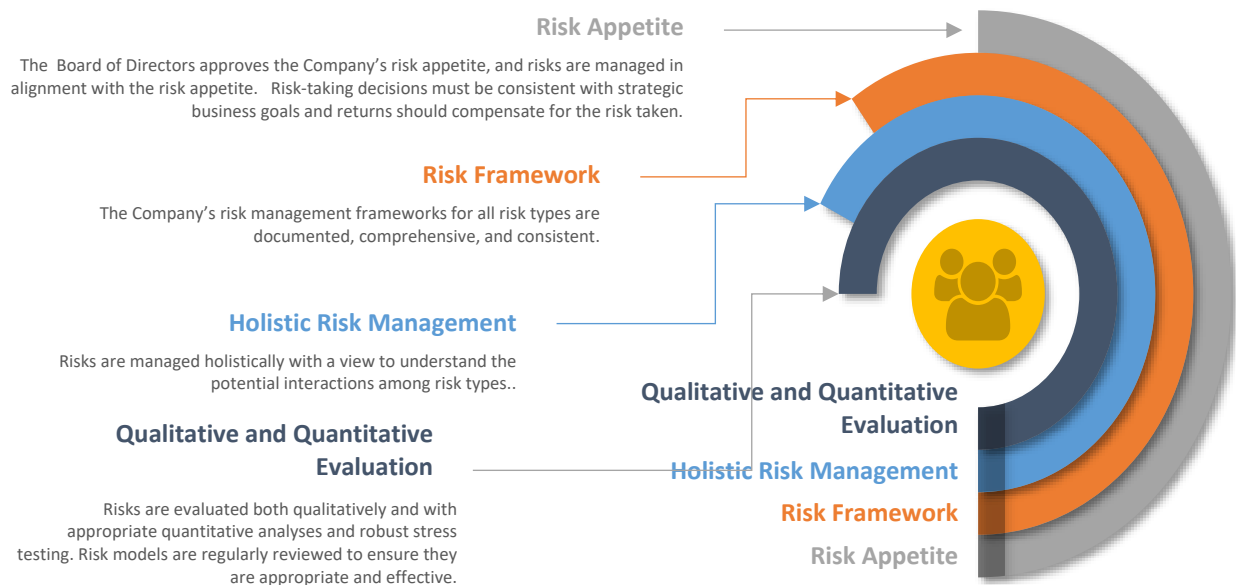
### Governance Systems



## RISK MANAGEMENT APPROACH

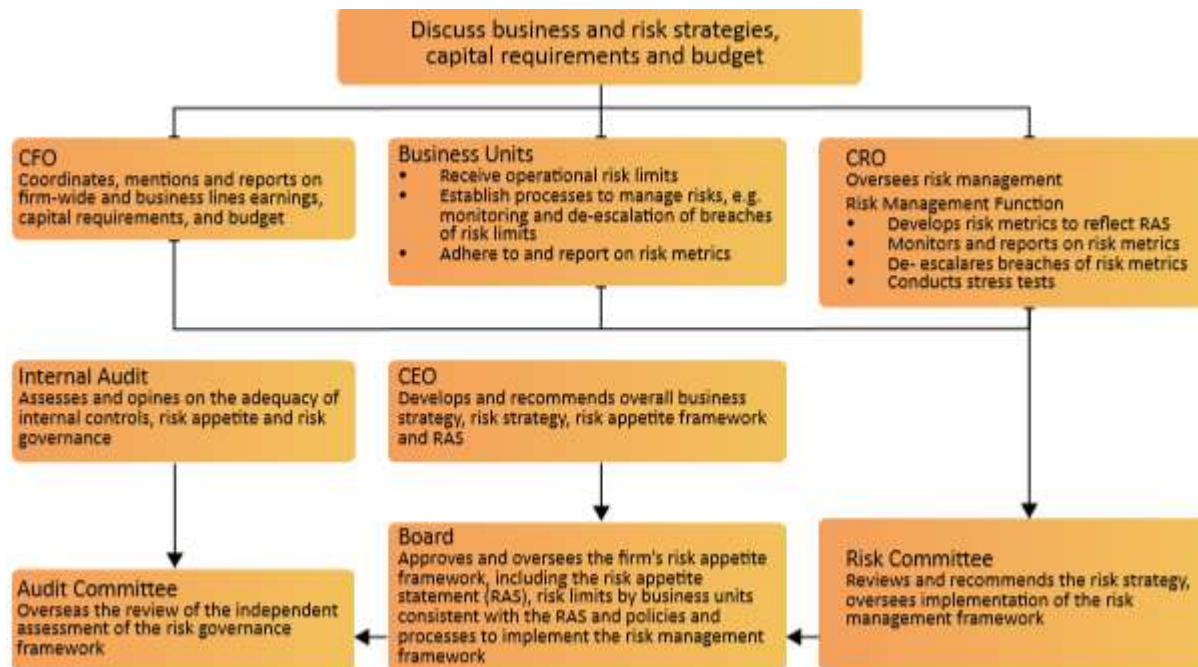
**GRI: 102-11**

LankaBangla’s overall approach to risk management is supported by a well-defined risk appetite, comprehensive policy framework, effective governance structures and appropriate tools and techniques to identify, measure and manage risk.

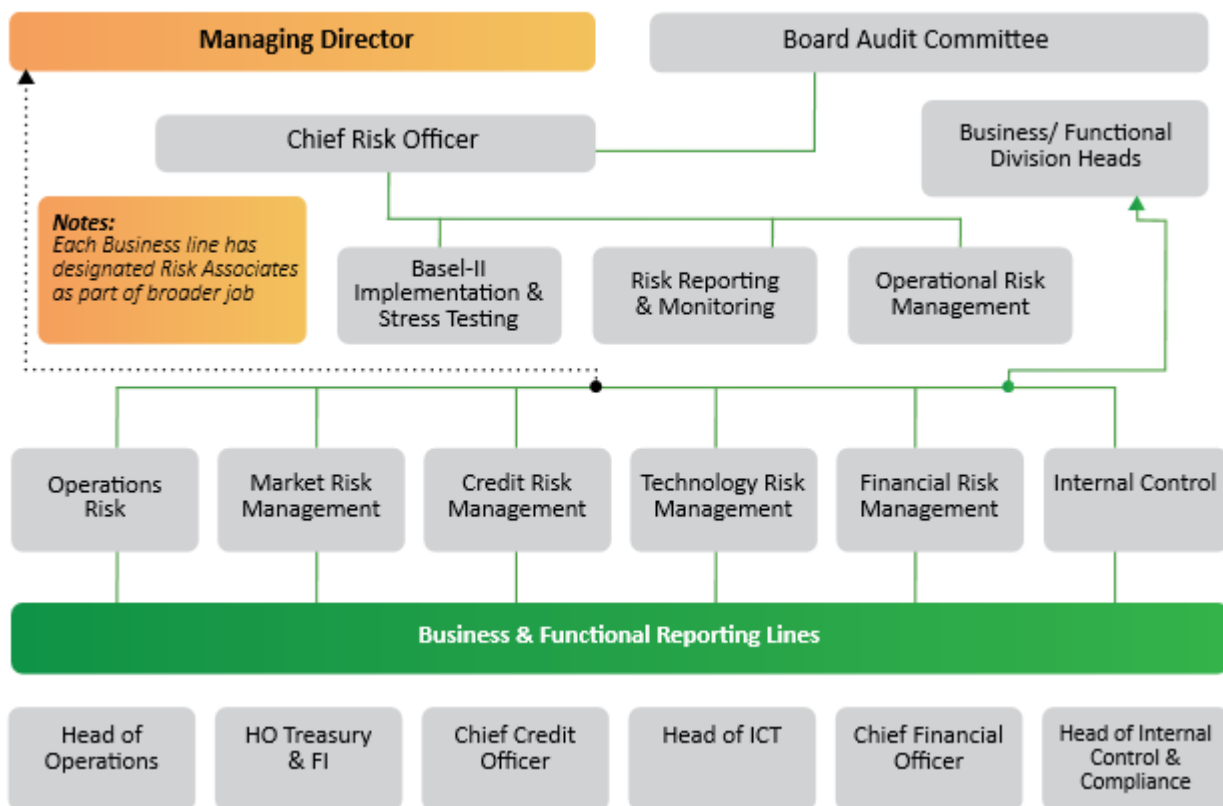


Strong risk management capabilities are critical to the success of a well-managed financial organization. The Risk Management function is the major resource for driving such skills in LankaBangla, and it complements the risk and control operations of other areas such as Internal Audit and Legal & Compliance. The following are the key components of LBFL’s risk management approach: strong risk governance; robust and comprehensive processes for identifying, measuring, monitoring, controlling, and reporting risks; sound assessments of capital adequacy relative to risks; and a rigorous system of internal control reviews involving internal and external auditors.

## Risk Governance and Organization



## Risk Management Structure



## Risks and Strategic Responses

Risk Type	Specific Risk	Strategic Intent	Risk Severity	Risk Mitigation Technique	Outlook for 2023
Credit Risk	Default Risk	To achieve sustainable growth	High	<ul style="list-style-type: none"> <li>- Collateral coverage</li> <li>- Hypothecation</li> <li>- Guarantee with high net worth individuals</li> <li>- Risk transfer</li> <li>- Exposure management</li> <li>- Risk-based pricing</li> </ul>	<p>Enhancing assessment quality and increasing process efficiency through automation will be critical to long-term funding. As a result, LBFL CRM plans to introduce comprehensive risk management systems that will integrate facility development, risk assessment, mitigation, and monitoring under a single canopy.</p>
	Recovery Risk	To achieve sustainable growth	High		
		To improve operational efficiency			
Concentration Risk	To achieve sustainable growth	Moderate			
Market Risk	Interest Rate Risk	To achieve sustainable growth	Moderate	<ul style="list-style-type: none"> <li>- Monitors average yield levels and COF is monitored on a monthly basis</li> <li>- Review of current interest rate environment</li> <li>- Monitors movement of key interest rate indices</li> <li>- Maturity gap analysis</li> <li>- Pursue cheaper sources of funding</li> </ul>	<p>Interest rate risk measurement techniques will be improved further. Additionally, improvement in ROA will be given priority as portfolio starts to mature. Furthermore, ROE will be maintained in the event of additional cash inflow. Our vigilance will continue to tackle the</p>
		To maintain strong funding mix			
	Equity Price Risk	To achieve sustainable growth	High		
		To maintain strong funding mix			

					equity price risk
<b>Liquidity Risk</b>	<b>Funding Liquidity Risk</b>	To achieve sustainable growth	High	<ul style="list-style-type: none"> <li>- Minimizing maturity gap</li> <li>- Array of diversified funding sources</li> <li>- Monitoring funding position daily</li> <li>- Maintaining strong line of credit with banks</li> <li>- Continuous effort to reduce bank dependency</li> <li>- Keeping adequate Tier-I and Tier-II capital beyond the BB's requirement</li> <li>- 2-3 months buffer fund for addressing liquidity shortfalls</li> </ul>	Liability growth will be one of the key areas of concentration going forward. Special emphasis on retail and CMSME deposits will be given. Efforts will also be made towards increasing the proportion of long term funds in funding baskets. More funding opportunities from refinancing schemes of Bangladesh Bank will be explored
		To maintain strong funding mix			
	<b>Market Liquidity Risk</b>	To achieve sustainable growth	High		
		To maintain strong funding mix			
<b>Operational Risk</b>	<b>People Risk</b>	To achieve sustainable growth	Moderate	<ul style="list-style-type: none"> <li>- Instilled various internal controls</li> <li>- Business continuity planning (BCP) and disaster recovery planning (DRP)</li> <li>- Whistleblowing policies and reporting procedures</li> <li>- Multiple telecommunication channels</li> <li>- Adoption of operational risk management techniques</li> </ul>	Ensuring effective and integrated operational risk management procedures is LBFL's continued focus. The Company strives to build a network of systems throughout the company to facilitate the collection of data for analyzing and assessing its
		To attract, retain and develop talented employees			
	<b>Process Risk</b>	To achieve sustainable growth	Moderate		
		To improve operational efficiency			
	<b>System Risk</b>	To achieve sustainable growth	High		
		To improve operational efficiency			

	<b>External Risk</b>	To achieve sustainable growth	High		operational risk exposure
<b>Strategic Risk</b>	<b>Positioning Risk</b>	To achieve sustainable growth	High	<ul style="list-style-type: none"> <li>- Tackling performance against the strategic plan, competitors, and industry on a regular basis</li> <li>- Integrated planning across the Company, along with discussion and engagement with all the relevant parties at the planning stage of essential projects</li> <li>- Setting KPIs at branch, department, divisional and organizational levels, and aligning and updating strategies based on changes of factors</li> <li>- Ensuring person-fit role through robust recruitment, retention, training and development processes</li> </ul>	Improving decision accuracy and speed by improving research, increasing the quantity of reports, expanding automation to improve coverage of business intricacies, timeliness, and early detection of budget deviations will be prioritized
		To maintain strong funding mix			
		To attract, retain and develop talented employees			
		To continuously improve operational efficiency			
		To advance our social cause			
	<b>Implementation Risk</b>	To achieve sustainable growth	High		
		To maintain strong funding mix			
		To attract, retain and develop talented employees			
		To continuously improve operational efficiency			
		To advance our social cause			
<b>ICT Risk</b>	<b>Funding Liquidity Risk</b>	To achieve sustainable growth	Moderate	<ul style="list-style-type: none"> <li>- Adequate awareness and training for users and IT personnel</li> <li>- Compliance of policy, SOP and Periodic review of policy and procedure</li> </ul>	The Company plans to sustain strong risk culture through enhancing ICT risk framework, enforcing stringent rules, continuous assessment
		To continuously improve operational efficiency			
	<b>Information Security Risk</b>	To achieve sustainable growth	High		



		To continuously improve operational efficiency		<ul style="list-style-type: none"> <li>- Limiting external email and web access</li> <li>- Securing IT asset disposal</li> </ul>	and monitoring progress
	<b>Business Continuity Risk</b>	To achieve sustainable growth	High	<ul style="list-style-type: none"> <li>- Work from home (WFH) infrastructure</li> <li>- Periodic business continuity plan (BCP)</li> </ul>	
		To continuously improve operational efficiency			
<b>Legal Risk</b>	<b>Compliance Risk</b>	To achieve sustainable growth	High	<ul style="list-style-type: none"> <li>- Aligning in-house policies and procedures with regulatory laws and regulations</li> <li>- Adequate employee training by type</li> <li>- Due diligence for STR</li> <li>- Transaction monitoring</li> </ul>	Increased focus on effective operation of operational risk management key control standards
	<b>Money Laundering Risk</b>	To achieve sustainable growth	High		
		To advance our social cause			
<b>Reputation Risk</b>		To achieve sustainable growth	Moderate	<ul style="list-style-type: none"> <li>- Strong board oversight on matters of strategy, policy, execution, and transparent reporting</li> <li>- Investing to build our brand recognition</li> <li>- Customer feedbacks</li> <li>- Strong vigilance in maintaining internal control over financial reporting</li> <li>- Deploying effective disclosure controls and procedures</li> </ul>	By focusing on building goodwill, engaging customers and managing and resolving potential issues, we plan to improve our reputational risk management
		To attract, retain and develop talented employees			
		Advance our social causes			

## JOURNEY TOWARDS SUSTAINABILITY

*LBFL believes that long-term value generation for all stakeholders is critical as a major player in Bangladesh's finance sector. We seek to align all decisions with the ultimate goal of achieving financial performance and investment returns while minimizing environmental, social, and governance risks. LBFL is committed to decreasing the Company's negative environmental and social imprint across all internal and external operations.*

*LBFL has established and implemented mechanisms to stimulate, sway, or mandate its stakeholders and business partners to minimize environmental impact, protect the environment, provide a safe and healthy workplace for their employees and contractual staff, and restore living standards for those impacted by project operations, wherever relevant and necessary.*

## COMPLIANCE TO SUSTAINABLE BUSINESS PRACTICES STANDARDS

[GRI: 102-12](#)

LankaBangla Finance Ltd. Strives to conduct business in accordance with national and international norms, legislation, and initiatives that are recognized as essential aspects for a competent non-banking financial institution in terms of environmental, societal, and governance (ESG) parameters.

Business Standard	Organization	Status	Implementation Timeline
<b>GRI Standard</b>	Global Reporting Initiatives	Incorporated as organizational recommendation for sustainability reporting	31 <sup>st</sup> March, 2022
<b>ESRM Standard</b>	Environmental & Social Risk Management	To ensure sustainable finance mandated by Bangladesh Bank	12 <sup>th</sup> February, 2019

## STAKEHOLDERS ANALYSIS

GRI: 102-40

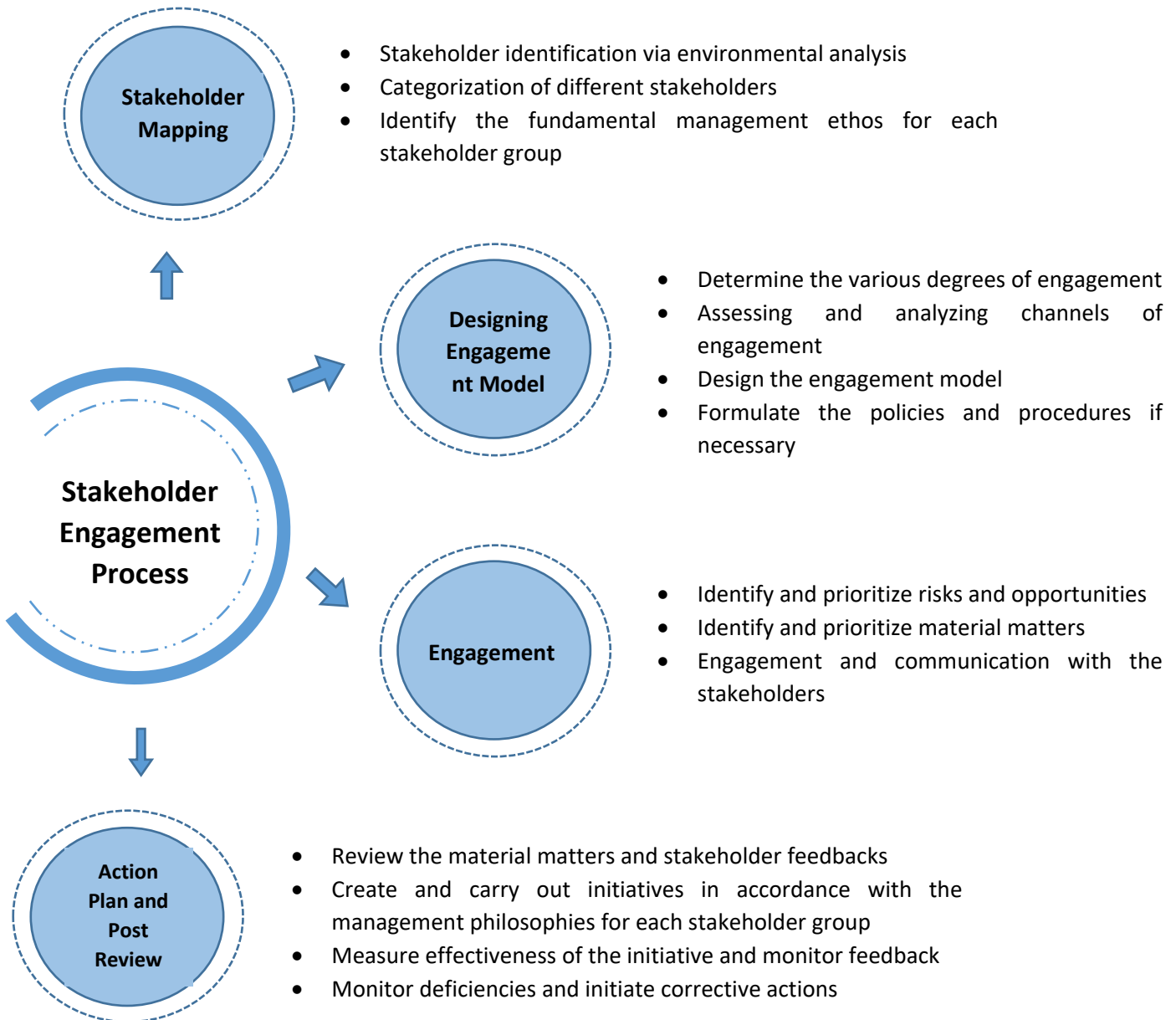
Our stakeholders are entities or individuals who are substantially related to our core business activities across our value chain at locations where we operate and/or whose actions are expected to significantly affect the Company's ability to achieve its objectives. On this basis, we have grouped our stakeholders firstly as internal and external. Internal stakeholders refer to our employees who comprise Team LBFL, while external stakeholders consist broadly of our shareholders and investors, customers, suppliers, lenders, regulatory bodies and the wider community.



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

<b>Influence by LBFL on Stakeholder</b>	<b>High</b>			<ul style="list-style-type: none"> <li>➤ Investors/Shareholders</li> <li>➤ Customers</li> <li>➤ Employees</li> <li>➤ Board Members</li> </ul>
	<b>Medium</b>		<ul style="list-style-type: none"> <li>➤ Suppliers &amp; Business partners</li> <li>➤ Society</li> </ul>	<ul style="list-style-type: none"> <li>➤ Lenders</li> <li>➤ Regulators</li> </ul>
	<b>Low</b>		<ul style="list-style-type: none"> <li>➤ Environmental Groups</li> </ul>	
		<b>Low</b>	<b>Medium</b>	<b>High</b>
<b>Influence by Stakeholder on LBFL</b>				

## Connecting with our stakeholders



## ENGAGING WITH OUR STAKEHOLDERS

Our relationships with all our stakeholders impact directly and indirectly on our business activities and reputation. We proactively engage with stakeholders to inform our business strategy and operations, shape our products and services, manage and respond to social expectations, LBFL's reputational risk and influence the environment in which we do business. The ways in which we engage with our stakeholders, and the frequency with which we do so, varies according to each stakeholder group. Engagement is based on identified issues and

areas of concern that may impact our stakeholders. We use a decentralized stakeholder engagement model in which individual business units undertake stakeholder engagement appropriate to their areas and are responsible for identifying stakeholder concerns and taking appropriate action. At the center, the Board, oversees all engagement and plays a key role in analyzing our business relevant issues and concerns and providing guidance on appropriate responses.



### Investor/ Shareholder

Matters Relevant to the Stakeholder	Our Strategic Response to the Stakeholder	Engagement Mechanism	Engagement Frequency	Relevant Response through Capital
<ul style="list-style-type: none"> <li>Shareholder satisfaction regarding the Company's financial position</li> <li>Shareholder views on key governance and policy matters</li> <li>Development of shareholder communication channels</li> <li>Return on equity and interest gains</li> <li>Strategy and business continuity</li> <li>Financial performance</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining a consistent bottom line</li> <li>Ensuring a sustainable return on investment</li> <li>Engaging in greater transparency in line with the Corporate Governance Codes</li> <li>Maintaining the Company's reputation and credibility</li> <li>Safeguarding asset quality</li> </ul>	Annual General Meeting (AGM)	Annual	<ul style="list-style-type: none"> <li>Financial Capital (page 44)</li> <li>Intellectual Capital (page 72)</li> <li>Social and Relationship Capital (page 87)</li> </ul>
		Annual Report	Annual	
		Integrated Report	Annual	
		Announcements to Shareholders	Ad hoc as necessary (Interim accounts-quarterly)	
		Extraordinary General Meetings	Ad hoc as and when necessary	
		One-To-One Meetings	As necessary	
		LBFL website information updates	On a regular basis	
		Press releases and articles in magazines	At least one release per quarter	



**Customer**

Matters Relevant to the Stakeholder	Our Strategic Response to the Stakeholder	Engagement Mechanism	Engagement Frequency	Relevant Response through Capital
<ul style="list-style-type: none"> <li>• Customer service</li> <li>• Customer Security</li> <li>• Satisfaction on existing products</li> <li>• Brand perception and reputation</li> <li>• Customer convenience</li> <li>• Need for innovation and customized solutions</li> <li>• Communication methods</li> <li>• Timely and relevant information on products and services</li> <li>• Customer touch-points</li> <li>• Customer benefits and rewards</li> <li>• Loyalty recognition</li> </ul>	<ul style="list-style-type: none"> <li>• Effective compliant resolutions</li> <li>• Maintain service excellence</li> <li>• Deliver technology-driven solutions</li> <li>• Continuous introduction of innovative products</li> <li>• Maintaining data security and customer privacy</li> <li>• Effective marketing and communication</li> </ul>	Customer awareness programs	Annually in every branch	<ul style="list-style-type: none"> <li>• Manufactured Capital (page 81)</li> <li>• Social and Relationship Capital (page 87)</li> </ul>
		Direct customer feedback to any of LBFL service points	On a regular basis	
		Marketing visits/ Field visits	Credit customers mostly once prior to transacting	
		One-to-One meetings	Deposit customers on an ad hoc basis and selective	
		Customer suggestions via suggestion boxes and follow up	As necessary	
		Telephone discussion/ E-mails	Ad hoc	
		Media campaigns	On a regular basis	
			As necessary	





**Employees**

<b>Matters Relevant to the Stakeholder</b>	<b>Our Strategic Response to the Stakeholder</b>	<b>Engagement Mechanism</b>	<b>Engagement Frequency</b>	<b>Relevant Response through Capital</b>
<ul style="list-style-type: none"> <li>Ethical employment practices</li> <li>Career development opportunities</li> <li>Employee communication and feedback</li> <li>Rewards/recognition</li> <li>Employee well-being</li> <li>Work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>Competitive rewards and benefits</li> <li>Promote greater diversity and inclusion</li> <li>Develop from within through training</li> <li>Performance based incentive</li> <li>Effective handling of grievances</li> <li>Maintain high standards of occupational health and safety</li> <li>Ensure employees' welfare</li> </ul>	LBFL corporate website	On a regular basis	<ul style="list-style-type: none"> <li>Human Capital (pages 54)</li> <li>Social and Relationship Capital (pages 87)</li> </ul>
		Inculcating an open-door policy for employees to freely interact one-on-one with MD and other senior officials	On a regular basis	
		Management Meetings	As and when necessary	
		Performance appraisal and individual review meetings	Annual	
		Town Hall Meetings	Biannual	
		Internal news-letter communicate	Monthly	
		Corporate communiques via circulars, memos and e-mails	On a regular basis	



<b>Matters Relevant to the Stakeholder</b>	<b>Our Strategic Response to the Stakeholder</b>	<b>Engagement Mechanism</b>	<b>Engagement Frequency</b>	<b>Relevant Response through Capital</b>
<ul style="list-style-type: none"> <li>Developing strategic partnerships</li> </ul>	<ul style="list-style-type: none"> <li>Engaging in fair and</li> </ul>	Interactions through the purchasing policy	On a regular basis	Social and Relationship

<ul style="list-style-type: none"> <li>• Promoting transparent and ethically responsible business practices</li> <li>• Continuous communication with suppliers and service providers</li> <li>• Regular reviews on quality of goods and services</li> </ul>	<ul style="list-style-type: none"> <li>• equitable procurement</li> <li>• Supplier risk assessment mechanism</li> <li>• Contractual agreements to promote sustainable procurement</li> <li>• Local sourcing</li> <li>• Registration of multiple suppliers and service providers as a BCP measure</li> <li>• Maintenance of suppliers and service providers register</li> <li>• Developing CMSME entrepreneurs whilst purchasing goods which meet the Company's standards at a reasonable cost thus enjoying a win-win situation for both the Company and the supplier</li> </ul>	Feedback evaluations	As and when necessary	Capital (pages 87)
		Meetings	As and when necessary	
		Visits to supplier workshops/offices	Periodically	
		Written communications (letters and e-mails)	On a regular basis	
		Reviews and assessments	Periodically	



## Regulators

Matters Relevant to the Stakeholder	Our Strategic Response to the Stakeholder	Engagement Mechanism	Engagement Frequency	Relevant Response through Capital
<ul style="list-style-type: none"> <li>• Proper and prompt action on regulatory requirements introduced from time to time</li> <li>• Formulate the Company's policies in line with the broad objectives of the Bangladesh Bank</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with regulations</li> <li>• Rectification actions on supervisory concerns</li> <li>• On-time submission of statutory returns and statutory payments</li> <li>• Response and contribution at meetings/forums and to initiatives of the regulators</li> <li>• Micro, small and medium entrepreneurs lending and entrepreneurship development</li> <li>• Complying with the green financing schemes and policies</li> <li>• Support to maintain stability in money and foreign exchange markets</li> <li>• Help investors to make better investment decisions</li> </ul>	Policy directives/ circulars, guidelines and operating instructions	On a regular basis	Financial Capital (pages 44)
		Meetings and forums	Periodically	
		Press releases	On a regular basis	
		Periodic and one-off returns	Periodically	
		On-site and off-site supervision	Periodically	
		Training programmes	On a regular basis	



Society

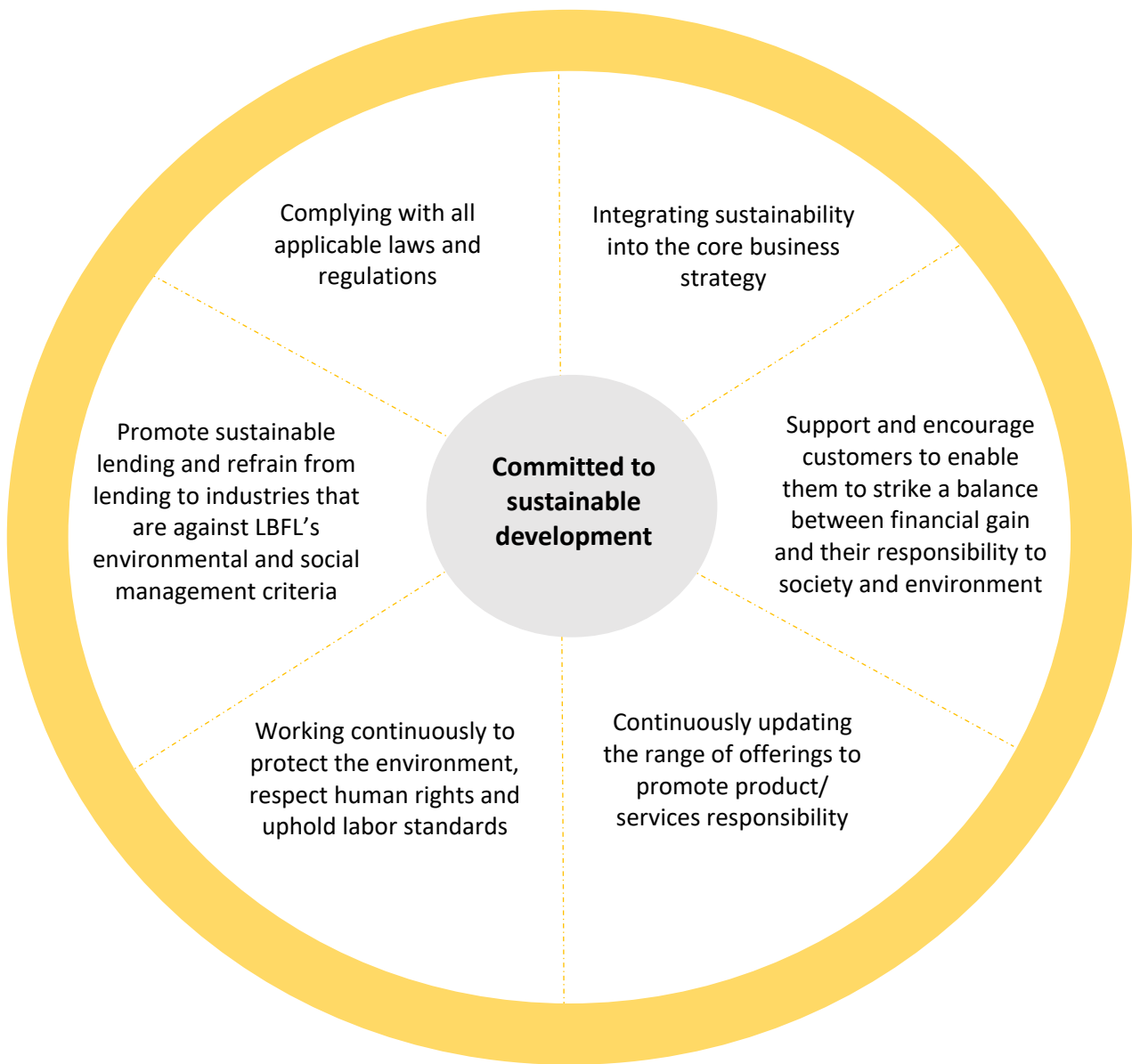
## Society

Matters Relevant to the Stakeholder	Our Strategic Response to the Stakeholder	Engagement Mechanism	Engagement Frequency	Relevant Response through Capital
<ul style="list-style-type: none"> <li>• Community capacity building</li> <li>• Community empowerment</li> <li>• Social welfare of communities</li> <li>• Environmental protection and conservation</li> <li>• Preservation of local culture</li> </ul>	<ul style="list-style-type: none"> <li>• Socially responsive CSR model</li> <li>• Transparency and Governance</li> <li>• Community engagement</li> <li>• Employee volunteerism</li> <li>• Become a catalyst for change</li> </ul>	Ground level interactions with community leaders by staff	On a regular basis	<ul style="list-style-type: none"> <li>• Social and relationship capital (pages 87)</li> <li>• Natural Capital (pages 100)</li> </ul>
		Interactions with social groups and volunteer organisations	On a regular basis	
		Community and environment grievance handling mechanism	On a regular basis	
		Discussions with government organisations	On a regular basis	
		Digital media-based forum	On a regular basis	
		CSR projects	On a regular basis	

## APPROACH TOWARDS SUSTAINABILITY



Contribution towards Achieving the United Nations Sustainable Development Goals



## Two-Tier Governance Structure for Sustainability

[GRI: 102-18](#)



**Board of Directors**



**Managing Director**



**Head of Sustainable Finance Committee (SFC) & Retail Finance**



**Sustainable Finance Committee**

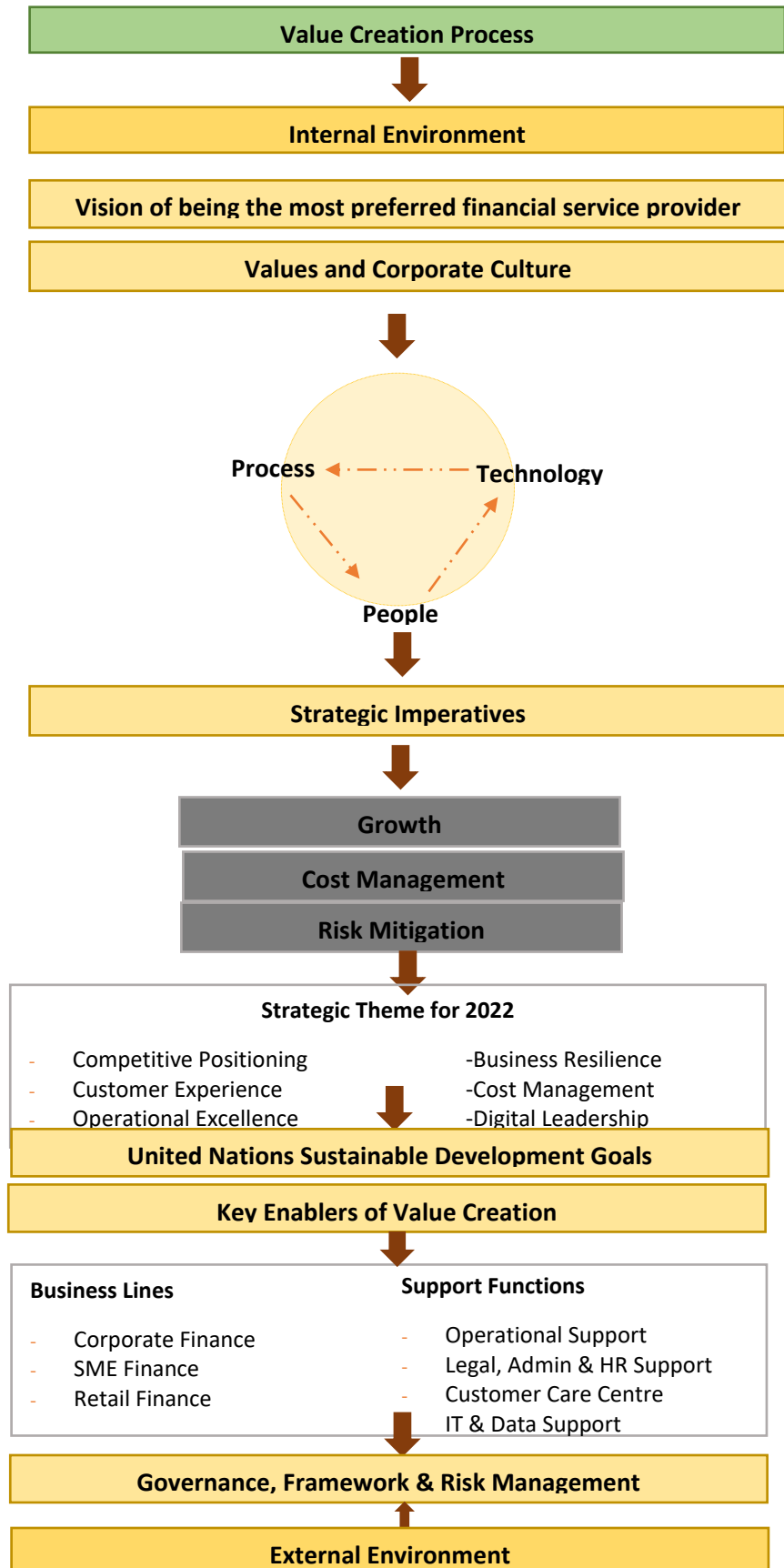




# VALUE CREATION STRUCTURE

GRI: 102-15

<b>Inputs</b>
<b>Financial Capital</b> <ul style="list-style-type: none"> <li>• Equity</li> <li>• Deposit and Borrowings</li> <li>• Profitability</li> </ul>
<b>Manufactured Capitals</b> <ul style="list-style-type: none"> <li>• Branches</li> <li>• Call Centers</li> <li>• IT Infrastructure</li> </ul>
<b>Intellectual Capitals</b> <ul style="list-style-type: none"> <li>• Process</li> <li>• Culture</li> <li>• Knowledge</li> <li>• In-House Software</li> </ul>
<b>Human Capital</b> <ul style="list-style-type: none"> <li>• Learning and development</li> <li>• Technical and Managerial Skills</li> </ul>
<b>Social &amp; Relationship Capital</b> <ul style="list-style-type: none"> <li>• Investment in Brand Awareness service assurance</li> <li>• Uncompromised customer service</li> <li>• CSR Activities</li> </ul>
<b>Natural Capital</b> <ul style="list-style-type: none"> <li>• Utilities</li> <li>• Policy Inputs and Initiatives from the Company</li> </ul>



<b>Outcomes</b>
<b>Financial Capital</b> <ul style="list-style-type: none"> <li>• 6.00% 5 year CAGR in ROE growth</li> <li>• 0.77% 5 year CAGR in ROA growth</li> <li>• 15.78% CAR in 2022</li> </ul>
<b>Manufactured Capitals</b> <ul style="list-style-type: none"> <li>• Geographically well distributed network coverage</li> <li>• 94% customer satisfaction score</li> <li>• Efficiency gained in operating capability</li> <li>• Reduction in TAT (turnaround time)</li> </ul>
<b>Intellectual Capitals</b> <ul style="list-style-type: none"> <li>• Speed of approval process and operations improved over the years</li> <li>• Website relaunching</li> </ul>
<b>Human Capital</b> <ul style="list-style-type: none"> <li>• 15,273 man-hour training provided</li> <li>• Rise in employee productivity</li> <li>• Employee awareness programs</li> </ul>
<b>Social &amp; Relationship Capital</b> <ul style="list-style-type: none"> <li>• BDT 8 mn invested by LB Foundation on CSR activities</li> <li>• Dividend paid to the shareholders</li> <li>• Paid internship opportunities for fresh graduates</li> <li>• Rehabilitation programs</li> </ul>
<b>Natural Capital</b> <ul style="list-style-type: none"> <li>• LEED certified LankaBangla Tower</li> <li>• PCI ISO 27001 Certified</li> <li>• Green branch</li> <li>• Green and sustainable financing</li> <li>• 25.21% reduced electricity consumption</li> </ul>

## ASSESSING MATERIALITY

[GRI: 102-47](#)

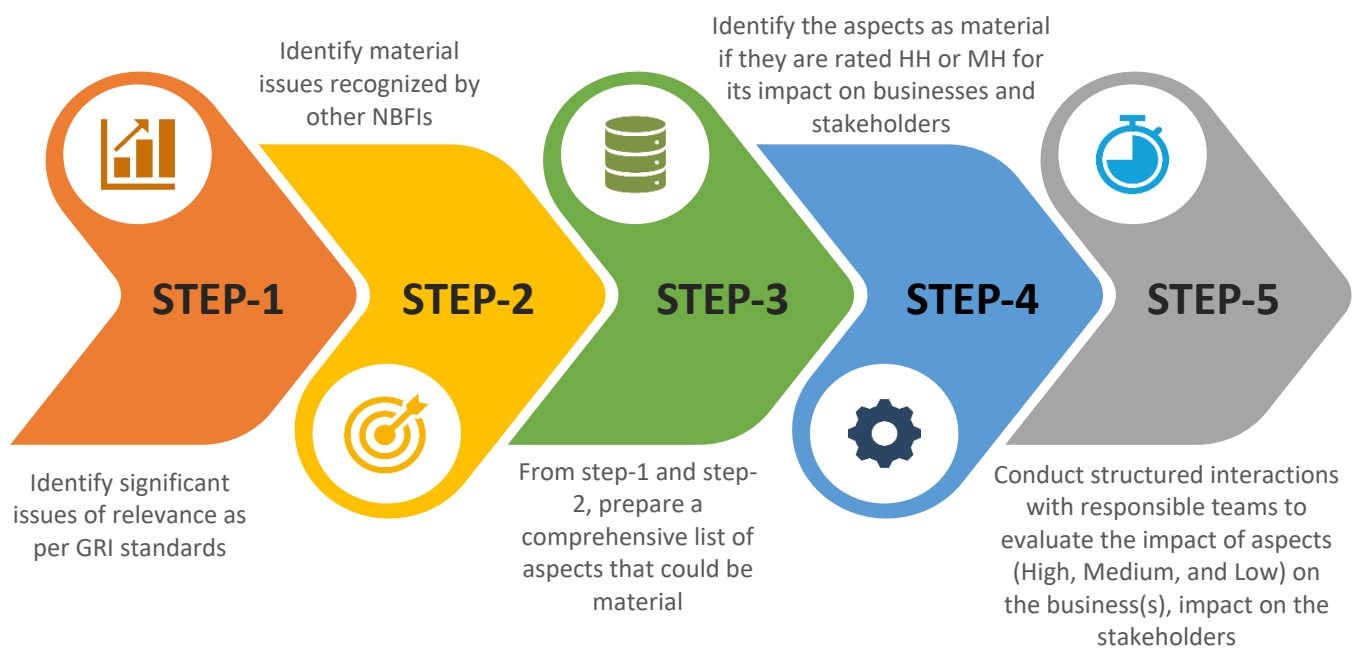
This exercise is undertaken to identify material issues and define priorities in an unbiased manner. It was carried out during the reporting period, and findings from the same have been used to develop report content. The material topics identified through the exercise are reflected in the content of this report, and are in accordance with the GRI Standards.

### Materiality Process

The report detailed the Company's social, economic, and environmental objectives. In conformance with the updated GRI standards, the various aspects mentioned in the GRI Standards and topic specific disclosures were evaluated and considered material based on their significance to our business and to our stakeholders, which contributed to defining the report content and communicating performance during 2022.

#### Changes to material topics in 2022

The findings from the 2022 Materiality Assessment indicated that all the Material Topics identified in previous years' remained relevant for FY 2022 as well. The topic referring to the "Responses to COVID-19" which was discussed in the FY 2021 Report was no longer considered to be material as the pandemic had seemingly dissipated by end of 2021.



- **Economic**
- 1. Economic Performance
- 2. Indirect Economic Impacts
- 3. Procurement Practices
- 4. Anti-Corruption
- 5. TAX

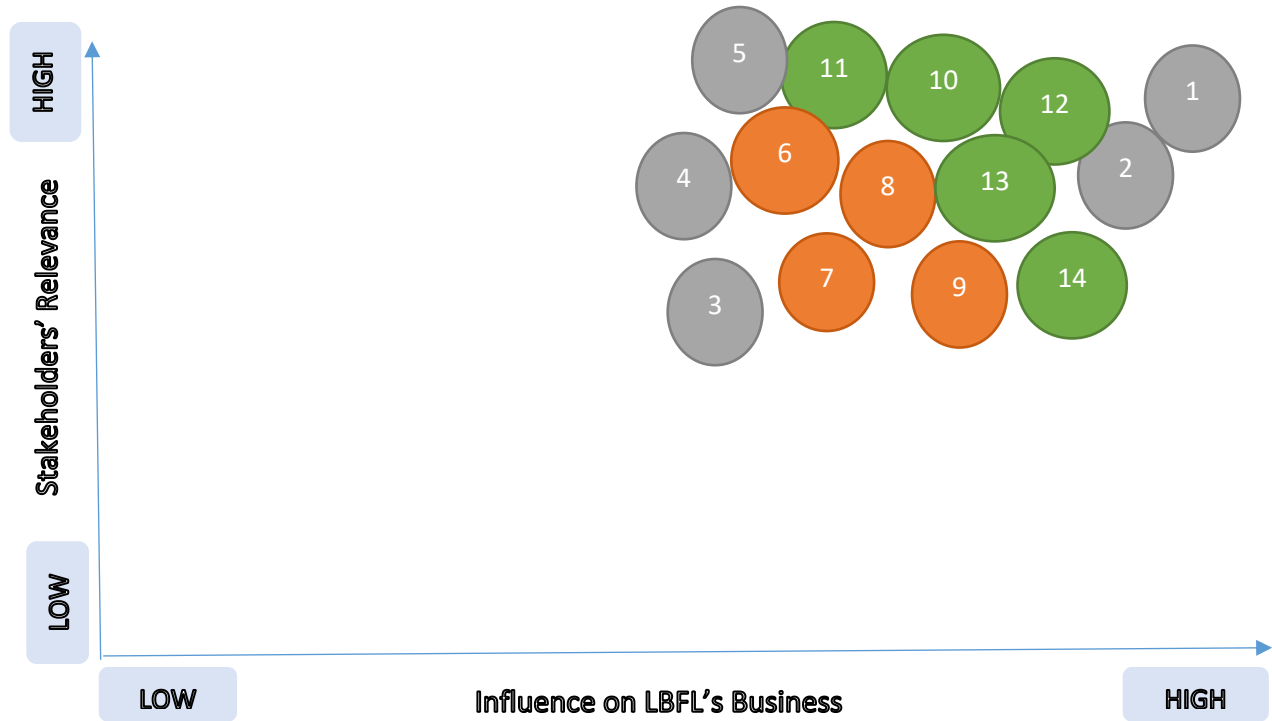
- **Environmental**
- 6. Energy
- 7. Water and effluent
- 8. Reduction of GHG emission
- 9. Effluent and waste

- ❖ **Social**
- 10. Employment
- 11. Occupational health and safety
- 12. Training and education
- 13. Diversity and equal opportunity
- 14. Local Communities

Material Topics	Reason for Materiality	Topic Boundary	GRI Relevance	Linked to Strategy Through	Page Reference to Management Approach
<b>Economic Topics</b>					
<b>1. Economic Performance</b>	Impact of economic performance is highly important to grow the wealth of the organization and society	Internal	201-1	Financial Capital	Page 48 of this report
<b>2. Indirect Economic Impact</b>	Economic growth resulting from the use of products or services & also from women empowerment	External	203-2	Social and Relationship Capital	Page 87 of this report
<b>3. Procurement Practice</b>	Local sourcing can be a strategy to help ensure supply, support a stable local economy, and maintain community relations.	External	204-1	Manufactured Capital	Page 43 of this report
<b>4. Anti-Corruption</b>	Risk assessments can help to assess the potential for incidents of corruption within and related to the organization, and help the organization to design policies and procedures to combat corruption.	Internal/ External	102-17; 205-1	Human Capital	Page 70 of this report
<b>5. Tax</b>	Having robust governance, control, and risk management systems in place for tax can be an indication that the reported approach to tax and tax strategy are well embedded in an organization and that the organization is effectively monitoring its compliance obligations.	Internal/ External	207-3	Financial Capital	Page 49 of this report
<b>Environmental Topic</b>					
<b>6. Energy</b>	The organization can report reductions in energy consumption by combining energy types, or separately for fuel and electricity. Alongside, without electricity or fuel, daily work activities will be disrupted.	Internal/ External	302-1; 302-4	Natural Capital	Page 102 of this report
<b>7. Water and Effluent</b>	The organization can consider its future impacts on water quality and availability,	Internal/ External	303-1	Natural Capital	Page 102 of this report

	as these factors can change over time.				
<b>8. Reduction of GHG emission</b>	LBFL aimed at improving in-house environmental management by saving electricity, minimizing the usage of water and paper, and keeping the office clean and hygienic.	Internal/ External	305-5	Natural Capital	Page 102 of this report
<b>9. Effluent &amp; waste</b>	Reduction initiatives and their targets are linked with social well-beings.	Internal/ External	306-2	Natural Capital	Page 103 of this report
<b>Social Topic</b>					
<b>10. Employment</b>	Employment can signify the optimal use of available labor and talent in different regions.	Internal	401-1	Human Capital	Page 55 of this report
<b>11. Occupational Health &amp; Safety</b>	It is important to retain personnel and to keep contributory workforce and to maintain organizational reputation.	Internal	403	Human Capital	Page 65 of this report
<b>12. Training &amp; Education</b>	Impact of Training and Education is highly important for the society to develop its workforce and innovation.	Internal	404-1 ; 404-3	Human Capital	Page 60 of this report
<b>13. Diversity &amp; Equal Opportunity</b>	Equal opportunity is important to ensure proper distribution of income.	Internal	405-2	Human Capital	Page 63 of this report
<b>14. Local Communities</b>	Contributes towards uplifting the lives of socially and economically disadvantaged communities across Bangladesh.	Internal / External	413	Social & Relationship Capital	Page 90 of this report

Through this process, the following issues were identified as material and thus LBFL, further in this report, would articulate its approach to addressing these topics and disclose the Company's performance on those.



## MANAGEMENT APPROACHES AND GUIDING PRINCIPLES

[GRI: 102-16](#)

### Fixed Asset Policy

The fixed asset policy aims to provide a general guideline about recording, maintaining, monitoring and controlling of the fixed asset management system of LankaBangla Finance Limited in support of the responsible accountability, care, and disposition of those assets. Principles and guidelines incorporated into this segment are in accordance with Bangladesh Financial Reporting Standards (BFRS) and/or LBFL accepted standards for conducting general property transactions. Additionally, it provides consistent fixed asset transaction reporting procedures for maintaining and updating assets information in Asset software.

The rules and regulations for this section attempt to implement a standard business operating system for the company in terms of property control, accountability, responsibility, and general fixed asset management, as practically all LBFL individuals are users of fixed assets. As a result, this policy establishes particular guidelines and processes for the correct use and maintenance of such assets, including the disposition of stolen, lost, damaged, or destroyed property. It also outlines LBFL personnel's accountability, obligation, and liability for property utilization, including the reporting of transactions required for successful asset record management. It also establishes LBFL personnel's accountability, obligation, and liability for property utilization, including the reporting of transactions required for successful asset record management.

### IT User Policy

Due to the confidentiality of information, employee productivity, optimum use of expensive internet bandwidth, and security, all LBFL users (except those officially authorized) have restricted access to public networks such as the internet (threat from virus and many vulnerable activities which could cause huge business risk). All desktop or laptop computer users have access to the company's corporate email server exclusively through their given email

ID, for conducting business communications or work correspondence.

LBFL's IT department understands the need and importance of using the Internet for high-level officials and department heads to conduct research related to LBFL's business and interests. As a result, all department heads at the head office have full access to the internet and are advised to use it only for work/official activities. This policy requires covered people to give an accurate, up-to-date destination email address for business and administrative transactions, unless an exemption is permitted by law or business need. Within the organization, group email is permitted. However, sending email to [lbf.all@lankabangla.com](mailto:lbf.all@lankabangla.com) or any other all group email is explicitly forbidden. Only an approved individual will be able to send email to the entire group. Outsiders will not be permitted to send any group messages.

### Financial Manual

In the absence of sufficient instruction, various financial staff may address common financial difficulties arbitrarily. In such a case, if there is a set of financial principles here at LankaBangla Finance, which can be used by all financial staff, the potential for disagreement can be minimized. This is a ready handbook but not ever static, rather its sections/subsections can be changed/modified to cope up with the changing of policies/procedures from time to time. This manual is called "Finance and Accounts Manual" of The LankaBangla Finance Limited.

This manual gives a briefed guideline to financial personnel in establishing standards and limits for the performance of given functions or tasks, operating instructions/instruments to employees responsible for the implementation of policies/decisions and the execution of specific tasks related to accounts, methods of establishing and maintaining systematic recording and control of actual performance and statements of financial policy, pertinent to specific areas of administrative activities.



## Inventory Management Policy

LankaBangla Finance Limited has designed an Inventory Management Portal for GIS Division product requisitions. This system indicates how much of an item should be stored and how much is required. Along with this, the purpose for the request may be determined, which is especially important for unique commodities that are not commonly stocked. This system can also track all trends in terms of how frequently products are ordered.

## Procurement Process

LankaBangla Finance Limited complies with the GRI standard 204 and ensuring the highest standards of transparency and good governance within the company. LBFL conforms to GRI standard 204, achieving the highest levels of openness and governance within the company. The LBFL Procurement Policy adopts the general guidelines of the 'Public Procurement Regulations 2003,' with strict adherence to the rules and auxiliary procedures, ensuring accountability, fair competition, efficiency, economies of scale, and the best value for money.

LBFL intends to pursue a primarily centralized procurement strategy, with a provision for procurement at the Sales Center/Branch/Booth level to satisfy day-to-day needs and contingencies. LBFL emphasizes the adoption of this strategy due to its efficacy and efficiency, economies of scale through requirement aggregation, optimal use of knowledge, efficient storage and distribution system, and lower administration costs. There are yearly procurement requirements, including branches, and these needs will be considered for all levels of requirements, regardless of capital and revenue items. Under GRI 204-1, the procurement section of GIS prepares procurement strategies while adhering to the budgetary allocation provided by the finance and accounts division. With compliance to the GRI standard, the procurement staff are in charge of the procurement, rental, and sale of goods, services, works, and other organizational necessities. This function includes, in addition to contracting, inviting vendors to register, submitting Quotations, Bids, and Proposals, negotiating with vendors, and contract signing.

The procurement unit of GIS department executes all the procurements of LBFL centrally from the Head Office and Limited Tendering Method (LTM), Quotation Method (QM) and Direct Purchase Method (DPM) are the suited processes of procurement for LBFL. LTM are utilized for LBFL procurement projects that are either highly specialized or require tailoring to maintain Corporate Brand Identity. Again, because LBFL operates in a highly competitive market, special projects and product-related procurements necessitate quick provision of goods and services in order to maintain market leadership; QM is the best potential technique of procurement to address such emergency needs. LBFL also used DPM to obtain goods and related services from a single provider without having to go through the procedures of a tendering process. This strategy, however, is not utilized to prevent competition or to favor a specific Tenderer/Supplier. To promote transparency and efficiency, Information and Communication Technology (ICT) is utilized in the conduct of procurement procedures in the form of e-procurement. Accordingly, there are web portal that serves as the primary source of information on all procurements of LBFL. In case quotations and such procurements, e-procurement tools are used.

LankaBangla is a value-driven corporation that adheres to values even when the scenario brings a transient benefit to the company. The guiding principles are established with the goal of preserving the company's reputation and integrity while treating them as totally priceless. The affairs of the organization are given the highest importance by all individuals.

Our reputation influences not just whether or not someone will become a customer, but also whether or not we are glad to be connected with this firm. The Code of Conduct is intended to help the company's employees in observing and complying with prudential norms of conduct, manner, and behavior. It is consistent with the Company's Vision and Values in order to fulfill the Mission and Objectives, and it attempts to improve the Company's ethical and transparent management of its affairs. It also pertains to all LankaBangla employees and may be provided to others for the purpose of carrying out their tasks.

In addition to the code's ethical requirements, there are several rules and regulations that apply to each of our businesses. Compliance with the law is required of everyone and is not dependent on company priorities or individual decisions.

### **Personal Responsibilities**

- Maintaining honesty and dedication to work to serve as an ethical role model.
- Preserve and improve the company's interests, dignity, and reputation.
- Act in conformity with the principles of professionalism and superior production.
- Fidelity to the company's policies, rules, and laws that are emphatically related to the work.
- Always act and behave like an advocate for the company.

### **Workplace Responsibilities**

- Treat colleagues with respect and dignity
- Support the company's commitment to diversity and equal employment opportunity
- Provide a positive work environment free from intimidation and harassment
- Do not hold any outside positions with, or accept business opportunities from anyone who does business or competes with the company
- Ensure that financial records are accurate and complete and also ensuring cost efficiency.
- Maintain an effective system of internal control and compliance over financial reporting and operational activities
- Protect company's assets and properties

### **Marketplace Responsibilities**

- Act responsibly in all sorts of communications with customers, suppliers, vendors, partners and regulatory authorities
- Safeguard the privacy, confidentiality and security of customer data
- Make only factual and truthful statements about company's products and services
- Gather business intelligence properly and ethically
- Prevent the use of company's services against money laundering purposes

### **Corporate Citizenship**

- Support all communities and optimize contributions to the society
- Protect general safety of the environment
- Respond to public and cooperate with the government

### **HR Policy**

The HR Policy is intended to serve as a thorough guideline for workers of LankaBangla Finance Limited, as well as those involved in the administration of the Company's Human Resource (HR) policies. The HR Policy is also intended to assist new appointees in becoming acquainted with the Company's HR rules and processes. This Policy outlines the employment terms and conditions, available services, and HR processes that can be employed, depending on the circumstances, to meet the Company's HR objectives.

The HR Policies provide unambiguous rules and guidelines for employee service conditions in the Company. Its goal is to make it easier to execute HR policies and practices in order to meet the Company's objectives and mission in an open and equitable way. The HR Policy is intended to serve as a quick reference point for all personnel who are subject to the same set of policies and procedures. The company entertains a no-discrimination hiring policy. All recruiting policies inside the Company are in conformity with Bangladesh's statutory employment regulations and have been approved by the Company's Board of Directors. Employee Pay Records and personal data of all workers are kept in the HR Division. These records are private and cannot be accessed by unauthorized individuals. Employees get allowances such as House Rent Allowance, House Maintenance Allowance, Conveyance Allowance, Medical Allowance, Leave Fare Assistance, and so on from the company. Management decides on the structure and mechanism of payment on a case-by-case basis. The Company provides Life Insurance and Hospitalization Insurance coverage to all permanent employees upon their confirmation with the Company, which becomes effective on the day of confirmation.

## E-Learning Policy

As we cope with the new normal now, LankaBangla Finance had conducted 92 training sessions with its employees, majority of which were based on online and e-learning modules. The e-learning exam is mandatory of all full-time regular employees of LankaBangla Finance Limited and to serve the purpose the employees need to complete 6 e-learning modules that involves overview related to LBFL, its products and services, the HR employee handbook, the prevention of money laundering and terrorist financing, the employees' own departmental module and one that is related to office/cross functional division/department that are assigned by respective division head. A participant need to earn 2 training credit hours for each successfully completed module which will be counted towards his/her yearly training requirement.

## Whistleblowing Policy

### GRI-102-41

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

The Management Committee is designated as the advocate for complainants or whistleblowers and is

### GRI-102-41

100% individuals are covered by the company's collective bargaining agreements and the company opts for policies and regulations for its employees that are indelibly followed.

authorized to implement this Policy. The Chief Risk Officer (CRO) or any other employee as advised by the Audit Committee shall be responsible for undertaking investigations under this Policy.

## Grievance Management and Counseling

### GRI-102-41

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

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

Nonetheless, employees do get dissatisfied with various aspects of employment at workplace that may not be resolved through informal procedure. Hence, this policy is framed to ensure that employees can seek redress for any work related grievances from superior authority.

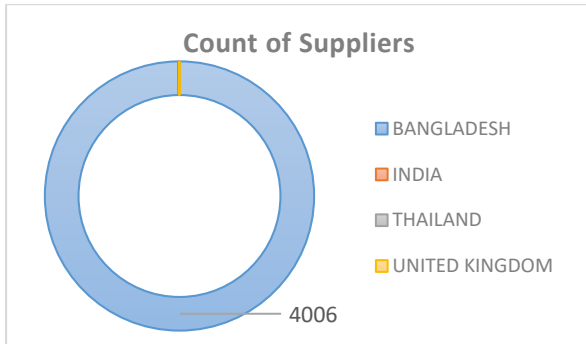
## Employee Counseling

For the sake of development of performance of employees receiving Unsatisfactory or Marginal grade in their annual appraisal, they are counselled on one to one basis by his/her respective supervisor in presence of HR and Cross Functional Representative and provide deadline for improvement. HR will review the improvement along with the Concerned Division Head and decide next course of action. In case of Divisional/Departmental Head himself/herself, MD/DMD will counsel the personnel and take corrective measures. After the given time if the employee fails to deliver a satisfactory result, HR in consultation with the Division Head & the management; can take any decision regarding the concerned employees.

## Supply Chain

[GRI: 102-9, 102-10](#)

Suppliers are enrolled in the beginning of the year for a period of usually one year. Enlistment is also carried out at any time during the year if the situation requires it and if there are new potential suppliers whose services are considered to be helpful or vital to LBFL. Presently, there are a total of 4,012 suppliers 3604 suppliers (both local and foreign) with LBFL, of which the local suppliers comprise 99.85% of the total supplier count. The same was 3,604 in 2021 with local suppliers contributing 99.83% of the total supplier count.



Likewise, mostly enlisted foreign suppliers are from India, Thailand and the United Kingdom. There is two-pronged monitoring, one in-house monitoring by the Procurement Unit itself and the other by the Risk Management Department.

Risk Management Department chalks out its own monitoring mechanism from time to time.

[GRI: 204-1](#)

Local/Foreign Countries	Amount Remitted to the Suppliers (in BDT million)		
	2022	2021	2020
USD	267,779	411,282	228,237
AUD	767	767	767
SGD	-	-	-
INR	-	-	-
BDT	26,882,346	38,752,262	22,661,243

## ESG GOALS AND ACTIONS

	Future Goals	Actions Implemented
<b>Environment</b>	<ul style="list-style-type: none"> <li>• To ensure loan portfolio will not include any organization that pollutes the environment significantly, including the tobacco companies</li> <li>• Ensuring reduction of per employee energy consumption</li> <li>• Building a green and sustainable portfolio</li> </ul>	<ul style="list-style-type: none"> <li>• Promoting green financing to minimize and mitigate our environmental impact;</li> <li>• Responsible consumption of resources per employee to reduce GHG emissions and resource wastages;</li> <li>• Supporting environmental and climate change programs as part of LBFL's CSR activities;</li> <li>• Compliance with Environmental and Social Risk Management (ESRM) guidelines, as mandated by Bangladesh Bank;</li> <li>• Adherence to GRI standards to ensure the achievement of ESG goals</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>• To ensure occupational health and safety of all the employees of the Company;</li> <li>• To ensure employee gender diversity;</li> <li>• To ensure workplace free of violence and harassment;</li> <li>• Community stewardship</li> </ul>	<ul style="list-style-type: none"> <li>• Driving a high performance culture;</li> <li>• Necessitated policies and committees to ensure the elimination of sexual harassment and constant abidance to the policies;</li> <li>• Ensuring gender diversity with female to total employee ratio currently standing at 20%;</li> <li>• Formulating a CSR wing with members from Sustainable Finance Committee (SFC) which will provide assistance and advisory support to the Sustainable Finance Unit (SFU) for its CSR activities</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>• To ensure policies concerning no tolerance for bribery and corruption</li> <li>• Ensuring the adherence to Employee Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>• Regular CFT and AML trainings of employees as mandated by Bangladesh Bank;</li> <li>• Strict adherence to anti-corruption policies and constant monitoring;</li> <li>• Ensuring grievance management and counselling of employees</li> </ul>

# CAPITAL MANAGEMENT

## FINANCIAL CAPITAL

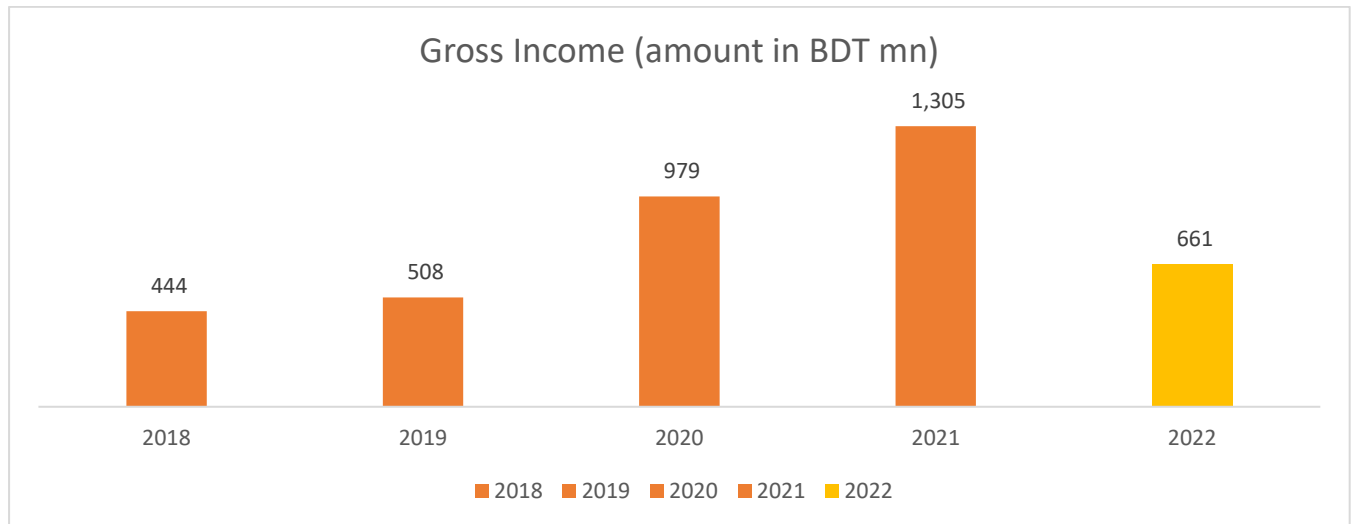
GRI: 201-1, 207-3

Material Topics influencing the Capital Development Strategy	Key Pillars	Value Creation Highlights for 2022	Linkages to other capital	SDG relevance
<p>Profitability and Financial Stability</p> <p>Corporate Brand Image/ Goodwill Building</p> <p>Sales promotions, marketing communication, and information about the bank's products and services are all available.</p>	Profit	<ul style="list-style-type: none"> <li>3% Y-O-Y increase in interest income</li> <li>BDT 7,534 Mn revenue generated</li> <li>ROE: 1.60%</li> <li>ROA: 0.28%</li> <li>Gross income BDT 947 Mn</li> <li>Dividend payout ratio: 42%</li> </ul>	<ul style="list-style-type: none"> <li>Strategic allocation of financial resources to cultivate delivery channels in accordance with the Company's expansion strategy will aid in the expansion of market reach</li> <li>Consistently optimizing financial performance over time adds to the Company's credence and strong brand image</li> <li>Better financial results enable the Company augment value accumulated for employees through above average benefits, increasing motivation and employee satisfaction while shrinking employee turnover</li> <li>Solid financial outcomes will allow the Company to allocate resources consistently to accommodate the needs of all major stakeholders</li> </ul>	   
	Asset Base	<ul style="list-style-type: none"> <li>Cost-to-Income Ratio is 64%</li> <li>Asset Base: BDT 86 Bn</li> </ul>		
	Liquidity	<ul style="list-style-type: none"> <li>Group Tier I, Tier II and CAR stood at 14.91%, 2.47% and 17.37% respectively</li> <li>Standalone CAR is 15.78%</li> </ul>		
<b>Strategic Theme for 2023</b>				
Competitive Positioning				
Operational Excellence				

## Analysis of the Statement of Profit or Loss

### Gross Income

Although in 2022, the consolidated gross income declined by 49% to BDT 661 million from BDT 1,305 million in 2021 the Company saw a considerable amount of asset disbursement and liability mobilization in 2022. Furthermore, we were able to optimize our operating expenses by 7%. However, since the capital market had taken a nosedive as a correspondent effect of the global economic tension and dry market condition, it resulted in significant deduction in its income from investment, by 55%.

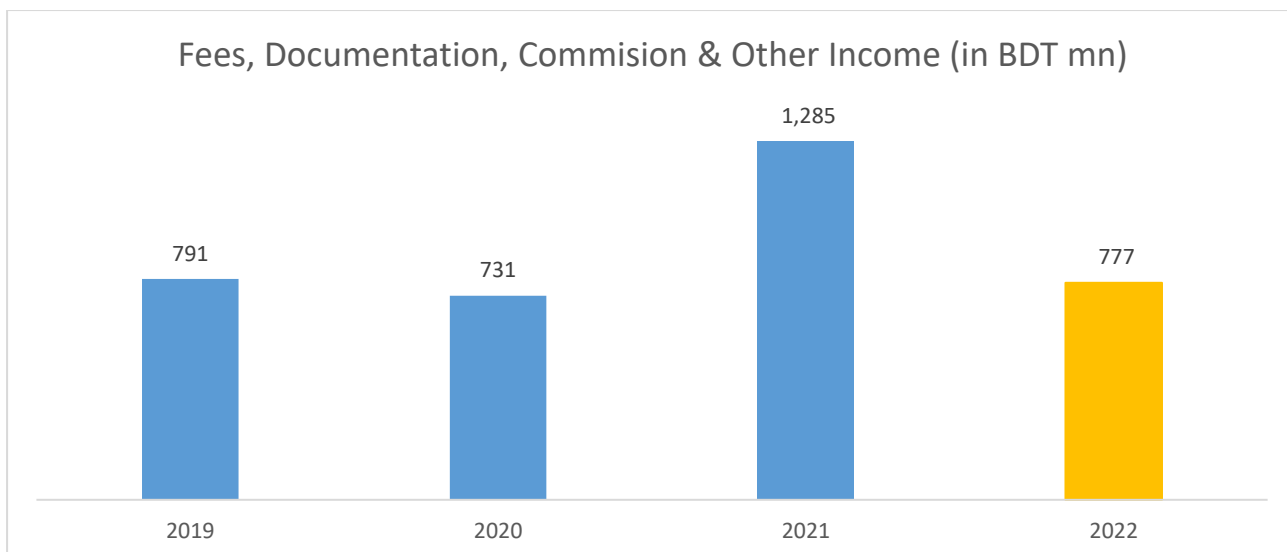


### Net Interest Income

The primary source of revenue for the LankaBangla is interest income which increased by 1.20% from BDT 7,031 mn in 2021 to BDT 7,197 mn in 2022 while it was able to reduce its operating expense by 7% during the same period. Our average portfolio increased by 3.50% from 2021 to 2022 as well. However, as the Company realized losses from interest rate cap imposed by the central bank, the real net interest income did not increase as much in real sense thus, affecting our bottom line.

### Non-Fund Based Income

LBFL recorded a fees and other operational income of BDT 799 million in 2022, a 5% marginal increase from BDT 761 million, owing to an increase in disbursement from BDT 34,269 million in 2021 to BDT 43,770 million. The majority of this improvement was due to retail finance (37%), which was followed by the great performance of CMSME finance (22%). The credit card portfolio is the core driver of retail portfolio performance, accounting for 81% of total retail finance. Despite the periodic shocks of the pandemic and the global trade tensions and disruption in overall supply chain, the service fee generated marginally owing mostly due to the regulatory body's imposed caps. Fees were generated mostly through the electronic channels such as cards, reflecting a robust performance the past year resultantly mirrored by the income from credit cards. We were able to mobilize BDT 18,147 million in liabilities of which most were mobilized by retail term deposits, as a result of the credit card portfolio, which also contributed to a relatively positive performance of service fees and commissions.

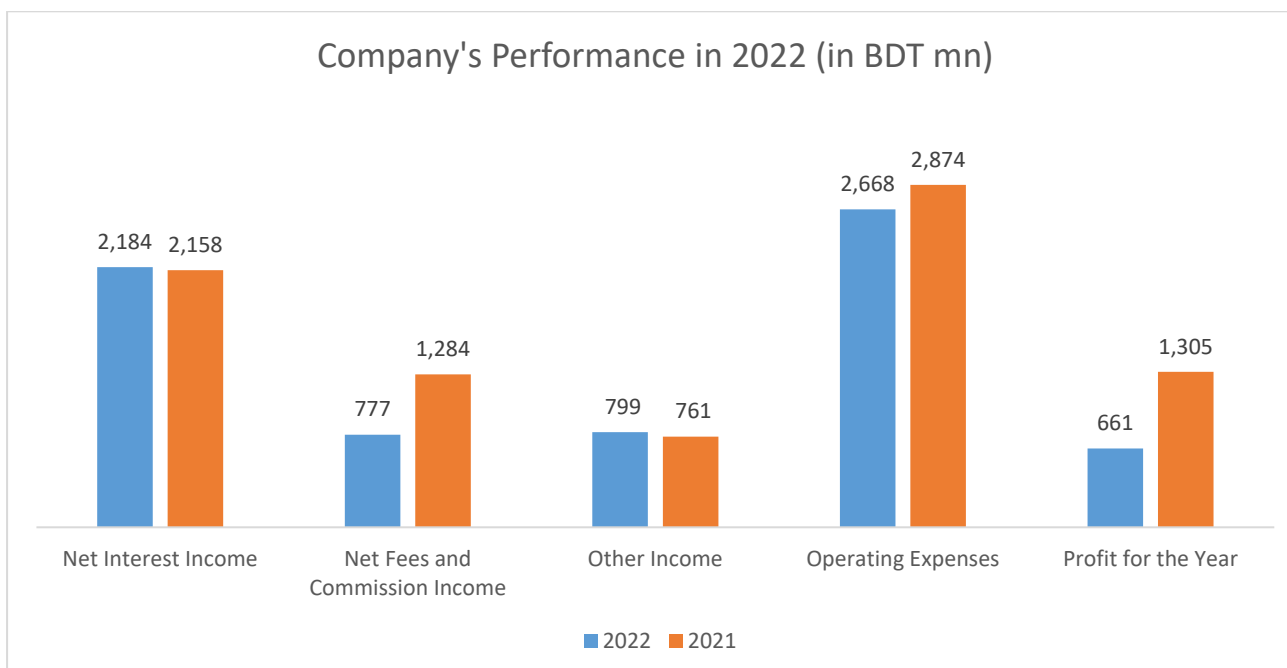


### Operating Expenses

Operating expenses decreased by 7% on a Y-o-Y basis, from BDT 2,874 million in 2021 to BDT 2,668 million in 2022. LBFL’s stringent cost optimization techniques implemented in response to the adverse macroeconomic conditions were essential in cost reduction. One of the primary priorities from the previous year was to optimize operating expenses, and we were successful in doing so.

### Profitability

The NPAT for the year 2021 was BDT 1,305 million which later on dropped to BDT 661 million in 2022, reflecting a drop of 49%. A large part of this drop in the Company’s bottom line was played by the realized losses of the interest rate cap and exchange rate losses due to Bangladesh Bank’s regulations and prevailing economic frailty respectively.





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

Reflecting our endeavors in the returns generated from both assets and equities, the consolidated ROA stood at 0.98%, and the consolidated ROE for the year 2022 stood at 6.0%.

## **Analysis of Statement of Financial Position**

### **Total Assets**

LankaBangla's total assets reached over BDT 90,765 million at the end of December 31, 2022, up from BDT 88,927 million at the end of the previous year, a BDT 1,838 million rise (2.07%).

### **Loans and Liabilities**

As in the previous year, weak economic conditions curtailing from the post recovery period of the pandemic and newer blow hitting the global economic crisis due to geopolitical tension, led to a decline in the deposit portfolio of the Company by BDT 4,769 million with inflation hitting the roof being the main cause in the midst of an already frail economy.

In the midst of these challenges, LankaBangla adopted a far-sighted approach towards granting new loans and reported a growth of BDT 2,198 million for the twelve months ended 31st December 2022, posting a 3.50% marginal increase in the overall loan portfolio from the previous financial year.

### **Equity**

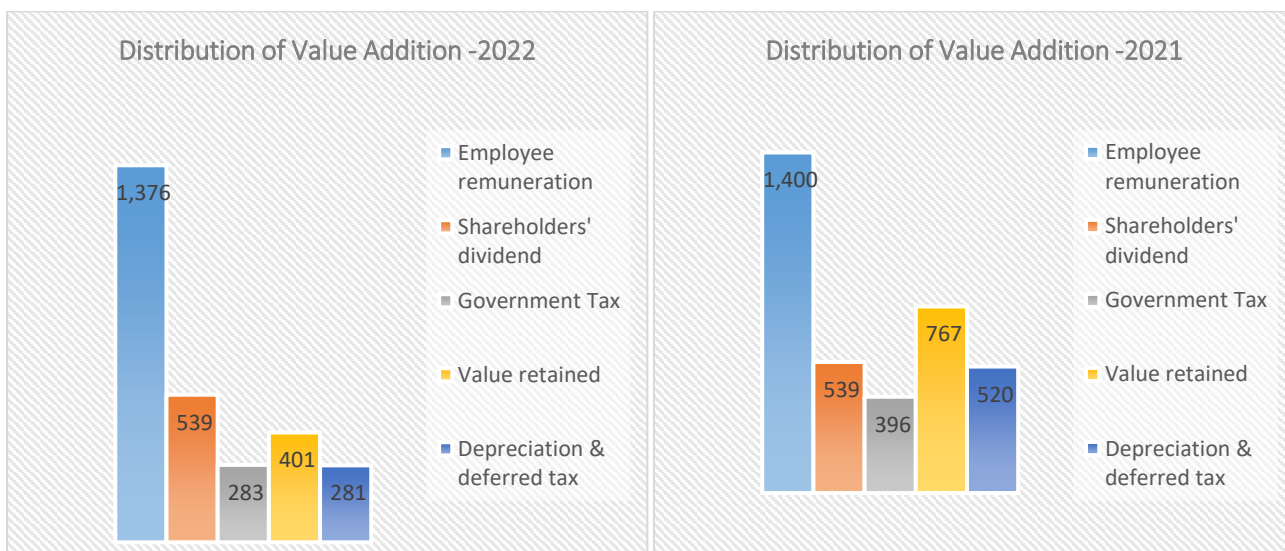
Total equity of LankaBangla has reached almost BDT 10,788 million at the end of 31st December 2022, up from BDT 10, 678 million at the end of the preceding year, an increase of 1.02%.

### **Liquidity**

Throughout 2022, the Company remained well capitalized, with minimal leverage and strong levels of loss absorbing ability, with all capital indicators remaining well above regulatory norms. As of December 31, 2022, the Company's core capital Tier I, supplementary capital Tier II, and Capital Adequacy Ratio were 14.91%, 2.47% and 17.37% respectively, well exceeding the BASEL II recommended minimum capital requirements. Meanwhile, throughout the fiscal year under review, the Company maintained all liquidity ratios above the minimum standards.

	2022	%	2021	%	2020	%
	BDT Mn		BDT Mn		BDT Mn	
<b>Value added</b>						
Operating revenue	9,324		10,294		9,690	
Cost of borrowing	(5,014)		(4,873)		(5,972)	
Provisions	(696)		(842)		(151)	
Operating expenses excluding staff cost and depreciation	(735)		(957)		(764)	
<b>Available for distribution</b>	<b>2,880</b>		<b>3,622</b>		<b>2,802</b>	
<b>Distribution of value addition</b>						
Employees as remuneration	1,376	48%	1,400	39%	1,291	46%
Government	283	10%	396	11%	200	7%
Shareholders as dividend	539	19%	539	15%	647	23%
	2,198	76%	2,335	64%	2,137	76%
<b>Retained for expansion and future growth</b>						
Value retained in the business	401	14%	767	21%	332	12%
Deferred tax	2.53	0%	3.53	0%	0.11	0%
Depreciation and amortization	278	10%	517	14%	333	12%
<b>Amount distributed</b>	<b>2,880</b>	<b>100%</b>	<b>3,622</b>	<b>100%</b>	<b>2,802</b>	<b>100%</b>
Number of employees at the end of the year	724		779		764	
Value created per employee (Mn BDT)	<b>3.98</b>		<b>4.65</b>		<b>3.67</b>	

Number of shares (Mn)	538.84		538.84		538.84	
Value created per share (BDT)	<b>5.34</b>		<b>6.72</b>		<b>5.20</b>	



## Approach to tax

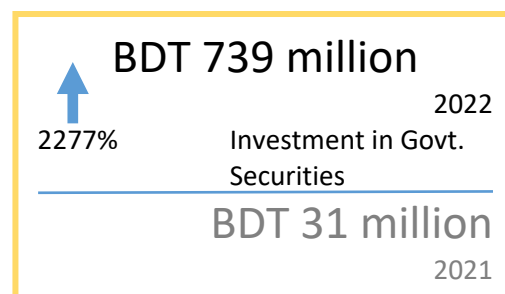
[GRI: 207-1](#)

### Corporate Income tax

Income tax expense comprises current tax and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

#### Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of prior years. Provision for taxation for the year ended 31 December 2021 has been made on the basis of the provisions of the Income Tax Ordinance 1984 and the Finance Act 2022.



	Tax Rates
<b>LankaBangla Finance Limited</b>	<b>37.50%</b>

\*As there was business loss for tax charge for the year ended 31 December 2022, LankaBangla Finance Limited provided for current tax expense (0.60% to 10%) as per Section 82C(4) and 82C(5) of the Income Tax Ordinance-1984.

#### Deferred tax

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of

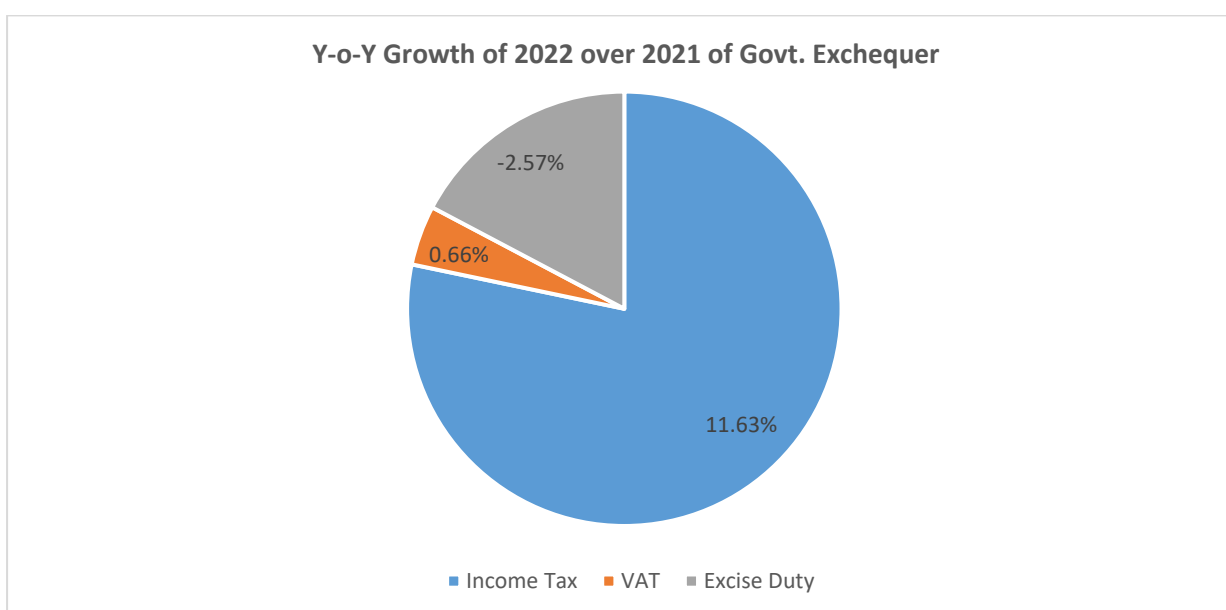
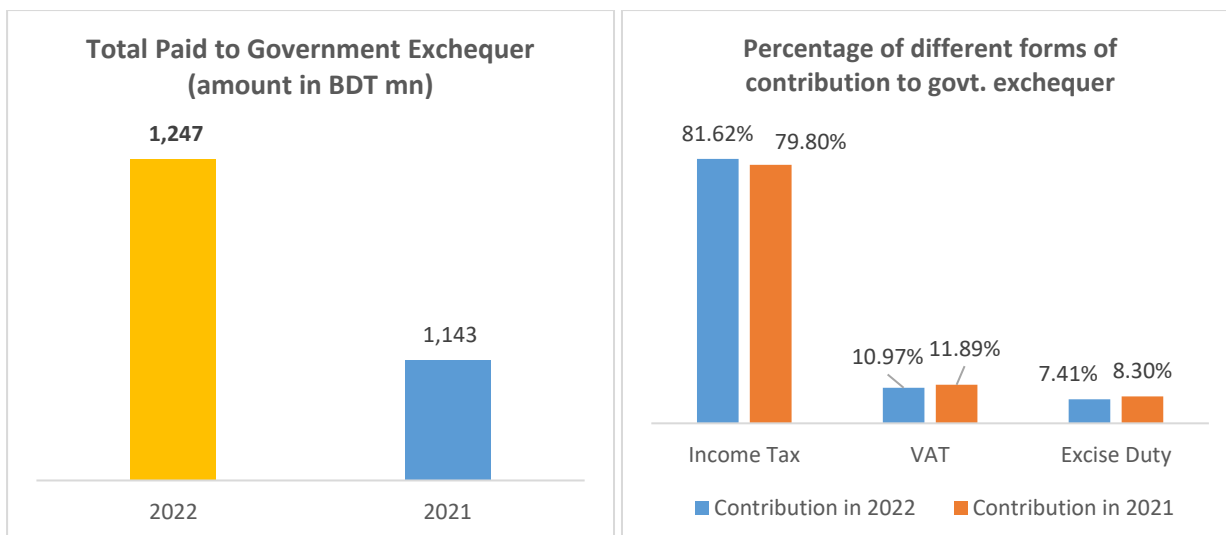
deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the statement of financial position date. The impact on the accounts of changes in the deferred tax assets and liabilities has also been recognized in the profit and loss account as per IAS-12 "Income Taxes".

However, as per IAS 12 deferred tax asset shall be recognized to the extent that it is probable that taxable profit will be available against which the deductible difference can be utilized. However, due to having huge amount of accumulated business loss as per tax laws, it is not probable that there will be future taxable profit against which these deductible temporary difference can be utilized. Hence, no additional deferred tax asset has been recognized during the current year.

## Contribution to Government Exchequer

GRI: 207-3

Forms of Contribution	2022	2021
<b>Income Tax</b>	<b>1,018,012,515</b>	<b>911,917,649</b>
Source tax on Salary u/s 50	53,934,237	46,876,623
Source Tax on Interest on savings deposit u/s 53F	376,297,732	405,921,480
Source tax on Payment to Supplier u/s 52	14,451,200	10,501,842
Source tax on Payment to Landlord u/s 53 A	6,262,690	6,109,030
Source tax on Income of Non-residents u/s 56	45,512,740	-
Payment on transaction of Securities u/s 51	1,810,000	-
Source tax on payment of commission	131,840,764	212,266,035
Payment of Advance Corporate Tax u/s 64	266,976,939	141,970,183
Tax payment at the time of Return Submission u/s 74	-	4,954,336
Source Tax on Dividend Payment u/s 54	110,652,920	82,520,085
Others	10,273,294	798,034
<b>VAT</b>	<b>136,770,706</b>	<b>135,871,764</b>
VAT on House Rent	18,782,675	18,325,721
Collection of VAT on Processing, Documentation Fee etc.	16,874,809	19,201,106
VAT on Procurement of goods and services	13,498,449	16,037,458
VAT on Legal, Professional & Technical Fees	2,311,806	6,264,056
Others	85,302,967	76,043,423
<b>Excise Duty</b>	<b>92,464,630</b>	<b>94,899,766</b>
Collection of excise duty from clients	86,071,930	88,689,643
Excise duty deducted by bank	6,392,700	6,210,122
<b>Total Paid to Government Exchequer</b>	<b>1,247,247,850</b>	<b>1,142,689,179</b>



### Financial Literacy Initiatives

Financial literacy is essential in supporting financial inclusion, especially in the context of the advancement of Digital Financial Services (DFS). Leveraging on the phenomenon that financial literacy is a prerequisite for sustainable financial inclusion; Bangladesh Bank has implemented a number of initiatives so far. Among the numerous measures, distribution of fly-leaves, brochures, pamphlets, leaflet regarding financial services, broadcasting commercials in television and radio on consumer protection, advertisements in the newspaper on information of regulated financial institutions, publicizing video documentary on financial services, streamlining school banking conferences across the country, arrangement of banking fair, open credit disbursement in favor of marginalized and low income people, awareness building program for CMSMEs, road shows, SME fairs, Women Entrepreneur fairs etc. are remarkable. These courses of actions are somewhat very effective to reach some portion of the target people however not thriving to encompass the whole segment of unserved or underserved people countrywide.

LankaBangla Finance Limited (LBFL) arranges Customer Awareness and Education Program for customers for providing them with the knowledge and understanding of the wide range of financial products and services so that customers can be aware and conscious of their own rights and responsibilities, safety measure thereof independently.






As a part of Customer Awareness Program LBFL performs the following activities:

- publishes or declares customers alert and precautionary message, guidelines etc. on products and services time to time through brochures, leaflets and advertisement in communication channels
- arranges quarterly meeting to convey awareness message and alert tips to the customers relating to LBFL's products and services. In 2022, LBFL has arranged customer awareness program in Habiganj, Khulna, Faridpur and Chowmuhani.
- conducts training session for the customer-service-related officials to enhance their efficiency, skill, knowledge, tact, technique for excellent customer services.



## HUMAN CAPITAL

GRI: 205-1, 401-1, 403, 404-1, 404-3

Material Topics influencing the Capital Development Strategy	Key Pillars	Value Creation Highlights for 2022	Linkages to other capital	SDG relevance
<ul style="list-style-type: none"> <li>Talent Acquisition and Management</li> <li>Learning and Development</li> <li>Employee Engagement</li> <li>Employee Health and Safety</li> <li>Anti-Corruption Practices</li> </ul>	Remuneration and Benefits	242 employees got recognized for their exemplary contribution and commitment towards business growth and core values.	<ul style="list-style-type: none"> <li>Learning and development approaches assist employees in becoming more efficient by making better use of available resources</li> <li>An immensely capable and competent team boosts the Company's visibility and maintain a competitive edge</li> <li>A performance driven value system assists the business strategy to attain better financial results</li> <li>Employees who are empowered are better capable of delivering the Company's value proposition to its customers</li> </ul>	    
	Learning and Development	<ul style="list-style-type: none"> <li>60 trainings provided to the employees</li> <li>BDT 5.06 mn spent on employees' training and development</li> </ul>		
	Governance and Best Practices	213 Staff promotions on all levels were given		
	Digital Solution	<ul style="list-style-type: none"> <li>End-to-end process from sourcing, recruitment and welcoming new talents was delivered virtually</li> </ul>		



		<ul style="list-style-type: none"> <li>15,273 person hours spent on e-learning trainings</li> </ul>		
<b>Strategic Theme for 2023</b>				
<ul style="list-style-type: none"> <li>Learning and development</li> <li>Employee digital experience</li> <li>Operational excellence</li> </ul>				

## Employment

[GRI: 102-8](#)

### Key performance indicators of HR practices and decent work responsibility

After two consecutive year of COVID-19 pandemic, 2022 was little better than previous two years and people started to cope up with the new normal. Since things were changing quickly, new and flexible thinking was required to motivate, engage and manage talents. The future of the workplace had already been evolving but the pandemic set in motion an acceleration in efforts and re-prioritization on management agendas.

We have a planned an approach which focuses on building strong connections with our team members both individually and collectively, to ensure every team member is deeply committed to LBFL's core values and purposes.

Here you will gain insights on our workforce, employee mobility, sustainable reward and our practices. You will also find how we are modernizing our training and development techniques, safeguarding staff wellbeing and evolving our employee benefits.

**1,200 plus employee**

LankaBangla has always been focused on human capital management and is accountable for developing employee potential and harnessing staff abilities within the firm. LankaBangla believes that its employees' abilities and enthusiasm are important forces in achieving sustainable outcomes.

LankaBangla meticulously preserves its vast pool of knowledgeable, experienced, disciplined, clear-thinking, and dynamic individuals who consistently drive growth and innovation within defined risk parameters. LankaBangla continues to implement HR policies and practices targeted at developing employees and assuring their active participation in achieving corporate goals. In response to the Pandemic's profound consequences, LBFL immediately focused on life-saving actions such as organizing disinfectant products and implementing control in the office. Then, with the help of its robust IT backbone, enable remote office.

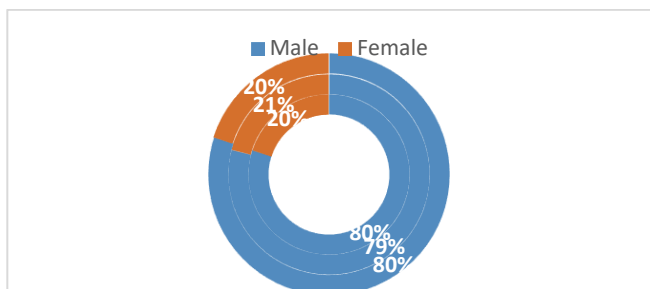
**A total of 22 employees took maternity leave, 89% retained**

LBFL has competent human resources with a stellar record of expertise, diverse knowledge, and regulatory awareness, making it a prominent player in Bangladesh's financial sector. Our human resources are well equipped to provide our clients with optimal financial solutions. LBFL places great value on long-term, sustainable business operations and client relationships. Employees enable LBFL to provide clients with personalised financial solutions based on in-depth study.

### Total Employee Distribution

2020-2021-2022

Gender wise	2020	2021	2022
Male	1,117	1,053	987
Female	274	278	248
<b>Total</b>	<b>1,391</b>	<b>1,331</b>	<b>1,235</b>



### Recruiting and managing talent

A core aspect of LankaBangla's hiring strategy is to maintain a consistent stream of junior talent, including permanent hires and investment. Internal mobility is essential for developing and retaining qualified, talented individuals, as well as ensuring that the organization continues to benefit from their skills and experience. There has also been a strong strategic emphasis on integrating the Management Trainee Program in order to create a more diverse and adaptable talent pool for the future.

### District wise distribution of new hiring

GRI: 401-1

Region	2020	2021	2022
Barishal	4	2	3
Bogura	0	7	6
Chattogram	5	15	20
Cumilla	2	1	2
Dhaka	45	213	208
Dinajpur	1	4	9
Faridpur	2	7	5
Gazipur	1	4	5
Habiganj	3	9	4
Jashore	2	2	2
Keraniganj	3	5	3
Khulna	0	5	5
Kushtia	3	7	3
Mymensingh	0	5	7
Narayanganj	2	8	7

Region	2020	2021	2022
Narsingdi	1	3	1
Noakhali	2	1	6
Rajshahi	0	7	9
Sylhet	2	12	7
<b>Total</b>	<b>78</b>	<b>317</b>	<b>365</b>

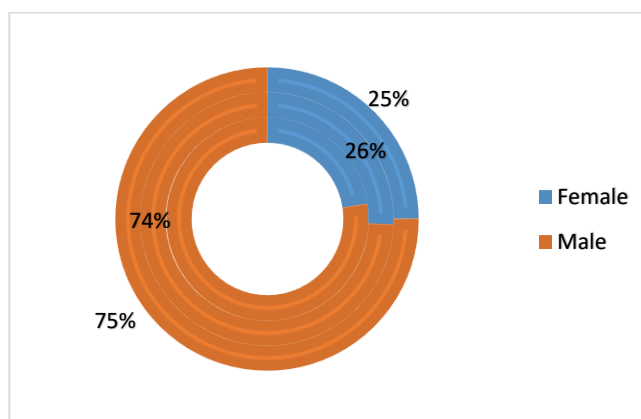
Additionally, LankaBangla continued to expand its presence and engagement on social media platforms to ensure it is accessing the relevant target groups through the channels they use to explore career and employment opportunities.

### Gender wise distribution of new hiring

**GRI: 401-1**

From 2021 because of COVID-19, LBFL moved quickly to transition its talent sourcing activities to a virtual environment. The end-to-end process from sourcing, recruitment and welcoming talent was delivered virtually by recruitment team and hiring manager. There was no disruption to the recruitment activities. During the period 2022, we hired 365 new employees. Of this 365 new joiners, 92 were our existing employee who were on contract with LBFL.

Newly Hired	2020	2021	2022
Female	20	79	88
Male	58	238	277
<b>Grand Total</b>	<b>78</b>	<b>317</b>	<b>365</b>



### Age range wise distribution of new hiring:

Age range as of new hiring	2020	2021	2022
18-30	31	164	130
30-50	29	153	235
50-70	18	-	-
<b>Total</b>	<b>78</b>	<b>317</b>	<b>365</b>

### Employment: Total by Employee type, Region and Gender

LankaBangla Finance Limited has its branches in all the divisions in the country. Currently the total number of branches stood 27 and Head Office in Dhaka.

#### Bangladesh Administrative Division-Wise Breakdown of Human Capital as at December 31:

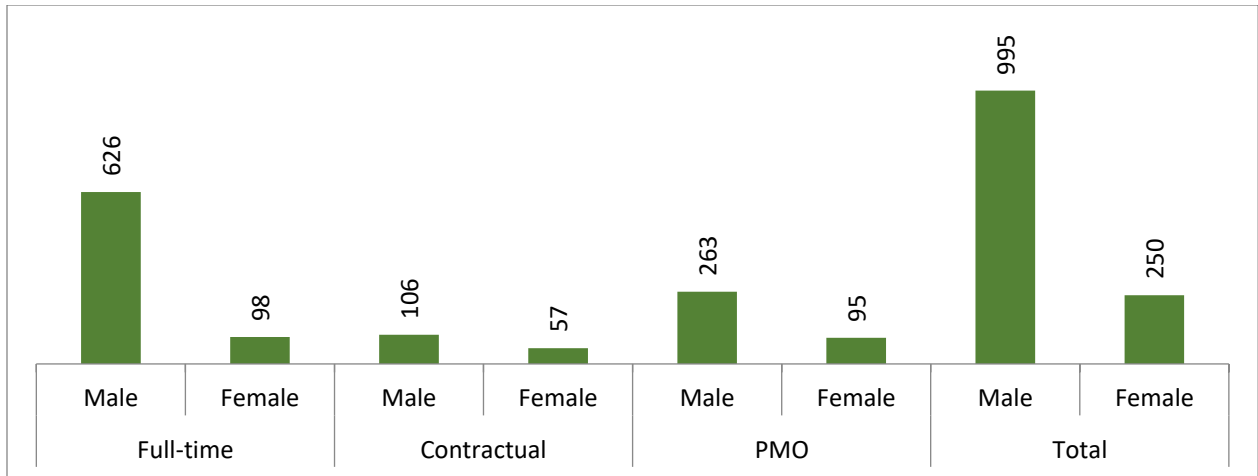
District	No. of Branches	No. of Employees		
		Male	Female	Total
Dhaka	13	735	216	951
Chattogram	4	107	17	124
Sylhet	2	24	2	26
Khulna	3	44	7	51
Rajshahi	2	36	1	37
Barishal	1	15	3	18
Mymensingh	1	15	2	17
Rangpur	1	19	2	21
<b>TOTAL</b>	<b>27</b>	<b>995</b>	<b>250</b>	<b>1245</b>

#### Employment Type: Full-Time, Contractual and Product Marketing Officer (PMO)

In 2022, the company worked towards its headcount target, we continued with the process for restricted hiring to support company's strategic goal. Employees have been hired only to positions that are viewed as critical to company's success and future growth.

Employment Type	No. of Employees		Composition in%
<b>Full-Time</b>	2022		2022
Male	626		86%
Female	98		14%
<b>TOTAL</b>	<b>724</b>		<b>100%</b>
<b>Contractual</b>	2022		2022
Male	106		65%
Female	57		35%
<b>TOTAL</b>	<b>163</b>		<b>100%</b>
<b>PMO</b>	2022		2022
Male	263		73%
Female	95		27%
<b>TOTAL</b>	<b>358</b>		<b>100%</b>
<b>All Employees of LBFL</b>	2022		2022
Male	995		80%
Female	250		20%
<b>GRAND TOTAL</b>	<b>1245</b>		<b>100%</b>

#### No. of Employee by Type and Gender in 2022

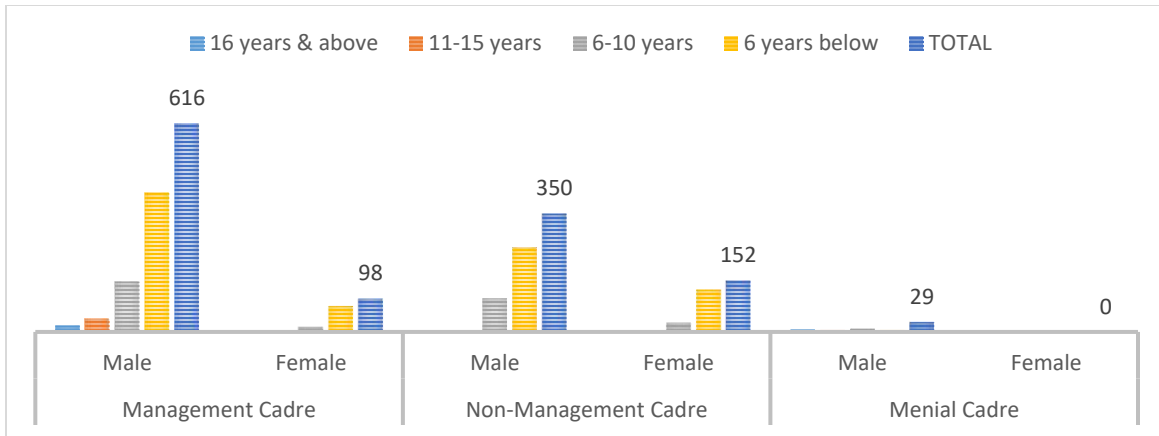


#### Age Analysis of Employees as at December 31:

Category	Management Cadre		Non-Management Cadre		Menial Cadre		Total 2022	
	Male	Female	Male	Female	Male	Female	Male	Female
51-60 years	8	1	5	0	2	0	15	1
41-50 years	158	13	78	6	11	0	247	19
31-40 years	384	68	173	88	13	0	570	156
21-30 years	66	16	94	58	3	0	163	74
21 years below	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>616</b>	<b>98</b>	<b>350</b>	<b>152</b>	<b>29</b>	<b>0</b>	<b>995</b>	<b>250</b>

#### Service Tenure Analysis of Employees as at December 31:

Category	Management Cadre		Non-Management Cadre		Menial Cadre		Total 2022	
	Male	Female	Male	Female	Male	Female	Male	Female
16 years & above	18	1	0	0	7	0	25	1
11-15 years	38	5	1	0	6	0	45	5
6-10 years	149	15	99	27	10	0	258	42
6 years below	411	77	250	125	6	0	667	202
<b>TOTAL</b>	<b>616</b>	<b>98</b>	<b>350</b>	<b>152</b>	<b>29</b>	<b>0</b>	<b>995</b>	<b>250</b>



### Employment Status

As mentioned earlier, hiring has been restricted to positions that are viewed as critical to company's success and future growth. Of the total employee, 51% were confirmed in service whereas 7% were on Probation. Rest 42% of the total employees were contractual in the company. Of this 42% contractual staff, 90% are Marketing Officers.

Employment Status as at December 31	No. of Employees	Composition in%
Confirmed in Service	641	51%
On Probation	83	7%
Contractual	521	42%
<b>TOTAL</b>	<b>1245</b>	<b>100%</b>

### Employees by Grade

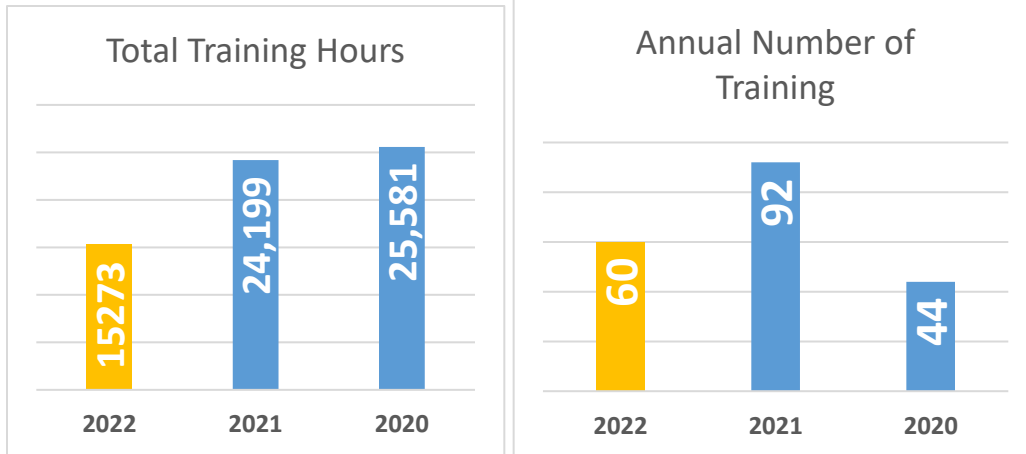
We have three grades of employee; Management Cadre (all full time employee), Non-Management Cadre (all contractual employee) and Menial Cadre (all attendants & drivers). Now Management Cadre accounting around 57% of the total staff strength and Non-Management Cadre accounting for 40% & Menial Cadre 2%.

Category	No. of Employees	Percentage
Management Cadre	714	57%
Non-Management Cadre	502	40%
Menial Cadre	29	2%
<b>TOTAL</b>	<b>1245</b>	<b>100%</b>

### Developing Employees and Creating Future Leaders

[GRI: 404-1](#)

We consider our human resources as our asset. For the development of our asset, we provide various in-house, external & foreign trainings. In 2022, but we developed 29 in-house training modules by ourselves and provided necessary trainings to our employees.



No of training participants	2020	2021	2022
Junior level employee	772	1,511	1,035
Mid-level employee	242	562	389
Senior level employee	141	269	189
<b>Total participants</b>	<b>1,155</b>	<b>2,342</b>	<b>1,613</b>

Developing, recommending and reviewing annually the company’s human resources and training policies, strengthening human resources through job rotation, assigning new responsibilities and empowerment LBFL optimized its cost of human resource.

To ensure a learning culture in the organization, HR developed e-learning and online modules with zero cost for its employees.

Number of training by type	2020	2021	2022
Foreign	2	5	0
Public/Local	11	33	30
Customized	0	0	0
In-House	8	16	29
Online	7	0	11
E-Learning	12	25	1
CFT (Combatting finance in terrorism)	2	1	1
Anti-Money Laundering (AML)	2	1	1
<b>Total</b>	<b>44</b>	<b>81</b>	<b>60</b>

## Learning & Development: Learning and Professional Development

Learning has long been a key element of our people strategy at the company. It is important for us to help our employees get better and better. We strive to do this by creating an engaging, personalized and varied learning experience accessible to all employees, at every stage of their career.

LankaBangla Finance Limited is dedicated in improving the professional competencies and performance of all its employees. After pandemic still there is risk of contamination to avoid contamination from COVID-19, we have postponed many trainings. Still the company spent a total of BDT 5.04 million on training and education programs for employees. All employees are subject to an annual performance review, at which they receive feedback on their performance and their development needs and potential as identified by the reviewers.

The company has followed a systematic approach to the identification of high performers among its employees. Through training, leadership competencies are identified and a pool of talent is created to serve the long term needs of the company.

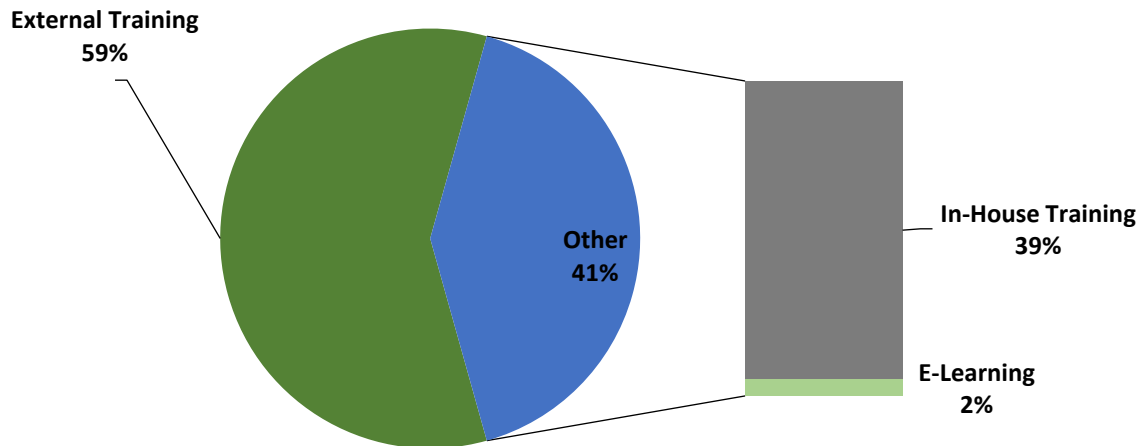
A total of 46 training programs, involving 2,214 nos. of participants, were conducted during the year. These programs were categorized as in-house and external training. No Overseas training were conducted due to Central Bank's regulation in the year of 2022. But we have arranged 18 In-House Training & 27 External Training for our employees. Given the company's strong commitment towards developing a learning culture, it is pertinent to note that employees underwent a total of 15,273 man-hours of training during the year on various knowledge building programs. It is to be noted that we are also focusing on providing trainings to our contractual employees as well.

Training Type	No. of Programs	No. of Participants	Person Hours
Overseas Training	0	0	0
External Training	27	181	6,933
In-House Training	18	1,194	6,662
E-Learning	1	839	1,678
TOTAL	46	2,214	15,273

### Composition of Training Program:

It is to be mentioned that, LBFL always focus on external training rather than internal training in the year under review. We have prepared our own customized course contents and hired specialist for those programs as and when required. In our internal training, we have our own resources as well to conduct the training. In 2022, of the total training, 39% was internal training, 2% were through e-Learning platform, 59% was external training.





**Training Hours by Employee Grade:**

For creating a learning and development culture throughout LankaBangla Finance Limited, we have provided training to our contractual staffs as well as our sales forces. This will be a continuous learning process for them and helps them in honing their skills to penetrate the market effectively and efficiently since we believe in “Growing Together”. We will design and conduct more specific training for our sales forces and for our contractual employees as well in coming days.

Category	Male	Female
Management Grade	1,611	298
Non-Management Grade	131	92
Product Marketing Officer	72	10
<b>TOTAL</b>	<b>1,814</b>	<b>400</b>

**Employee Benefit**

[GRI: 201-3](#)

The company provide retirement benefit like provident fund (PF), gratuity fund (GF), leave encashment, staff home loan, hospitalization programs, parental leave to its employee.

**Provident Fund**

For its permanent employees, the company has a contributing provident fund. All permanent staff contribute 10% of their base income to the provident fund, and the firm contributes equally.

**Gratuity Fund**

All eligible employees who have completed at least 3 years of confirmed employment with the company are entitled to a funded gratuity scheme. Employees are entitled to gratuity benefit at the following rates:

Year of confirmed services	Percentage of entitlement
3 years and above but less than 4 years	50% of last one month basic salary for each completed year
4 years and above but less than 5 years	100% of last one month basic salary for each completed year
5 years and above	150% of last one month basic salary for each completed year

**Parental Leave**

During the pre and post-natal period, all permanent employees are eligible to, up to 6 months of maternity benefit and up to 5 working days of paternal leave.

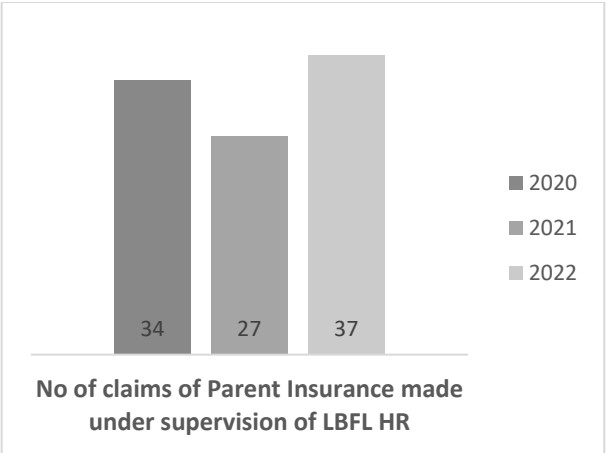
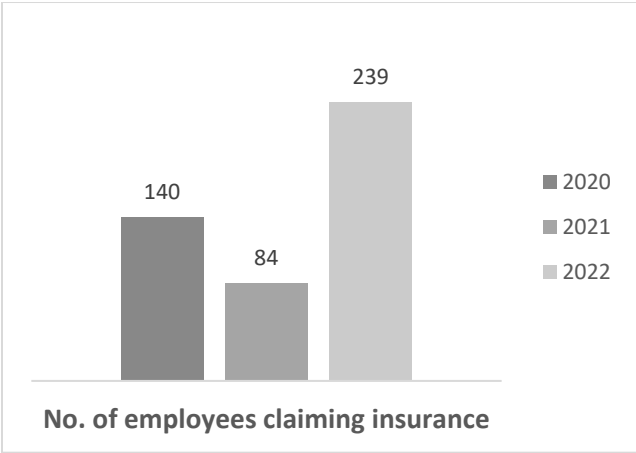
**Leave Encashment**

Based on the most recently drawn basic, a maximum of 60 days of leave may be availed.

**Insurance Coverage and Hospitalization Schemes**

**A total of 463 employees received hospitalization insurance claim in last 3 years**

**BDT 1.90 million insurance claim has been settled in 2021.**



Health insurance covers employee, spouse and their kids. The premium is borne by the Company.

## Health and Safety Management Schemes

### Occupational Health and Safety- Employee Representation on Health and Safety Committees:

[GRI-403](#)

LBFL and all of its employees are to protect and enhance the environment in which they live. All will comply with all laws and strive to do more. LBFL do not compromise safety or environmental protection for profit. LBFL believes environmental stewardship as an obligation and support this commitment with the necessary personnel and financial resources.

The following principles will guide and measure our corporate goals and objectives in Health, Safety and Environment:

- We are committed to continuously improving our Health, Safety and Environment performance;
- We will continually promote employee safety on and off the job;
- We conduct our business so it meets or exceeds all applicable laws and regulations and minimises risk to our employees, the public and the environment;
- We will endeavour to do business with companies and contractors that share our expectations for Health, Safety and Environment performance and commitment and we will regularly assess their performance;
- We will use our influence with companies in which we have partial ownership so they will want to meet the Health, Safety and Environment Commitment of the Company;
- We believe all employees are responsible and accountable for Health, Safety and Environment performance.

LBFL provides the training necessary to ensure that all the Company personnel are sensitive to the importance of our Health, Safety and Environment policy, understand the nature of the laws and regulations that govern our activities and have skills to implement our policy and comply with Health, Safety and Environment requirements.

#### ***No. of training participants in Occupational Health and Safety trainings in 2022***

<i>Junior level employee</i>	248
<i>Mid level employee</i>	191
<i>Senior level employee</i>	87

In 2022, the Company conducted 3 safety trainings out of which 2 were related to fire.

## Employee Recognition

[GRI: 404-3](#)

### **Number of Employees get 'Excellent' and 'Outstanding'**

<b>Gender</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Male</b>	182	280	216
<b>Female</b>	17	29	26
<b>Total</b>	<b>199</b>	<b>309</b>	<b>242</b>

Level	2020	2021	2022
Junior	93	161	108
Mid	54	92	71
Senior	52	56	63
<b>Total</b>	<b>199</b>	<b>309</b>	<b>242</b>

#### Number of Employees promoted

Level	2020	2021	2022
Junior	-	100	127
Mid	-	17	51
Senior	-	9	35
<b>Total</b>	<b>-</b>	<b>126</b>	<b>213</b>

Gender	2020	2021	2022
Male	-	115	189
Female	-	11	24
<b>Total</b>	<b>-</b>	<b>126</b>	<b>213</b>

On top of that, we also organize town-hall meeting twice in a year for our staffs and the best performers are also rewarded by our honorable Chairman and Managing Director. Crest, gift hampers, cash incentive and certificates are awarded in this program. All these efforts are taken only to boost the morale of our employees and to motivate them to perform at their best.

#### Employee Engagement

The Company used to organize different competitions for our kids like drawing, dancing, singing, reciting poem, etc. To remove the boredom of staying at home, LBFL takes this initiative to give some quality time to our future stars.

#### Employees Attrition

In 2022, we saw a very tough financial market. Job opportunities declined significantly due to financial instability. A total of 451 nos. of employees have resigned from service during the year 2022, which includes both full time employee and contractual employee. Of the total resigned employees, 92 employees have been absorbed as Full-Time employee from the contractual positions and contract expired for 5 employees; which have not been considered in the overall attrition rate. So we can say that attrition rate for the year 2022 is 27.48%. Of the total employees resigned, 75% were male and 25% were female.

#### Gender-wise Employee Turnover

Category	Gender-Wise Turnover	Actual Gender-Wise Turnover	Percentage of Employees	Gender-Wise Percentage of Attrition
Male	336	266	75%	20.65%

Female	115	88	25%	6.83%
TOTAL	451	354	100%	27.48%

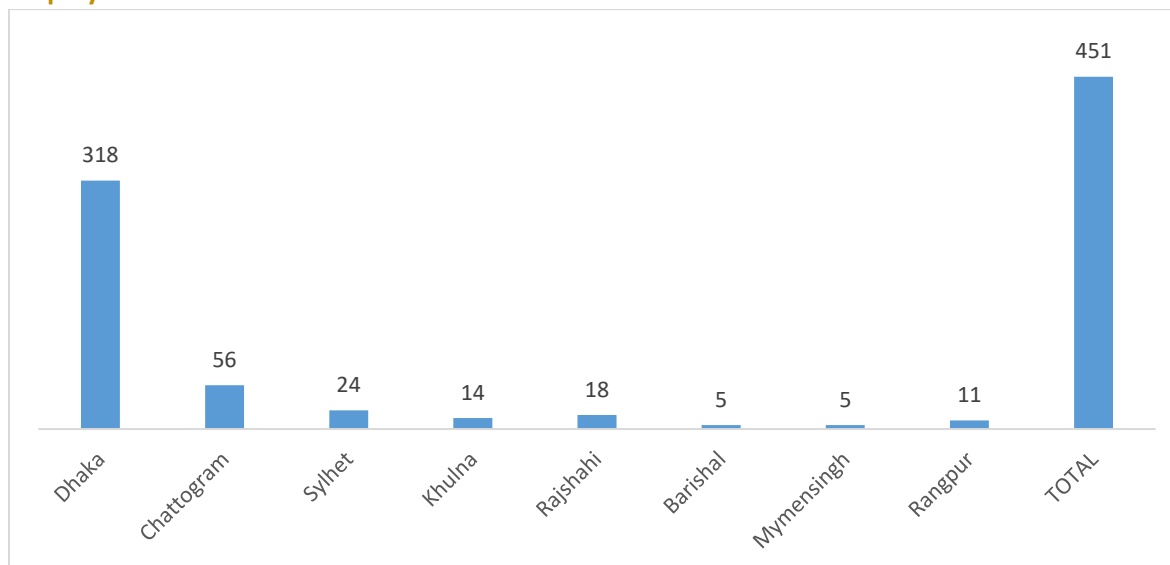
### Employee Attrition Rate by Age Group:

Category	No. of Employees Left
51-60 years	1
41-50 years	31
31-40 years	254
21-30 years	165
TOTAL	451

### Geography-wise Employee Turnover:

Category	Turnover (No.)	Turnover %
Dhaka	318	71%
Chattogram	56	12%
Sylhet	24	5%
Khulna	14	3%
Rajshahi	18	4%
Barishal	5	1%
Mymensingh	5	1%
Rangpur	11	2%
TOTAL	451	100%

### Employee Turnover 2022



### Compensation and Benefits

The company follows a policy of continuous improvement in respect of the working lives of its employees. In addition to this, LankaBangla Finance Limited has taken further steps to enhance the facilities and benefits afforded to its staff:

Cash Benefits	Non Cash Benefits
<ul style="list-style-type: none"> <li>• Festival Bonus</li> <li>• Provident Fund</li> <li>• Gratuity</li> <li>• Annual Increment</li> </ul>	<ul style="list-style-type: none"> <li>• Personal loan facility at a privileged interest rate</li> <li>• Home loan facility at concessionary interest rate</li> <li>• Auto Loan for Executive grade employees</li> </ul>

<ul style="list-style-type: none"> <li>• Performance related Bonus</li> <li>• Performance Incentive for HRCs &amp; PMOs</li> </ul>	<ul style="list-style-type: none"> <li>• Motorcycle for employees who need to visit outside office in regular basis</li> <li>• Travel allowance &amp; daily allowance</li> <li>• Fuel allowance and transport allowance</li> <li>• Disturbance allowance for temporary transfer</li> <li>• Medical benefits enjoyed by all employees including life insurance and hospitalization insurance to cover up any medical emergency</li> <li>• Insurance coverage for parents (premium paid by employee) which is managed by Human Resource Division</li> <li>• Mobile allowance for all permanent employees</li> <li>• Cost sharing for Professional qualification</li> <li>• Reward and Recognition is created to set up a systematic process of expressing appreciation for employee's hard work, dedication and contribution to the company</li> </ul>
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#### Other Benefits:

- LBFL plan, design and arrange various job specific soft skills and technical training based on individual need assessment and business requirement
- Orientation program for all employees (Management and Non-Management Grades including PMOs)

#### Career Development Review & Succession Planning

In the context of complex and special condition of the relevant industry, the primary assets of a business are the talents of its people, not the tangible and financial assets that make up the balance sheets. The cost of finding key talent and replacing key staff that leaves the company is expensive and time consuming. As a result, LBFL has the following procedure to ensure that they can continually develop and retain the talent that they groom through proper recognition and career enhancement. At the same time, we try to ensure that our operations do not become jeopardized due to the sudden departure of any key staff, so this policy also allows for some precautionary measures in terms of manpower planning.

- ❖ **Human Resources Planning:** Through Human Resources Planning (HRP), we analyse our human resources needs under changing conditions and develop the activities necessary to satisfy these needs. It helps to ensure that the right numbers of the right kinds of people are available at the right times and in the right places to shape the organisational plans into reality.
- ❖ **Human Resources Information:** In order to use the HR data effectively, it is important to update and manage Human Resources Information System in a structured manner. The data can be easily managed by a customised database to suit the management decision process of the Company regarding HR. The following information is essential in order to come to a sound and transparent decision regarding all HR issues such as transfer, promotion or redundancy:

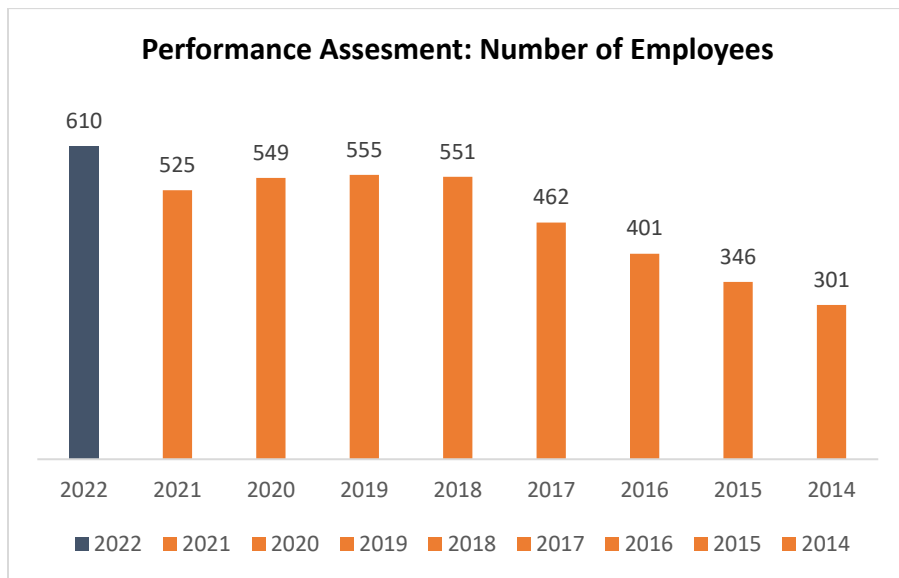
- Education record

- Basic Personal Information
- Training received
- Job history
- Performance rating
- Extraordinary awards achieved

❖ **Career Management:** Based on the accumulated data, the management decides on the career progression of the key employee. This can happen along with the promotion or performance appraisal decisions. At the same time, the management may decide to groom potential talent among the staff through training and development efforts and also ensuring the retention of the said talent within the Company. The HR Committee will review and develop structured Talent Identification Process along with required development interventions in this connection.

❖ **Succession Planning:** Succession plans establish the identity of the individual who will step in and assume the role of departed key employees, allowing companies to manage the transition and continue performing. To ensure this, we provide a mandatory 15 days or more Annual Block Leave at stretch to employees so that their senior team member can play the role of leader and can have hands-on experience of leading a team.

All employees of the company irrespective of their gender received formal performance and career development reviews during 2022. Annual performance reviews and the reviews conducted upon completion of probationary periods help the company in identifying and enhancing the potential skills and developing them as needed. As mentioned earlier, as a part of promoting our internal resources, 92 contractual employees have been absorbed under Management Grade in 2022.



## Anti-Corruption Schemes

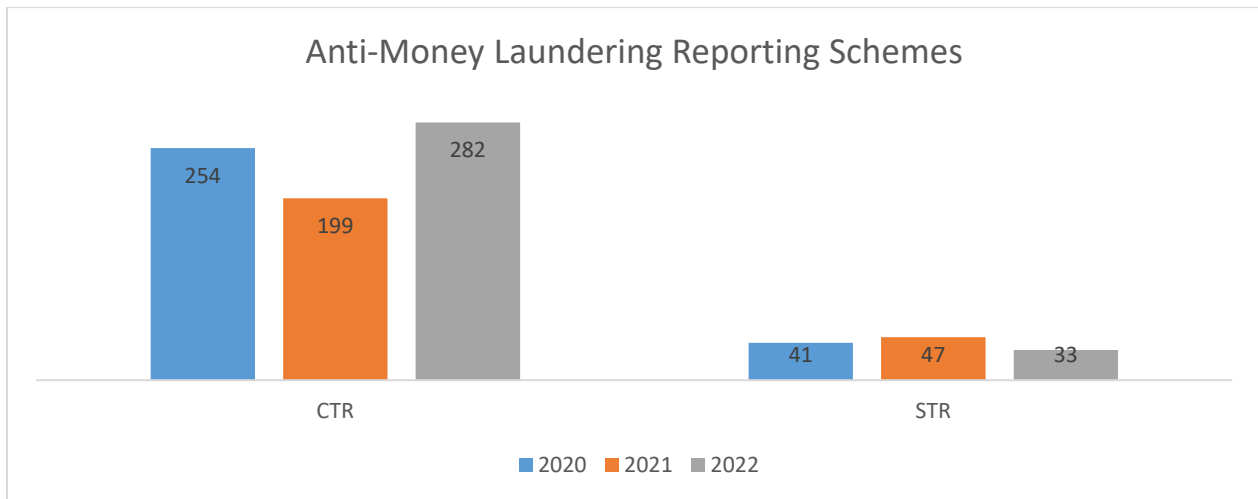
[GRI-102-41](#), [GRI: 205-1](#), [GRI: 205-2](#)

LBFL is dedicated to one of the LankaBangla Group's core objectives: acting with integrity and professionalism, which focuses not only on LankaBangla Group development, but also on development in a way that fosters social prosperity and economic progress in the regions of operation.

As per the money laundering act, we have two main responsibilities of the reporting system.

- ❖ CTR – Cash Transaction Report (for any cash transaction that exceeds BDT 10 lac per day)
- ❖ STR – Suspicious Transaction Report (for any transaction that seems to be doubtful)

LankaBangla Finance's reported CTRs and STRs for the past few years have also been identified in conformance with the said Act.



## Reward and Recognition

Reward and Recognition is a way to express appreciation for another employee's hard work, dedication and contribution to the Company. There are many levels of Reward and Recognition, to ensure both small contributions as well as the larger ones is recognized. Public recognition creates an environment in which all employees feel positive about the work place and sets a good example and motivates others to perform at a higher level. Moreover, the person feels that his/her contribution is valued by the organization.

We have different reward categories:

- Chairman's Eminence Award: Once in a year
- MD's Brilliance Award: Twice in a year
- Departmental Proficiency Award: Twice in a year
- Individual Aptitude Award: Twice in a year
- "ICON" - A Recognition Program for Best Branch Managers (BMS): Twice in a year
- Dine with MD: Quarterly basis
- HEROES@WORK: By-monthly basis
- Integrity Award: Once in a year (As per Bangladesh Bank Guideline)
- SHIKHA Award: Once in a year



- Long-Service Award

In addition to above, we run several campaign for both assets and liability product throughout the year.

#### **Strengthening the Overall HR Policy Framework**

- For the first time, LBFL introduced Customer Relationship Executive (commission-based Full-time employees) in 2021 and in 2022, we have on boarded 78 employees under this program to attract talented resources from the industry. It worked as a retention tool for the internal employees as well.
- Staff Car Loan policy has been updated. Now employee can avail “Total Cash Allowance” after closing their Staff Auto Loan if they wish not to take new Staff Auto Loan.

#### **Way Forward**

- Focus on the change management process where we will seek increased automation and digitalization, thus releasing team members who perform traditional routine tasks for reskilling and subsequent redeployment to more value-adding tasks.
- Develop alternative work arrangement solutions that allow employees to be more productive to maintain a better work-life balance.
- Enhance the e-learning platform to ensure quality learning that can add value to the company.
- Developing ERP-based Performance Appraisal System, which will ensure in providing timely feedback to concerned employees regarding their performance.
- Creating an internal high potential talent pool to meet the internal talent requirements for smooth operation of the business.
- Review and revamp LBFL’s HR function to ensure a future-ready HR Division capable of driving the company to the next level

## INTELLECTUAL CAPITAL

Material Topics influencing the Capital Development Strategy	Key Pillars	Value Creation Highlights for 2022	Linkages to other capital	SDG relevance
<ul style="list-style-type: none"> <li>Corporate Brand Image/ Goodwill Building</li> <li>Digitalization Strategy</li> <li>Business Continuity Schemes</li> <li>Information Security</li> </ul>	Brand Strength	<ul style="list-style-type: none"> <li>Revamping of website</li> <li>One-stop digital financial services launch</li> <li>Strong presence on different media platforms</li> </ul>	<ul style="list-style-type: none"> <li>Provides the system support required to enhance the productivity of all distribution channels</li> <li>Sets a firm platform for employees to carry out their responsibilities quickly and effectively</li> <li>The Company's strong competitive positioning enables it to routinely enhance its financial performance</li> </ul>	  
	Information Security	<ul style="list-style-type: none"> <li>Secured VPN for work from anywhere</li> <li>Digital Financial Services Agreements</li> <li>PCI DSS and ISO certification for third consecutive year</li> </ul>		
	Business Continuity Planning	Major sponsoring events, signing events with different business bodies and campaigns were held		
<b>Strategic Theme for 2023</b>				
<ul style="list-style-type: none"> <li>Competitive Positioning</li> <li>Customer Experience</li> </ul>				

<ul style="list-style-type: none"> <li>Operational Excellence</li> <li>Community Stewardship</li> </ul>				
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### Branding with purpose

The world is moving towards a new dimension where technology is playing a significant role in everyone’s life. We are evolving more dynamically and digital transformation makes our life more convenient. We are also taking many measurable actions to cope up with the changes and adapting changes in operations and product innovation. Our product innovation, client engagement modality, and digital transformation helps us to reach unbanked people and bring them under the financial ecosystem. With such varieties of products and services and with the help of digitalization, we are fulfilling the customized demand of customers from different demographics, lifestyles and segments. Most importantly, our products and services lead the people of Bangladesh towards entrepreneurship and bring changes in their lives. And through extensive branding activities in the ever-evolving Bangladesh landscape, we utilize our resources at optimal levels for reaching top-tier ratings in financial organizations and increase the positive trend in the perception.

### Brand marketing and communications horizon and objectives

We are the brand's custodian, and we are accountable to the stakeholders for developing, managing, building, and protecting the brand's reputation in the market as a respected, informative, and trusted financial company. We are the hub of the Company's internal and external branding and communication efforts. Our broad range of works includes developing brand strategy, planning and managing events and activation, developing customer engagement programs, purchasing offline and online media spaces, conducting extensive digital activities and data analysis to improve communication and achieve KPIs, and maintaining positive relationships with all media houses.

As we move towards a digital world in which all of our existing and future clients will be on digital platforms, we have set a target for this year of strengthening all of our digital channels and identifying the measurable criteria for building a digital business center. And we are attempting to engage all possible digital platforms with measurable KPIs for this purpose.

Nevertheless, we are also communicating with various print media, sponsoring events and activations. In 2022, we gave approximately 330 different print advertisement in daily newspapers, magazine, souvenirs, and sponsor magazine. Approximately 45 different PR were published in different channels. We participated in almost 15 different major sponsoring events and arrange almost 100 business signing ceremony with various business body. To support those activities, we posted approximately 1400 digital creative post in our digital channels, revamp our website and created 60 new pages along with launching 15 new campaign page. We also prepare 70 different video materials though out the year such as customer testimony, apex body testimony, product and service animation. We delivered almost 600 EDM to customers. Our all these activities are measurable and has proven number.

## Brand Equity

### PCI-DSS Certification



LankaBangla Finance Limited has Revalidated the Payment Card Industry Data Security Standard (PCI DSS). Getting the renewal ensures our long-standing commitment to protecting customer data and assets. This renewal confirms that LBFL continues to exercise the best practices in information security processes and has provided the fundamentals of data security: confidentiality, integrity, and availability.

### ISO Certification



LankaBangla Finance Limited has achieved the ISO/IEC 27001:2013 Certification for consecutive third year. The Certificate was handed over to Khwaja Shahriar, Managing Director & Chief Executive officer and Sheik Mohammad Fuad, SVP & Head of ICT from BSI (The British Standards Institution) India in association with Enterprise InfoSec Consultants

### LankaBangla Win the precious "Best in EMI Growth" category award in "Daraz Payment Partner Awards 2022"



Daraz Bangladesh, the country's largest online marketplace, organized "Daraz Payment Partner Awards 2022" at the Grand Ballroom, Sheraton Dhaka. LankaBangla Win the precious "Best in EMI Growth" category award.

### LankaBangla Win the precious Excellence in Mastercard award



LankaBangla Finance awarded Excellence in MasterCard Credit Business (Domestic) 2020-21 and Contactless 2020-21 category

## Strategic Business Alliance

### Digital Financial Services Agreement between LankaBangla Finance and Dana Fintech

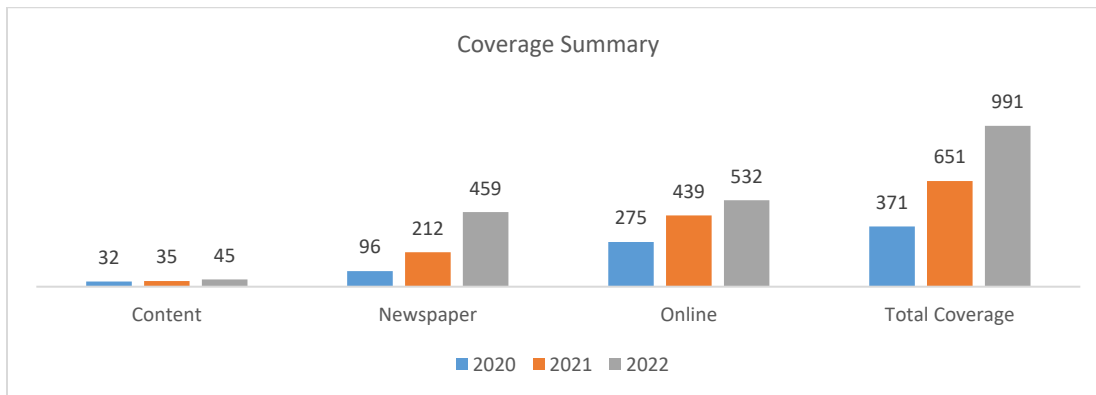


LankaBangla Finance Limited has signed an agreement with Dana Fintech, an embedded finance fintech, to launch one-stop Digital Financial Services.

Under this partnership, LankaBangla will extend digital deposit, BNPL, Credit Card by digital onboarding and digital loans to underserved CMSMEs.

## PR Credibility

LBFL uses press releases to communicate with stakeholders to share information about its financial performance, business strategy, and new products and services. This helps to build trust and credibility with stakeholders, enhance the overall perception of the company, and stay top of mind with the target audience. Additionally, press releases are used to announce partnerships, collaborations, events, awards, and other notable developments, showcase leadership positions and commitment towards CSR activities, and be more transparent and accountable to stakeholders, thus helping to build a better brand image in the Financial Institution industry. In the year of 2022 we publish 45 different PR to different news channels and publications which value is approximately BDT 70,500,000. We are increasing our PR penetration in a very strategic way with keep in mind about the cost.



## Digital Presence

This year we focus on online applications to streamline its operations and improve the overall customer experience. The introduction of online applications has allowed customers to access financial services and products at any time without needing to visit a branch physically. Furthermore, online applications have enabled customers to track the status of their applications and transactions and access account information, creating a more transparent and self-service-oriented experience. LBFL has developed 15 online applications and platforms since 2021, and it is still working hard to reach its ultimate goal of digitalization.

### Protiva



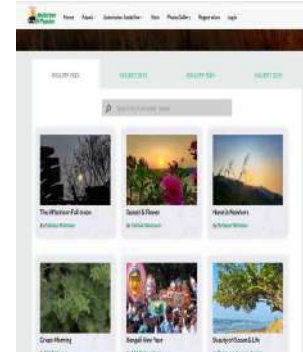
Protiva Platform demonstrates the creative creations of children who participated in the Art competition. The parents of the children then uploaded their drawings and sketches who participated in the art competition.

### Art



All pictures of the winners of art competitions are categorized and uploaded in the Art Competition Application.

### Reflection of



LBFL organized a photography contest for employees of LBFL. Only the employees of LBFL can register, only using the official LBFL email id. The themes are provided by LBFL and based on it, the photos are uploaded, and winners were chosen accordingly. The winners' pictures were used to make the calendars.

### Our digital marketing performance over the year

In 2022, LBFL created a new standard for perfecting online reach by taking advantage of different online platforms, such as Facebook, Instagram, LinkedIn, Youtube, Google Ad Networks, and Local Ad Networks. Different digital resources from LBFL have served as advertising components on these platforms, and through these channels, people worldwide have learned more about LBFL's brand and products.

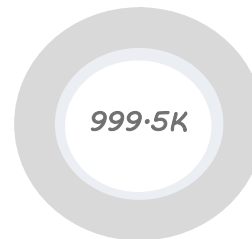
### Digital creative content in 2022

#### Content Publishing Behavior in Facebook, LinkedIn and Instagram

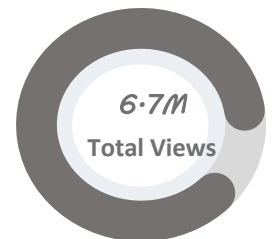
	Facebook	LinkedIn	Instagram
Total Published Posts	1,422	940	591
Published Photos	1,343	869	567
Published Links	9	10	-
Published Videos	70	61	1

#### Video Performance of Facebook

2021  
VIEW METRICS

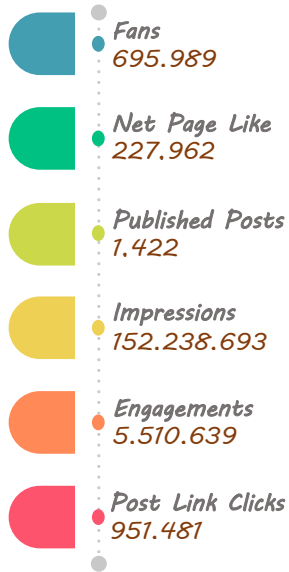


2022  
VIEW METRICS

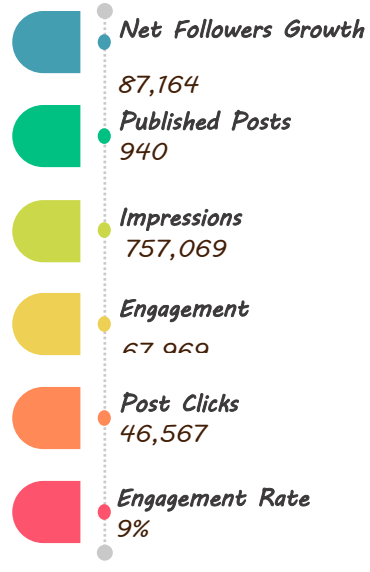


In 2022, Engagement Rate increased by 200.9% from the previous

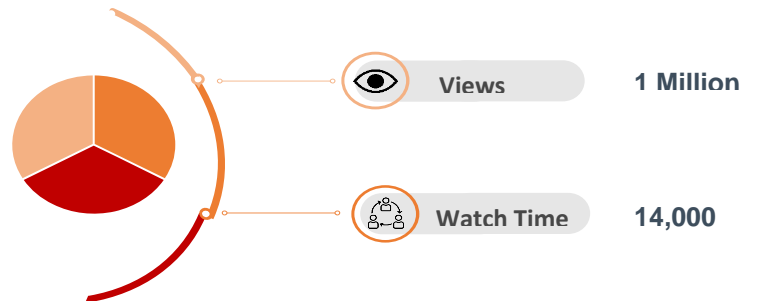
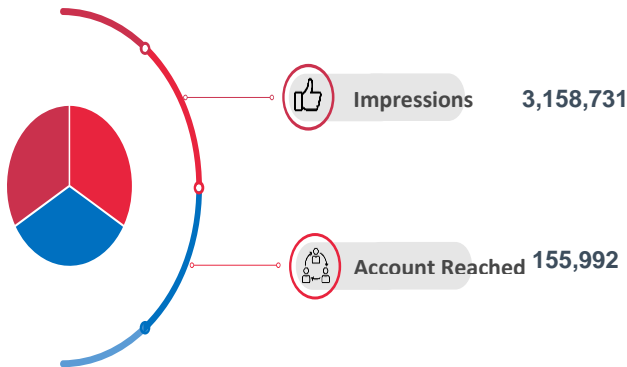
Year to Year Growth



Jan, 2022 to Dec, 2022



Jan, 2022 to Dec, 2022



E-Newspaper Ads Network

Impressions  
18,101,722



Google Ads Network

Impressions  
134,104,602

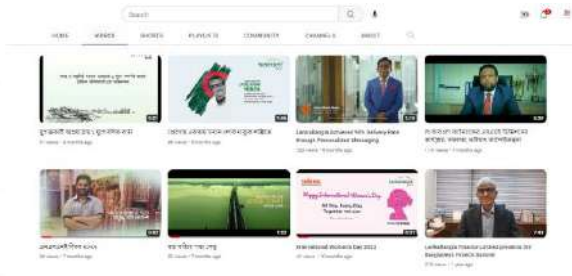


Local Ads Network

Impressions  
42,721,791

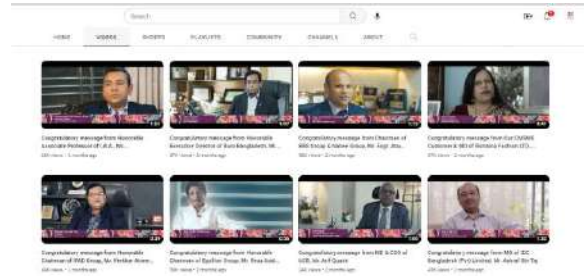


**Product and Special Day Video**



Videos on product and services and special day uploaded on YouTube

**25<sup>th</sup> Anniversary Greetings**



Greetings from our beloved vendor, partners, customers was uploaded on YouTube.

**PROSPECT GENERATION**

Through Website			Online Application:	
APPLICATION	APPLIED	SUBMITTED	Department	Amount
Credit Card	3,095	411	Retail	6,161
Deposit	1,265	51	Corporate	36
Personal Loan	2,694	25	CMSME	3,090
Auto Loan	22	3	Deposit	192
Home Loan	N/A	98	Total	9,479
BEFTN	N/A	2,838		
CMSME Loan	N/A	164		
<b>Total</b>	<b>7,076</b>	<b>3,590</b>		

We posted and developed, adopted and transformed approximately **2,991** creative for all social media channels.

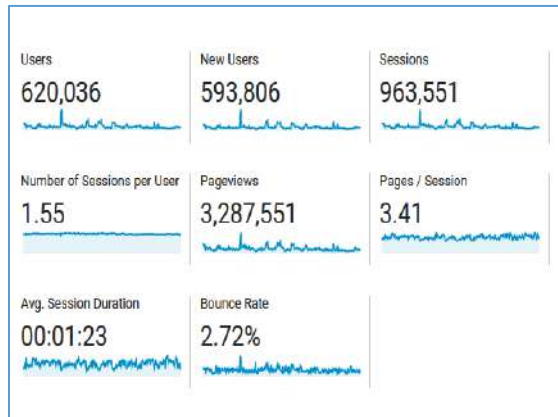
	Performance grade	Page size
	<b>C 75</b>	<b>8.2 MB</b>
	Load time	Requests
	<b>1.15 s</b>	<b>144</b>

**Number of Content and Deliverables of Website**

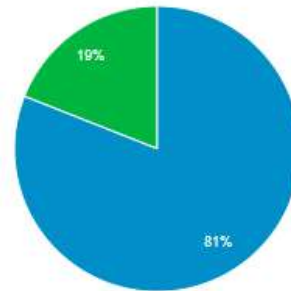
<b>PopUp</b>	<b>319</b>
<b>UTM Based Link</b>	<b>528</b>
<b>Landing Page Creation</b>	<b>45</b>
<b>Online Applications (On Going)</b>	<b>14</b>
<b>Total</b>	<b>906</b>



We've developed 30+ landing pages for LankaBangla Finance Limited. Some of the notable landing pages are – 25 Years Anniversary, Women's Day Campaign, independence-day-offer-2022, Mother's Day 2022, Trade Fair 2022, Travel offer 2022, T20 World Cup offer 2022, Valentine's Day offer 2022, Ramadan Campaign 2022, New Year Campaign 2022, Credit Card Campaign, Citizen Charter etc



■ New Visitor ■ Returning Visitor



It is very much clear that in 2022 we were able to increase some metrics of the website such as new visitor number, page view number and total user number.

We revamped our official website in 2022 and we incorporated some important features on the website for better performances. New and improved version of grid based layout was used where page size and number was reduced, Gutenberg Text Editor, updated version of lazy loading of quick images opening, Ajax based Improved search functionality and most importantly now this website is mobile friendly where it is both upward and downward responsive and User navigation become more easy from any device. Apart from that new EMI calculator, BEFTN Platform, OTP based customer data submission, Captcha was introduced to reduce spam submissions, Carousel type banner and 60 new pages was introduced at the time of launching.






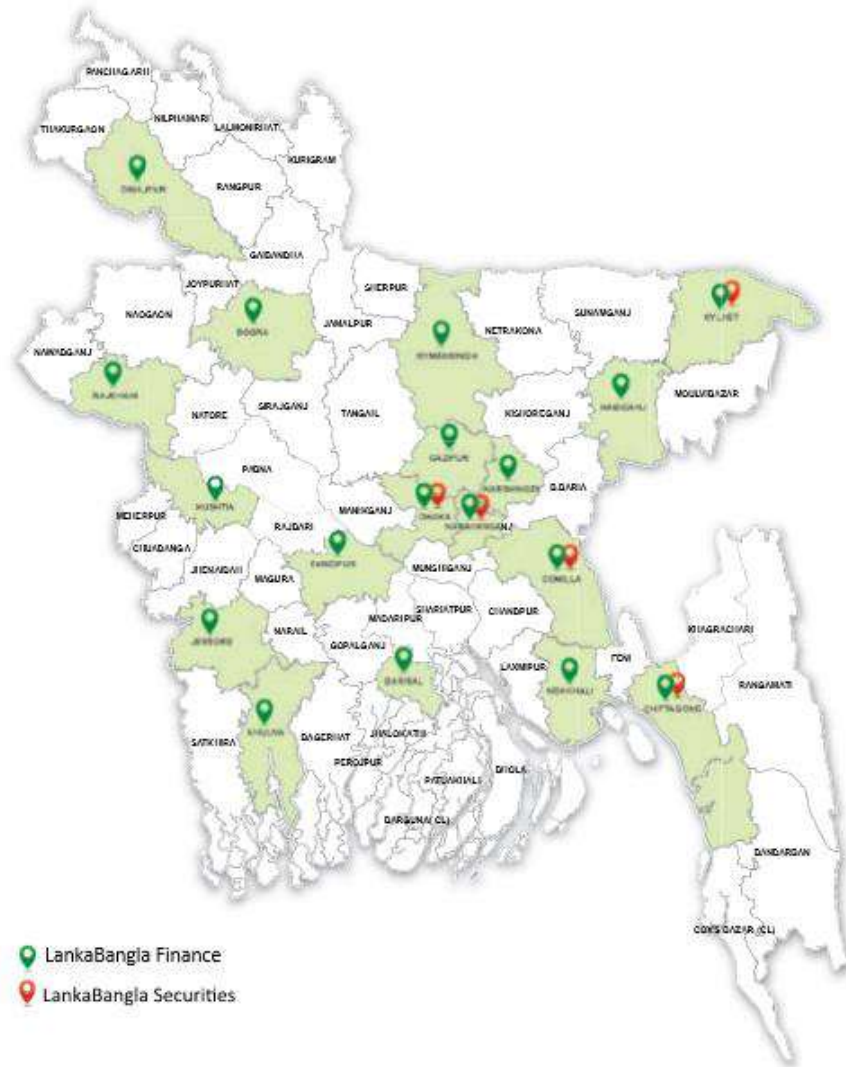
### **Way Forward**

- Executives to use online application system, IFS, Chatbot, Credit Approval System and FinSmart to serve the clients better and faster
- Promote further Digital Payment Solution Campaigns
- Develop DR sites even more for identified business functions
- Open and execute digital survey for product insight and development
- Continuous customer and staff awareness programs
- Sponsorship event brandings
- Digital advertisements

## MANUFACTURED CAPITAL

GRI: 204-1

Material Topics influencing the Capital Development Strategy	Key Pillars	Value Creation Highlights for 2021	Impact on other capitals	SDG relevance
<ul style="list-style-type: none"> <li>Physical Channel</li> <li>Digitalization Agenda</li> <li>Customer Convenience</li> <li>Customer Health and Safety</li> </ul>	Branch Network	<ul style="list-style-type: none"> <li>27 branches</li> <li>LBFL Contact Center 24/7</li> <li>98.23% dispute calls solved</li> </ul>	<ul style="list-style-type: none"> <li>Elevated system upkeep and core system sturdiness have a favorable impact on the Company's reputation and improve brand equity</li> <li>Various digital and corresponding channels will increase income and profitability for the Company</li> <li>Greater emphasis on digitalized solutions will reduce the consumption of paper, lessening the Company's environmental effect</li> <li>A broader assortment of channels aids in building confidence among various customer segments</li> </ul>	  
	Digital Channel	<ul style="list-style-type: none"> <li>Prospect generations and online application system</li> <li>15 new campaign pages</li> </ul>		
	IT Infrastructure	<ul style="list-style-type: none"> <li>Tier III Data Center</li> <li>Cutting-edge IVR</li> <li>Website relaunch</li> </ul>		
<b>Strategic Theme for 2023</b>				
<ul style="list-style-type: none"> <li>Digital Footprint</li> <li>Paperless Operations</li> <li>Operational Distinction</li> </ul>				



## Branch Network

### Ensuring basic rights to the customers

The goal to consistently improve the value proposition delivered to customers through LankaBangla Finance Limited's branch network has been the fundamental underlying concept guiding LankaBangla Finance Limited's branch strategy over the years. Thus, LBFL highlighted the realignment of branch operations to support its clients, particularly during and after a pandemic, since it also focuses on being customer-centric.

Throughout the year, the call center remained open 24/7, earning a stellar reputation with a high call quality and customer satisfaction score, both during and after the pandemic. The performance was effectively supported by strong business continuity plans and strategies, which were implemented to ensure functional teams reported to work while administrative teams were allocated to work from home.

## Creating values to our customers

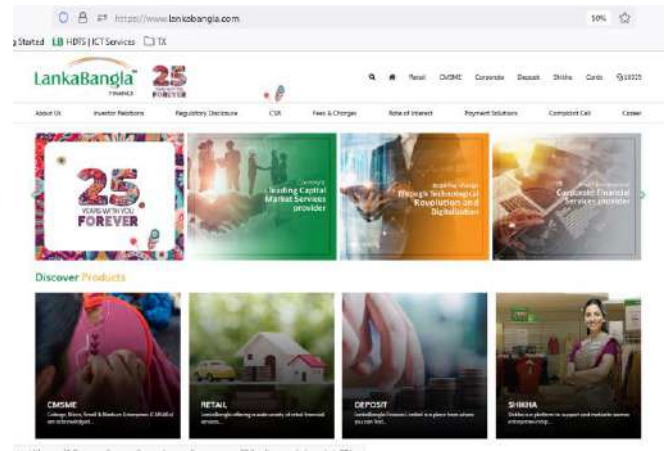


### Providing Assistance to a Larger Population in a Short Span of Time

As LankaBangla Finance Limited feels that they are obligated to their clients, and they provide quick assistance to all difficulties raised by their clients. With the help of the department of IT's intellectual support, the organization provides solutions in the fastest feasible time through its branches all throughout the country. LBFL resolves concerns alleged by clients during the claims adjustment process and develops the causes so that the issues do not recur in the future.

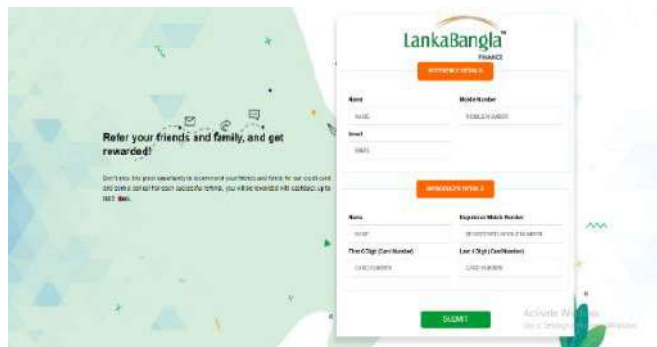
### IT Infrastructure

In 2022, LankaBangla accelerated its digital agenda as a strategic response to the emergence of the pandemic in the year prior, resulting in many planned initiatives being put on the fast track. As the central nerve center supporting Sampath Bank's digital journey, the Company's IT infrastructure is continually enhanced to ensure all systems remain up-to-date and future ready. In the year under review, the Company invested in the latest technologies to upgrade its storage infrastructure, which has helped cut the time taken on long-running processes. This has greatly enhanced the overall system performance, while the high-end data encryption software has contributed towards further strengthening the Company's data security architecture.



LankaBangla Finance Launches New Website on July 2022

### Customer Referral



The existing clients of LBFL can refer to another prospect using the Customer Referral Online Application for the products and services available for LBFL.

### Customer Feedback



The customer Feedback Application is used to gather the customer experience about the services in the different branches

## Digitalization

GRI: 203-2

LankaBangla intends to construct a hub and spokes model, with the goal of using it as a tool for the CMSME business line, as developing this business line is one of our primary goals for the future. Not only will the merging of the model in this business line help us expand our business geographically and make it viable to worm our way into the market of digitalization profoundly, but it will also be a cost-cutting method, vis-à-vis energy consumption via this model will contribute to the process of creating sustenance for the community, as additional spokes are established, the number of workplaces used decreases, and as a result, electricity and other energy and resources are used less.

We aspire to go through digital transformation by integrating new and improved processes, digital tools and data analytics to enhance customer experience.

*We are thriving for digital transformation in business, operation and communication.*

*"Having marked its entry to the digital space, The Company has since vigorously expanded its digital presence through the launch of ever more innovative digital solutions."*

LBFL has developed 15 online applications and platforms since 2021, and it is still working hard to reach its ultimate goal of digitalization

### IN 2022, WE FOCUSED ON...

#### DATA ANALYTICS

Digital transformation, in addition to customer engagement, has ensured us to take data-driven decisions based on analytical insights, helping us to stay ahead of our competitors

#### STRATEGY AND CULTURE

To build rapport with the new and existing clientele to ensure customer loyalty and to create advocates for the Company as a whole. We further strived to ensure that we incorporate new platforms, services, products and channels in to our digital ecosystem.

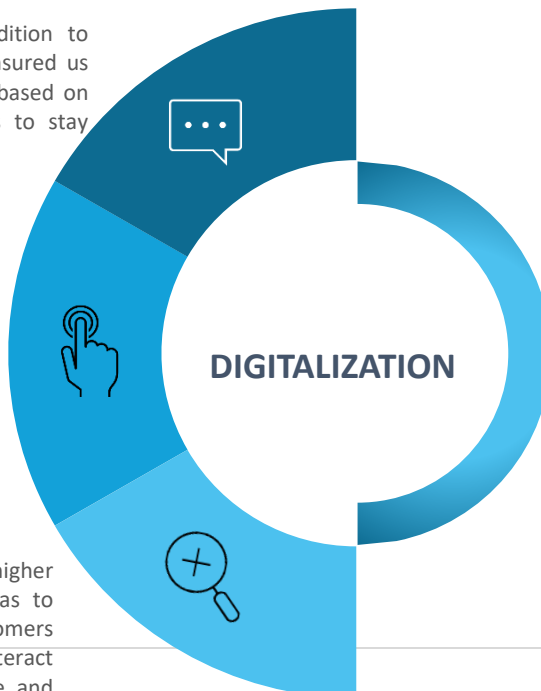
#### PROCESS INNOVATION

We strived to guarantee higher customer engagement as well as to increase brand awareness. Customers can seamlessly and securely interact with us through multiple online and offline channels.

### IN 2023, WE PRIORITIZED ON...

#### DIGITAL TRANSFORMATION

Focus on online applications to streamline its operations and improve the overall customer experience is given. The introduction of online applications has allowed customers to access financial services and products at any time without needing to visit any branch physically. Going digital has also aided in customers' self-tracking regarding the status of their application and transaction and access their accounts' information, creating a more transparent and self-service oriented experience.





### **Way Forward**

- Enhance customer experience through Digital Channels
- Execution of Lead Generation Programs for retail and CMSME division
- Development and rolling out on hub and spokes model for improved business functionalities
- Roll out more spokes in order to support the hubs
- Deeper market penetration with wider geographic reach, especially, for CMSME business
- Enhanced brand awareness
- Expansion at minimum cost
- Maximum utilization of resources



**SOCIAL AND RELATIONSHIP CAPITAL**

GRI: 203-2, 413

Material Topics influencing the Capital Development Strategy	Key Pillars	Value Creation Highlights for 2022	Linkages to other capital	SDG relevance
<ul style="list-style-type: none"> <li>Customer Convenience</li> <li>Customer Health and Safety</li> <li>Sales Promotions, Marketing Communication and Information Availability on Bank's Products and Services</li> <li>Research and Development</li> <li>Community Development</li> <li>Financial Inclusion Agenda</li> </ul>	Product Relevance	<ul style="list-style-type: none"> <li>Improved performance of credit card portfolio and retail basket</li> <li>Active participation on government led refinancing schemes</li> <li>Shikha retail liability mobilized 26% more than 2021</li> </ul>	<ul style="list-style-type: none"> <li>Customer insights aid in the prioritization of the company's investments across physical and digital channels</li> <li>Customer feedback aids in the development of employee capacity by boosting the applicability of training sessions.</li> <li>Optimizing the total customer experience allows the Company to expand its revenue systems</li> <li>Building great relationships with its customers and the community benefits LBFL's brand reputation over time</li> </ul>	       
	Product Innovation	<ul style="list-style-type: none"> <li>CMSME-led growth</li> <li>Execution and monitoring of Lead Generation Program through digital channels</li> <li>Shikha CMSME liability portfolio increased by 25%</li> </ul>		
	Digital Adoption	<ul style="list-style-type: none"> <li>Shikha credit card soft launched</li> <li>Virtual Digital Assistance launched</li> </ul>		

	Customer Engagement	<ul style="list-style-type: none"> <li>• Use of digital channel to serve the clients better</li> <li>• System of online application on any platform for CMSME and Retail products</li> <li>• BDT 2,839 contributed to SRF</li> </ul>		
<b>Strategic Theme for 2023</b>				
<ul style="list-style-type: none"> <li>• Customer Experience</li> <li>• Digital Leadership</li> <li>• Community Stewardship</li> <li>• Competitive Positioning</li> <li>• Operational Excellence</li> </ul>				

**CMSME-led growth plans**

LankaBangla's CMSME Financial Services Division established a solid foothold in 2015, achieving higher growth in all parameters than the previous year and aiming to exceed even further. The section is focusing on new product introduction, cluster analysis, and identifying prospective industries.

LBFL strives to opt for CMSME led growth as its key strategy along with diversifying its liability basket. It has the strength and necessary strategies to implement up its sleeves to amplify the performance of its retail liability basket. The CMSME segment of the Company disbursed 22% more in overall asset disbursement in 2022, while it contributed 17% in 2021.

The Company strives for the empowerment of women, and has subsequently disbursed and mobilized in many regulatory schemes, as well as opted for strategized portfolio growth in the women-centric products and services of the Company. This resulted in the betterment of the larger community, as well as strengthening its base as a promoter of women empowerment and equity.

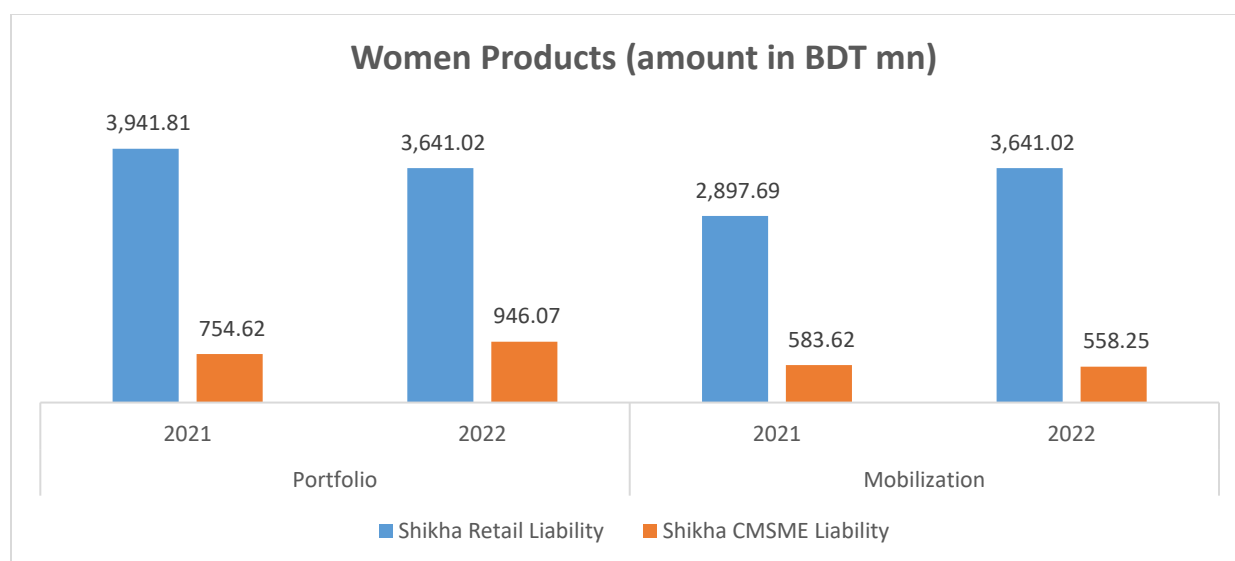
The Company further held various campaigns and awareness programs for women all across the Company, as well as for the broader community. Many CSR activities and communal engagements were held for the community as well as for the women and expenditures in women education were also made.

## Women empowerment

[GRI: 203-2](#)

In Bangladesh, a dedicated team for each branch is trying to foster female entrepreneurship. With compliance to GRI disclosure 203-2, the women centric empowerment puts out a significant indirect economic impact. LBFL offers CMSME financing to a variety of industries, with a particular emphasis on women. LBFL offers excellent rates to prospective Bangladeshi women entrepreneurs by utilizing the refinancing facility provided by Bangladesh Bank. Notable asset products for women offered by LBFL are Ahona, Anonnya and Shikha.

To encourage female entrepreneurship, LBFL launched ANONNYA, a Woman Entrepreneur CMSME installment loan, which we offer to printing and packaging, boutique houses, beauty parlors, manufacturing concerns, and trade houses, among other things. Loans for CMSME entrepreneurs are used for investments in machinery and equipment related to the activity of the company, as well as for working capital requirements, and are provided loans up to BDT 5 million, of which the loan is considered to be partially or fully secured if it is above BDT 2.5 million.



One of the most significant women centric and diversified product basket, SHIKHA is a platform that encourages and supports women entrepreneurs by offering a variety of products and services, as well as providing a forum for the exchange of ideas and information that may lead to improvements in quality of life, workplace equity, and leadership development. It offers various deposits and savings schemes with competitive rates only for its female customers, offering wide array of customized financial services, and rolling out credit card schemes, that generates a high value in its credit card portfolio. This product line also offers a credit card line, which is one of the company's key segments.

Furthermore, AHONA is an unsecured loan program for small enterprises (as defined by Bangladesh Bank's Prudential Regulations for Small Enterprises) embroiled in trading, manufacturing, service, agriculture, non-farm rural activities, agro-based industries, and many other acceptable sectors throughout Bangladesh, commercialized through our branches or other mobile sales teams/RO/ARM/RMs. The product provides a term loan or a single payment loan for company development, working capital finance, fixed asset purchase, advance payments, and agricultural production/trading, providing a loan up to BDT 2.5 million.

### Women's Day Celebration



All LBFL branches located all over Bangladesh celebrated International Women's Day 2022 on their own branch premises with introducing new hashtag #amieShikha

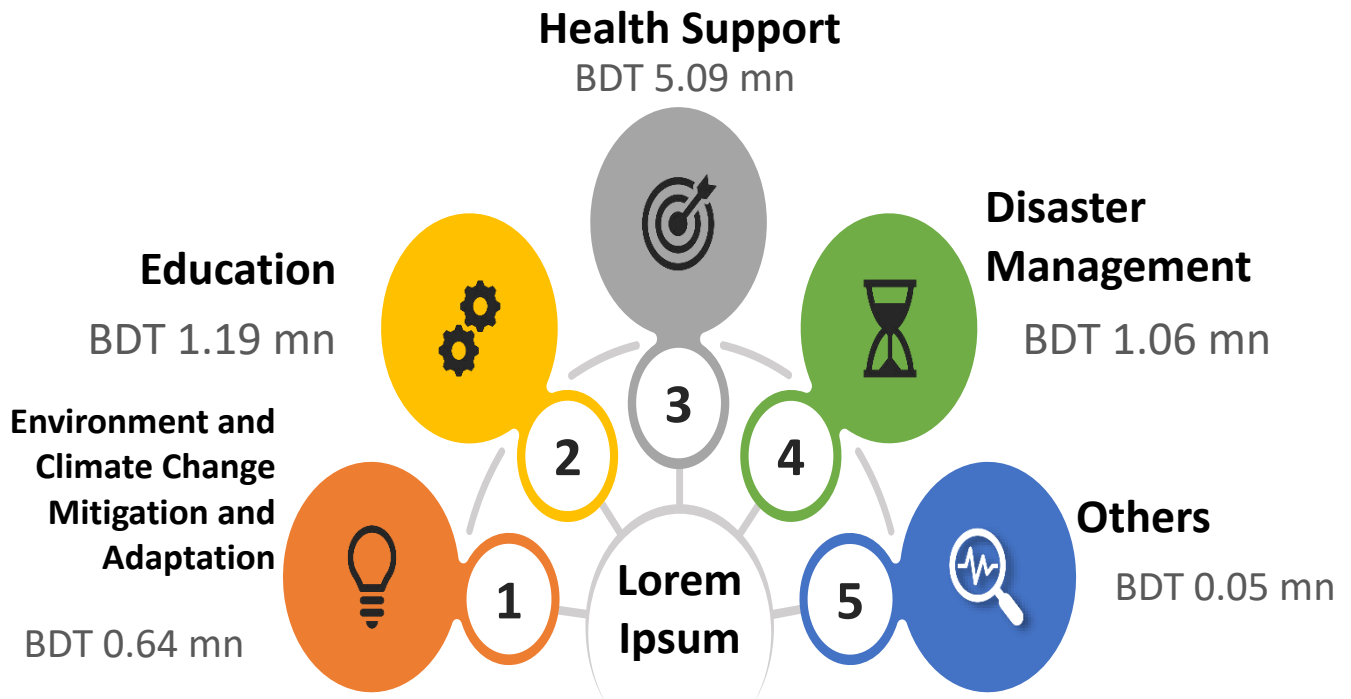
### Shikha Campaigns



We also keep focusing on our Shikha Customers and giving them extra privilege.. Throughout the year we communicate various offers to our female customers and participates in various activations to promote our Shikha products.

### Corporate Social Responsibility (CSR) Activities

[GRI: 413, GRI: 203-2](#)



Over the years, LankaBangla Foundation has taken part in numerous corporate social programs. Some of the notable initiatives are namely, the Free Eye Care Program, Blanket Distribution, Sewing Machine Distribution, Flood Relief, Shikha Bicycle Distribution, Plant Distribution, Tailoring Training, and more. LBFL focused extensively on healthcare programs, women entrepreneurship and training privileges, Covid-19 aid, plant distribution, winter aid, education, and more in various districts of Bangladesh. CSR projects that made them shine in the spotlight were catered to the underprivileged women and children of Bangladesh in villages and rural areas. The financial system of LBFL holds a stake in the economy which positively impacts the economy, business, and production facilities.



“WE ARE COMMITTED TO DEVELOP THE SOCIAL-ECONOMIC CONDITIONS”

# Education

Contributed BDT 1.19 mn, i.e., 15% of actual CSR expenditure

## LankaBangla Foundation's "Shikha Bicycle Distribution Program 2022" in Ranipukur Union of Dinajpur



As part of LankaBangla Foundation CSR activities, "Shikha Bicycle Distribution Program 2022" was organized in Ranipukur Union of Birol Upazila of Dinajpur. Under this programme, a total of 100 bicycles were distributed among the underprivileged girls of various schools of Ranipukur Union, spending BDT 780,000 in this initiative

**Donation to Prime Minister’s Education Assistance Trust**  
Worth BDT 250,000

**50% annual assistance to a family member of a deceased employee of LankaBangla family**

## Environment and Climate Change Mitigation and Adaptation

Contributed BDT 0.64 mn, i.e., 8% of actual CSR expenditure

### LBFL-DNCC Saplings Distribution with Birth Certificate



Through this program by LankaBangla Foundation, various types of tree saplings will be provided as gifts to children under the age of two who are born and living in the area under Dhaka North City Corporation. The LankaBangla Foundation worked with Dhaka North City Corporation (DNCC) to distribute saplings for the next 5 years. The main objective of this tree distribution program of the LankaBangla Foundation is to encourage all to plant trees on their own initiative, increasing the forest resources of the country and maintaining environmental balance etc.

### Tree Plantation Program by LankaBangla Foundation on the occasion of



A tree plantation program was organized by LankaBangla Foundation at Swarnali Housing Project, 300 feet adjacent to Dhaka, on the occasion of National Mourning Day on 15th August 2022. Other subsidiary companies of LankaBangla Group - LankaBangla Securities Limited, LankaBangla Investments Limited and LankaBangla Asset Management Company Limited actively participated in the plantation program.

“ASIDE FROM SAFEGUARDING THE ENVIRONMENT AND THE COMPANY’S STAKEHOLDERS, EFFICIENT BUSINESS POLICIES ENABLE CORPORATE COMPLIANCE AND GOVERNANCE TO ATTAIN THE HIGHEST DEGREE OF SEAMLESS BUSINESS PROCESSES IN A SOCIETY THAT LBFL IS A GENEROUS PART OF”



**LankaBangla organizes  
Tree Plantation Program with  
Rajshahi City Corporation (RCC)**



On September 18, 2022, a tree plantation program was organized by LankaBangla Foundation at Sheikh Russel Shishu Park, Shalbagan, located in Ward No. 19, Chotobon village under Rajshahi City Corporation area. The main objective of this tree planting program of LankaBangla Foundation is to encourage everyone to plant trees with the aim of greening the city of Rajshahi, increasing the forest resources of the country and protecting the ecological balance. LankaBangla Foundation has been conducting tree plantation programs in the country every year as part of Corporate Social Responsibility (CSR) activities, considering land degradation prevention, fruit production, long-term environment and biodiversity conservation.

## Health Support

Contributed BDT 5.09 mn, i.e., 63% of actual CSR expenditure

### Free Eye Care Program Organized by LankaBangla Foundation



On November 29, 2022 a free eye care program was organized by LankaBangla Foundation, in collaboration with Bashundhara Eye Hospital & Research Institute and Zahurul Islam City Society, Aftabnagar, Dhaka. The program was held at the premises adjacent to the head office of Zahurul Islam City Society located in Aftabnagar. A team of experienced provided all eye care related services to more than 300 people throughout the day and dispensed medicines among them free of cost.

### LankaBangla Foundation's Donation for Setting-up a Dialysis Center



An MoU signing ceremony was organized by LankaBangla Foundation at Ahsania Mission Cancer & General Hospital near Uttara, Dhaka. Through this MoU, a well-equipped dialysis center was set up in the hospital for the treatment of kidney patients and LankaBangla Foundation provided a total grant of Tk. 1.29 crore to the Ahsania Mission Cancer & General Hospital for the establishment of this dialysis center.



## Disaster Management

Contributed BDT 1.06 mn, i.e., 13% of actual CSR expenditure

### Relief Distribution Program for Flood Victims at Sylhet District by LankaBangla Foundation



On June 23, 2022, LankaBangla Foundation distributed food items to help the flood affected people in Bhatipara of Dirai Upazila of Sunamganj District. LankaBangla Foundation conducted this distribution program as part of its Corporate Social Responsibility (CSR) activities. The main objective of this program is to reduce the suffering of flood affected people.

## Others

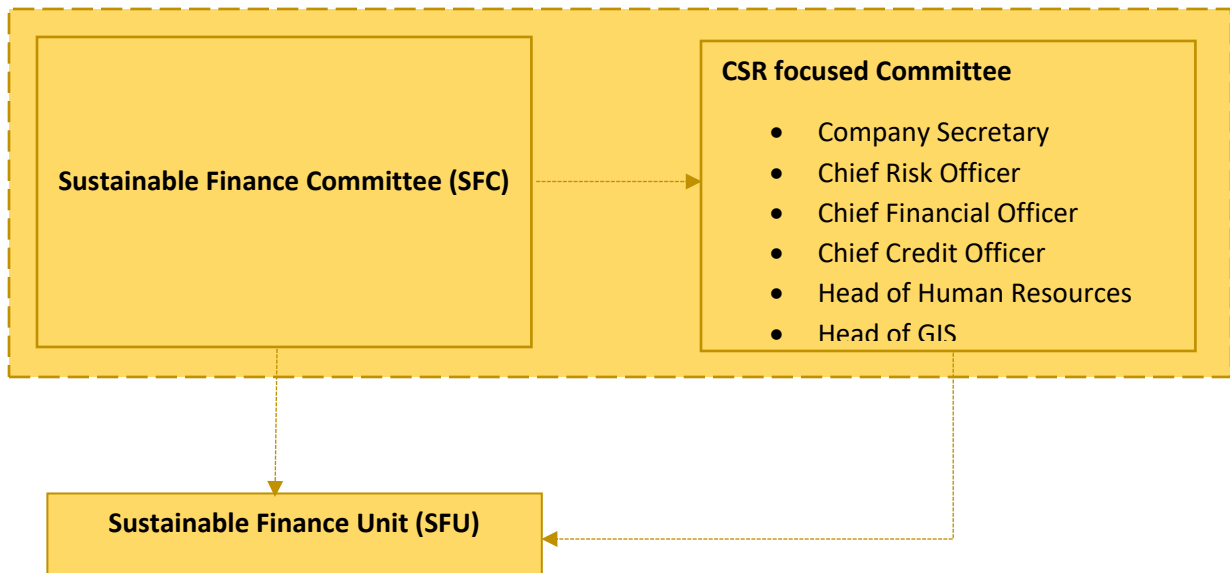
Contributed BDT 0.05 mn, i.e., 1% of actual CSR expenditure

### Food Distribution Program by LankaBangla Foundation on the occasion of National Mourning Day 2022



On the occasion of National Mourning Day on 15th August 2022, a food assistance program was organized by LankaBangla Foundation at Al Jamiatul Islamia Miftahul Uloom and Badda Barkatpur Orphanage near Badda, Dhaka.

The CSR wing consists of the following members from the SFC:



The members of the CSR wing are a part of the Sustainable Finance Committee. The SFU shall be responsible for the preparation of the annual budget for the CSR activities. SFU may allocate the budget to the LB Foundation for carrying out CSR activities as per signed MOU between SFU and the Foundation.

There are further plans that the CSR wing will plan CSR related activities and programs, preparing a proposal with benefit to the beneficiary, converge group, related social impact assessment with a long-term standpoint, and coverage area. The approval and reporting process flow seems to be the following way:

**With Bangladesh Bank under “Refinance Scheme against Term Loan to the CMSME Sector**



According to the agreement, LBFL will be permitted to offer loans for a maximum of 5 years based on refinancing to women entrepreneurs and entrepreneurs in the country who have been affected by natural disasters at a rate of only 7%.

**With CMSME Foundation**



A "Revolving Fund" has been established in the SME Foundation in accordance with this agreement on the guidance of the Finance Department of Bangladesh. Under the foundation's credit wholesaling program, entrepreneurs in potential sectors, sub-sectors, clusters, clientele groups, members of associations and chambers, and women entrepreneurs are eligible for loans from the revolving fund.

## With Bangladesh Bank supporting Post Covid-19 small scale employment creation project



According to the agreement, LBFL refines loan facilities for a maximum of five years to women entrepreneurs, foreign entrepreneurs, entrepreneurs who have received training from government institutions, and cottage, micro, and small entrepreneurs in various regions of the country at a rate of only 5.5% through its nationwide branches.

### Financial Inclusiveness under Community Stewardship

LBFL strives to provide financial assistance to backward zone populaces in order to improve their living conditions. Again, financial help will be offered for the education of street urchins in order to improve their financial literacy.

### Socially Responsible Financing under Communal Encroachment

LBFL aims to use its CSR money to finance at a reduced interest rate. Where the interest rate is less than the weighted average cost of the fund, a concessional amount of interest will be recognized as CSR. For continuance, community investment for addressing Climate Resilience and Disaster Management is to be made at a concessional rate. Alongside, financing in green/clean transportation projects is encouraged.

### Community Development

The Company believes that with its CSR policies and principles, it can achieve a balance of economic, environmental, and social imperatives ("Triple-Bottom-Line-Approach") while also protecting the interests of stakeholders. It has also significantly improved its company processes, as well as its corporate governance and compliance, in order to support seamless and effective operations. As a result, it has been able to contribute to the creation of a more sustainable society. LankaBangla Foundation provides assistance to poor members of the community in order to assure their education, health, and well-being.

Sectorwise CSR	Actual spending (BDT)	% of sector-wise contribution of actual spending
Education	1,194,000.00	15%
Health	5,085,000.00	63%
Environment and climate change mitigation and adaptation	636,594.00	8%
Income generating activities for the underprivileged population	50,000.00	1%
Disaster management	1,064,527.00	13%

Total Expenditure	8,030,121.00	100%
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### Value for customers

LankaBangla Finance Ltd. believes in expanding its financial operations by providing delicate financial services as well as distinct commodities that may be consumed by clients at all levels of society. Because LBFL believes in growing with its customers, it has created user-friendly products and services to ensure that all sorts of customers benefit and can grow alongside the company.

Since its inception, LBFL has been diligent about its duties and obligations to its customers, as consumers are one of the most significant success components. LBFL is improving the client experience by developing a brand, a simple loan amortization method, and tailored services. LBFL also believes that it can help provide dependable, acceptable, and accessible products and services to meet our customers' needs and preferences, allowing them to benefit.

**LBFL participated in Rehab Fair**



**Customer Awareness Programmes**



## Retail Campaigns



This year we also keep focusing on our other retail products such as Auto loan, Home Loan and Personal loan. Throughout the year we communicate various offers to our customers and participate in various fairs to promote our products.

### Way Forward

- Expand market research activities to understand evolving customer demographics and map rapidly changing customer behavior patterns
- Prioritize the introduction of new digital solutions that have the ability to transform the local operating landscape.
- Focusing on refinancing schemes offered by the regulatory bodies
- Expand the women entrepreneurial products and CMSME businesses
- A CSR wing has been formed with members from the Sustainable Finance Committee to provide assistance and advisory support to Sustainable Finance Unit for CSR activities.

## NATURAL CAPITAL

GRI: 302-1, 302-4, 303-1, 305-5, 306-2

Material Topics influencing the Capital Development Strategy	Key Pillars	Value Creation Highlights for 2022	Linkages to other capital	SDG relevance
<ul style="list-style-type: none"> <li>Protection and Conservation</li> <li>Corporate Brand Image / Goodwill Building</li> </ul>	Resource Efficiency	<ul style="list-style-type: none"> <li>25% reduction in electricity consumption at all the branches including head office</li> <li>Reduced 7% operating expenses</li> </ul>	<ul style="list-style-type: none"> <li>Provides the opportunity to introduce innovative new solutions to update or replace traditional models</li> <li>Higher market share in the green financing area will help drive revenue and profit targets</li> <li>Enhances LBFL's reputation as an NBF that prioritizes sustainable operations</li> </ul>	     
	Responsible Lending	<ul style="list-style-type: none"> <li>10.99% of total loan disbursed as sustainable finance</li> <li>9.15% SRF of total loan disbursed with SF</li> </ul>		
	Environmental CSR	<ul style="list-style-type: none"> <li>Contributed to 21% of actual CSR expenditure in environmental and disaster management sector</li> </ul>		
<b>Strategic Theme for 2023</b>				
<ul style="list-style-type: none"> <li>Competitive Positioning</li> <li>Digital Leadership</li> <li>Operational Excellence</li> </ul>				

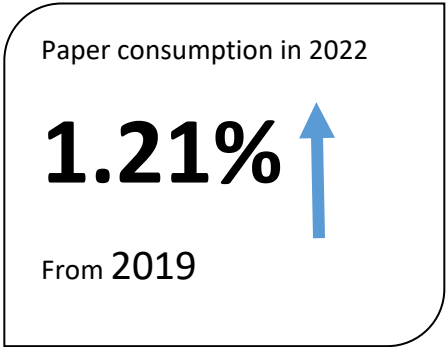
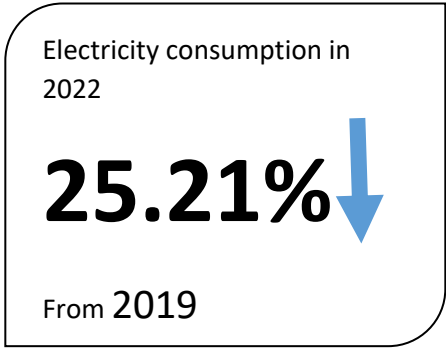


- Paperless Operations

LBFL’s operations cause very little direct impact on the environment. Nonetheless, stemming from its ambition to be a truly sustainable corporate entity, it has always made a circumspective endeavor to accomplish even the slightest environmental impact arising through its business. Per se, it considers Environmental Management to be a material topic driving its strategic accomplishments.

### Mindful consumption of energy and resources

Leading its journey towards becoming a truly sustainable NBF is a wide-ranging Environmental and Social Management System (ESMS), which is supported by a solid operation structure that outlines strong lines of responsibility accompanied by specific goals to achieve its environmental performance and drive endless development. One of the Environmental-Social-Governance (ESG) goals as the Company embarked on its journey towards sustainability reporting in 2021 was to ensure the reduction of natural and renewable energy usage, and it rightfully did so at many parameters.



The Company started to get back to normalcy, keeping pace with that of the country and its regular business post pandemic, and thus, the paper consumption saw a marginal increase from that of the base year, depicting that the Company was mindful of its set goals and maintained a check and balance all over the branches of the Company.

### Responsible Lending

As one of the promising NBF of Bangladesh LBFL’s fundamental approach to preserve Natural Capital is premised on responsibly managing the environmental and social risks associated with its own operations as well as the client businesses, in order to minimize the negative impacts on the environment and its stakeholders.

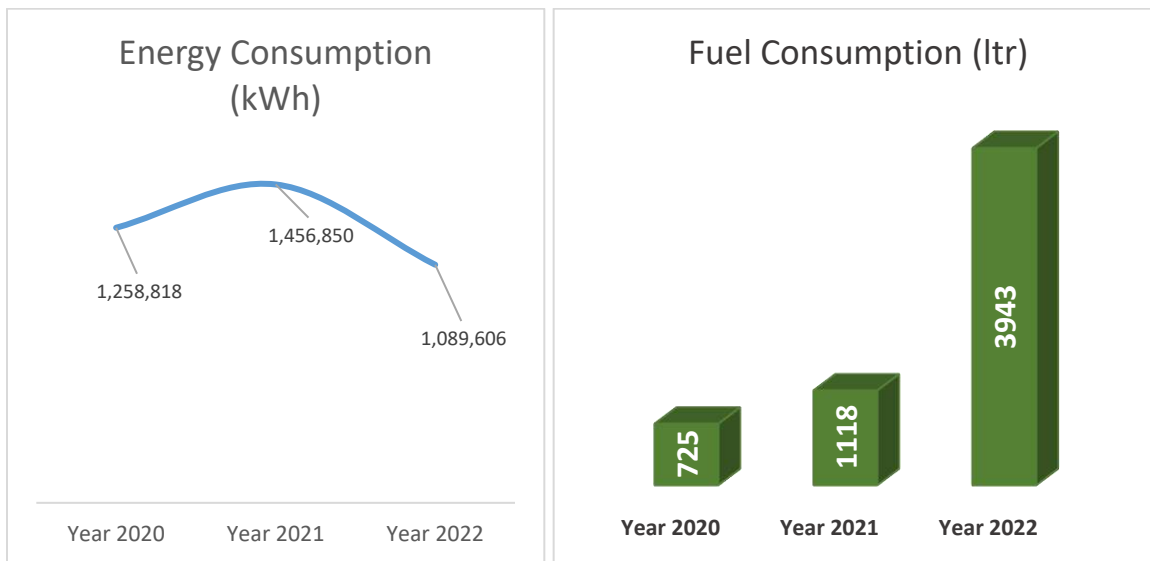
Total Green Finance	Total Sustainable Finance	Total Term Loan Disbursement (excl. staff loan)	Achievement Green Finance	Achievement Sustainable Finance
BDT 103.50	BDT 3,512.35	31,019.06	0.33%	10.99%

## Major in-house green initiatives

[GRI-302-1, 302-4, 303-1, 305-5](#)

Lankabangla considers the environmental effect of our operations using environmental performance measures such as energy conservation, waste reduction. Part of our environmental goal is to raise awareness among all employees, suppliers, and customers about the importance of reducing their carbon footprint by implementing initiatives like waste recycling, responsible purchasing, and increasing digital operations to encourage paperless operations.

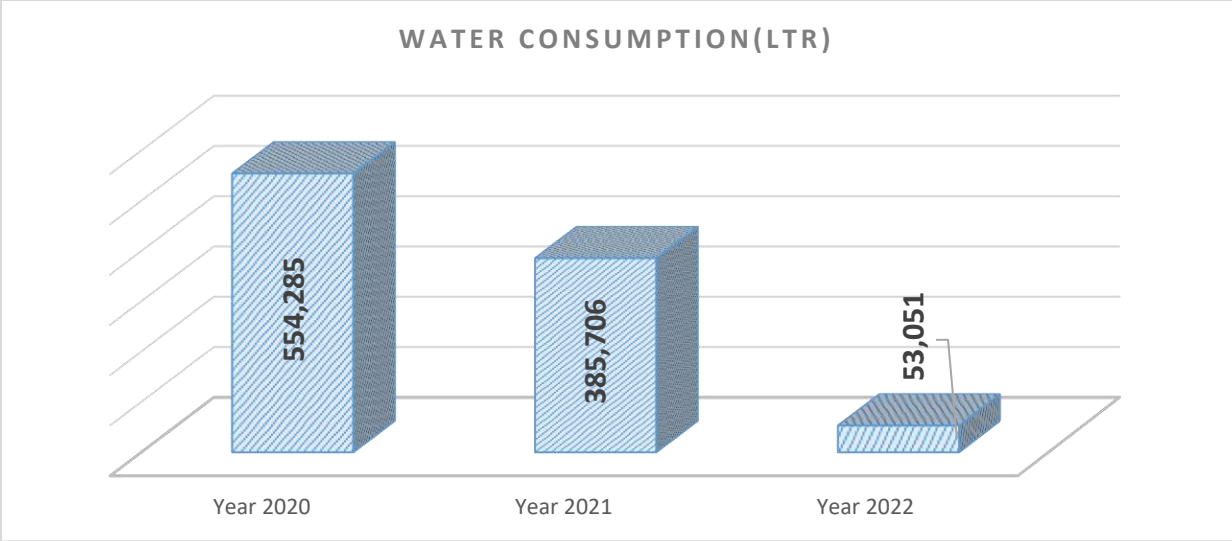
We intent to restrict the environmental footprint of our business operations, blending our corporate actions and societal impacts that we account for. In the future, we are planning to minimize our ecological impact by implementing environment-friendly policies and behaviors. We always aim to optimize our sustainability performance in our operations, including energy and water consumption, paper recycling to name a few.



Compared to year 2019, our electricity consumption was 25.26% less in 2022 despite the businesses going back to normalcy, a huge part of which was the cost saving schemes and initiatives undertaken on a national level owing to the global economic crisis and energy shortage. In light of this, the Company also took initiatives to opt for electricity and energy saving initiatives.

However, despite the rigorous initiatives to control the employee energy consumption, the increase in fuel and gas due to the recent global developments have resulted in a sharp spike in our fuel consumption. As the fuel cost of the Company was BDT 2.47 million in 2022 from that of BDT 1.93 million in 2021, our unit consumption increased by 3% and 265% from that of 2019.





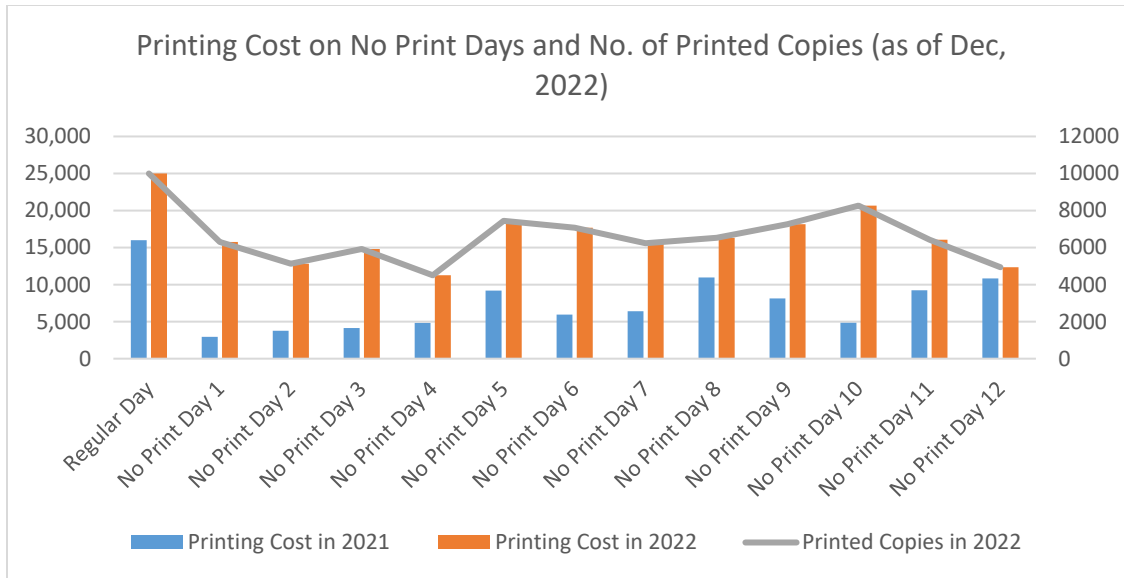
Our water consumption is 94% less than year 2019 in 2022 and 54% less in 2021 from 2019 we had taken some initiatives of which one was to consolidate the work floors, and we worked well in pursuit to achieve those objectives.

**Waste Management Initiatives**

[GRI: 306-2](#)

As a financial services provider, LBFL believes in environmental protection since it helps the community stay healthy, despite the fact that such material consumption and waste instances are scarce in our sector, as opposed to the manufacturing industry. Nonetheless, environmental conservation and waste management have indeed been critical components for both the broader base and LBFL's sustainable stewardship. As a result, LBFL concentrates predominantly on the use of electronics and paper printing, as well as strategies to mitigate the adverse environmental effect of its operations through efficient technology management.

The practice of 'No Print Day' is one such discipline that is significantly vital in LBFL. The last Thursday of each month is designated as a 'No Print Day'. This strategy has been embedded into the company's system as a means of attempting to help with cost, plant, and environmental improvements. LBFL restricts the use of printers and prefers to go digital, which is equivalent to making efforts and developing innovative ways to reduce the consumption of resources. On this day, the print connectivity of the Division Head, Department Head, and Head of Branch remains open so that any employee who has to print urgently can do so. On a regular day, the cost of printed copies is around BDT 25,000 in 2022 which was BDT 16,000 in 2021, with a cost of almost BDT 2.50 each copy which was BDT 1.34 the previous year, reaching up to 10,000 copies on a regular day of printing. However, with the number of copies printed only on a contingency basis on a 'no print day,' there has been a significant reduction in printing costs demonstrating the massive cooperation and success achieved in the context of this initiative despite the overall costs of necessities increasing all over the country.



### Green Banking

**GRI: 302-1**



The concept of green banking has been fundamental in LankaBangla. “Green Banking” is the practice of the financial sector with special focus on the environmental, ecological and social factors targeting conservation of nature and natural resources. To seek increased deployment of clean energy and more efficient use of funds, we introduced Green Finance, initiated in-house management, created Climate Risk Fund, Green Marketing, and supported employee training.

## Green Targets and Achievements

Bangladesh Bank (BB) fixed a minimum target of green disbursement at 5.00% out of total funded term investment disbursement which was earlier fixed against total funded investment disbursement as a whole. Out of this 5%, achievement in green financing was 0.33%.

## Disbursement in Green and Sustainable Financing

<b>Particulars</b>	<b>Achievement Percentage</b>
<i>Sustainable Finance (SF) as % of Total Loan Disbursed</i>	10.99%
<i>Sustainable Agriculture as % of Total Loan Disbursed with SF</i>	1.08%
<i>Sustainable CMSMEs as % of Total Loan Disbursed with SF</i>	0.76%
<i>SRF as % of Total Loan Disbursed with SF</i>	9.15%

### Way Forward

- Promote Green Financing to minimize and mitigate our environmental impact
- Responsible consumption of resources to reduce GHG emissions and resource wastages
- Support tree plantation programs as part of our CSR activities

## SUPPLEMENTS

### CORPORATE INFORMATION

[GRI: 102-5](#)

<b>Registered Name of the Company</b>		<b>LankaBangla Finance Limited</b>
<b>Legal Form</b>		Public Limited Company, listed with Dhaka Stock Exchange and Chittagong Stock Exchange, having incorporated in Bangladesh on November 5, 1996 under Companies Act, 1994
<b>Company Registration No.</b>		C-31702 (823)/96
<b>Bangladesh Bank License No.</b>		FID(L) - 1053/41-1088
<b>Corporate Office</b>		Safura Tower (Level 11) 20 Kemal Ataturk Avenue, Banani, Dhaka-1213, Bangladesh Phone: (880-2) 222283701-10, Fax: (880-2) 58810998
<b>Company E-mail</b>		<a href="mailto:info@lankabangla.com">info@lankabangla.com</a>
<b>Company Website</b>		<a href="http://www.lankabangla.com">www.lankabangla.com</a>
<b>Business Divisions</b>	<b>Corporate Services Financial Services &amp; SME Financial Services</b>	Assurance Nazir Tower, (Level-9), 65/B Kemal Ataturk Avenue, Banani, Dhaka-1213, Bangladesh Phone: (880-2) 9883701-10, Fax: (880-2) 8810998 Email: <a href="mailto:info@lankabangla.com">info@lankabangla.com</a>
<b>Card Centre</b>		Tropical Mollah Tower (Level 11), Sha 15/1-15/4 Bir Uttam Rafiqul Islam Ave., Middle Badda, Dhaka 1212, Bangladesh Phone: (880-2) 55035243-55 E-mail: <a href="mailto:cards@lankabangla.com">cards@lankabangla.com</a>
<b>Contact Centre</b>		Tropical Mollah Tower (Level 11), Sha 15/1-15/4 Bir Uttam Rafiqul Islam Ave., Middle Badda, Dhaka 1212, Bangladesh Contact Centre Number: Local-16325, Overseas-0961101632 E-mail: <a href="mailto:myrequest@lankabangla.com">myrequest@lankabangla.com</a>
<b>Operations Division</b>		Assurance Nazir Tower, 65/B Kemal Ataturk Avenue (Level-3), Banani, Dhaka- 1213, Bangladesh Phone: (880-2) 55034079-90 E-mail: <a href="mailto:banani@lankabangla.com">banani@lankabangla.com</a>
<b>Tax Consultant</b>		Adil & Associates 50, Purana Paltan Line (3rd floor), Dhaka-1000, Bangladesh
<b>Legal Advisors</b>		Sadat Sarwat & Associates House # 28, Road # 23 Gulshan-1, Dhaka-1212
<b>Auditors</b>		
<b>Credit Rating Agency</b>		Credit Rating Agency of Bangladesh (CRAB) D H Tower, 6 Panthapath, Level 15, Dhaka 1215, Bangladesh

Phone: (880-2) 55013678, 55013681-84,  
Fax: (880-2) 55013679  
E-mail: [info@crab.com.bd](mailto:info@crab.com.bd)  
Web: [www.crab.com.bd](http://www.crab.com.bd)

## LOCATION OF OPERATIONS

[GRI: 102-4](#)

Branches of LankaBangla Finance Limited	
<b>Banani Branch</b>	Assurance Nazir Tower (Level-3) 65/B Kemal Ataturk Avenue, Banani, Dhaka-1213, Bangladesh Phone: (880-2) 55034079-86 E-mail: <a href="mailto:banani@lankabangla.com">banani@lankabangla.com</a>
<b>Dhanmondi Branch</b>	Green Rowshanara Tower (4th Floor) Type-B, 755 (Old), 55 (New) Satmasjid Road Dhanmondi C/A, Dhaka-1209, Bangladesh Phone: (880-2) 58157820-26 E-mail: <a href="mailto:dhanmondi@lankabangla.com">dhanmondi@lankabangla.com</a>
<b>Uttara Branch</b>	Ishtiak Green (2nd Floor) Plot-81 A, Road-7, Sector-4, Uttara Model Town, Dhaka 1230, Bangladesh Phone: (880-2) 48964230, 48963493, 48950256, 8931412-13 E-mail: <a href="mailto:uttaralankabangla.com">uttaralankabangla.com</a>
<b>Mirpur Branch</b>	Northern Khan Height Tower (Level 3) Plot No # 34, Road No # 03, Block # D Section # 11, Mirpur, Dhaka-1216, Bangladesh Phone: (880-2) 9037841, 9037842-8, 9037851-2 Fax: (880-2) 9037848 E-mail: <a href="mailto:mirpur@lankabangla.com">mirpur@lankabangla.com</a>
<b>Motijheel Branch</b>	Al-Haj Tower (3rd Floor) 82 Motijheel C/A, Dhaka-1000, Bangladesh Phone: (880-2) 9514570-72, 9513714-16, 9514767-68 E-mail: <a href="mailto:motijheel@lankabangla.com">motijheel@lankabangla.com</a>
<b>Agrabad Branch</b>	Hal's Aster Anwer (14th Floor) 1728 Sheikh Mujib Road, Agrabad, Chattogram- 4100, Bangladesh Phone: (880-31) 2512601-3, 2514563-5 E-mail: <a href="mailto:agrabad@lankabangla.com">agrabad@lankabangla.com</a>
<b>CDA Avenue Branch</b>	Yunusco City Center (level 8) 807/1056, CDA Avenue, OR Nizam Road, Khulshi, Chattogram-4000, Bangladesh Phone: (880-31) 2868901-3 E-mail: <a href="mailto:cdaavenue@lankabangla.com">cdaavenue@lankabangla.com</a>
<b>Sylhet Branch</b>	Khoirun Bhaban (Level 3)

	Holding No # 118, Azadi, Mirboxtula, Sylhet 3100, Bangladesh Phone: (880-821) 728418-20 E-mail: sylhet@lankabangla.com
<b>Cumilla Branch</b>	The Garden City (2nd Floor) 203/187 Jhawtola, Police Line, Cumilla-3500, Bangladesh Phone: (880-81) 73371-2, 74372-3 E-mail: comilla@lankabangla.com
<b>Narsingdi Branch</b>	Sonali Tower (2nd Floor, North-East side) Anandhi Moar, College Road, Madobdhi, Narshingdi-1604, Bangladesh Phone: (880-2) 9446730-31, 9446771, 9446776 E-mail: narsingdi@lankabangla.com
<b>Jashore Branch</b>	Mohashin Super Market (2nd Floor) 10 R. N. Road, Jashore-7400, Bangladesh Phone: (880-421) 71146-48 E-mail: jessore@lankabangla.com
<b>Barisal Branch</b>	Mannan Plaza (2nd Floor) 84, Sadar Road, Barishal-8200, Bangladesh Phone: (880-431) 65030, 61225 E-mail: barisal@lankabangla.com
<b>Bogra Branch</b>	Jamil Shopping Center (3rd floor) Rangpur Road, Borogola, Bogura-5800, Bangladesh Phone: (880-51) 71031-35 E-mail: bogra@lankabangla.com
<b>Mymensingh Branch</b>	Sabit Sharif Bhaban (2nd Floor) 55/A Boro Bazar, Mymensingh-2200, Bangladesh Phone: (880-91) 62901-02 E-mail: mymensingh@lankabangla.com
<b>Khulna Branch</b>	Tribune Tower (2nd floor) 2/A KDA Avenue, Khulna-9200, Bangladesh Phone: (880-2477) 725689, 726317, 726436, 726441 E-mail: khulna@lankabangla.com
<b>Rajshahi Branch</b>	Ahmed Plaza (2nd floor) 182-Alu Patti, Ghoramara, Boalia, Rajshahi-6100, Bangladesh Phone: (880-0721) 771216, 771286, 771293, 771036, 771158 E-mail: rajshahi@lankabangla.com
<b>Narayanganj Branch</b>	H.R. Plaza (2nd Floor) 64/90/A, B.B Road, Narayanganj-1400, Bangladesh Phone: (880-0671) 7631342, 7646980-82, 7631343

	E-mail: narayangonj@lankabangla.com
<b>Chowmuhani Branch</b>	Morshed Alam Complex (3rd floor) South west corner, Karimpur Road, Begumgonj, Chowmuhani, Noakhali, Bangladesh Phone: (880-081) 73371-2, 74372-3 E-mail: chowmuhani@lankabangla.com
<b>Bangshal Branch</b>	Mahmud Tower (Level-8) 19, Siddique Bazar, North South Road, Dhaka- 1000, Bangladesh Phone: (880-2) 9586009, 9586007, 47112904, 9550482, 9513822 E-mail: bangshal@lankabangla.com
<b>Faridpur Branch</b>	Rangolal Plaza (Level-3) 103 Goalchamot Mouza, Holding No-30, Fairdpur sadar, Faridpur-7800, Bangladesh Phone: (880 0631) 64382-86 E-mail: faridpur@lankabangla.com
<b>Board Bazar Branch, Gazipur</b>	Omar Ali Plaza (Level-3) Holding No. 309, Ward No. 30, Mymensingh Road, Kolomeshor, National University, Board Bazar, Gazipur, Dhaka-1704, Bangladesh Phone: (880 02) 9291506-7 291507, 9291509 E-mail: gazipur@lankabangla.com
<b>Savar Branch</b>	MK Tower (Level-4) B16/1, Jaleshwar, Shimultola, Savar, Dhaka-1340, Bangladesh Phone: (880-2) 7744835-39 E-mail: savar@lankabangla.com
<b>Dinajpur Branch</b>	Northern Plaza (Level-04) Goneshtola, Dinajpur-5200, Bangladesh Phone: (880-531) 66916-20 E-mail: dinajpur@lankabangla.com
<b>Keraniganj Branch</b>	Haji Alimullah Complex (Level-03) Aganagar, South Keraniganj, Keraniganj, Dhaka- 1310, Bangladesh Phone: (880-2) 7763103, 7763259, 7763823 E-mail: keraniganj@lankabangla.com
<b>Gulshan Branch</b>	The Glass House (4th Floor-West side) Plot No. 02, Block -SE (B), 38 Gulshan Avenue, Gulshan-1, Dhaka-1212, Bangladesh Phone: (880-2) 8833930-34 E-mail: gulshan@lankabangla.com
<b>Habiganj Branch</b>	Syed Bari Tower (2nd Floor) Holding No: 3828/1, Habiganj Sadar, Habiganj- 3300, Bangladesh Phone: (880-0831) 54473, 54474, 54493-94 E-mail: habiganj@lankabangla.com

<b>Kushtia Branch</b>	Bashar Tower (2nd Floor) Holding No.: 72, N. S. Road, Kushtia Sadar, Kushtia-7000, Bangladesh Phone: (880-071) 72462-63, 72442-43 E-mail: kushtia@lankabangla.com
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<b>102-3</b>	Location of the organization's headquarters	Back page	
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<b>102-9</b>	A description of the organization's supply chain	43	
<b>102-10</b>	Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination	43	
<b>102-11</b>	Precautionary Principle or approach	19	
<b>102-12</b>	External initiatives	26	
<b>Strategy</b>			



<b>102-14</b>	Statement from senior decision-maker	12-13, 14-15	
<b>102-15</b>	Key impacts, risks and opportunities	24	
<b>Ethics and Integrity</b>			
<b>102-16</b>	Values, principles, standards, and norms of behavior	46	
<b>Governance</b>			
<b>102-18</b>	Governance structure of the organization, including committees of the highest governance body	18, 23	
	Committees responsible for decision-making on economic, environmental, and social topics	17, 18-20, 39	
<b>Stakeholder engagement</b>			
<b>102-40</b>	List of stakeholders group engaged	27	
<b>102-41</b>	Collective bargaining agreements	45, 70	100% employees are covered under the agreement and no complaints were reported for the past years
<b>102-42</b>	Basis for identifying and selecting stakeholders	28	
<b>102-43</b>	An Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	28	
<b>102-44</b>	Key topics and concerns that have been raised through stakeholder engagement	28	
<b>Reporting practices</b>			

102-45	Entities included in the consolidated financial statements	48	
102-46	Defining report content and topic boundaries	iii	
102-47	List of the material topics identified in the process for defining report content	42	
102-48	Restatements of information	N/A	All information remained the same from previous reporting year
102-49	Changes in reporting	N/A	Responses to COVID-19 has been eliminated after studying the ongoing social developments
102-50	Reporting period for the information provided	iii	
102-51	Date of most recent report	lii	
102-52	Reporting cycle	iii	
102-53	Contact point for questions regarding the report	iii	
102-54	Claims of reporting in accordance with the GRI Standards	iii	
102-55	GRI Content Index	110	
102-56	External assurance	iii	Not available for LBFL as no external assurance was sought while reporting
<b>200. Economic</b>			
201-1	Direct economic value generated and distributed	44,48	
201-3	Defined benefit plan obligations and other retirement plans	63	
203-2	Significant indirect economic impacts	85,87,89,90	
204-1	Proportion of spending on local suppliers	49, 81	

<b>205-1</b>	Operations assessed for risks related to corruption	54, 70	
<b>205-2</b>	Communication and training about anti-corruption policies and procedures	70	No complaints on anti-corruption or fraudulent activities were reported for the past years
<b>207-1</b>	Approach to tax	49	
<b>207-3</b>	Stakeholder engagement and management of concerns related to tax	44, 51	
<b>300. Environment</b>			
<b>302-1</b>	Energy consumption within the organization	100, 102, 104	
<b>302-4</b>	Reduction of energy consumption	100, 102	
<b>303-1</b>	Interactions with water as a shared resource	100, 102	
<b>305-5</b>	Reduction of GHG emissions	100, 102	The company does not have any direct impact that would result in gross emission of any GHG or fuels
<b>306-2</b>	Management of significant waste-related impacts	100, 103	
<b>400. Social</b>			
<b>401-1</b>	Total number and rate of new employee hires during the reporting period, by age group, gender and region	54, 56, 57, 60	
<b>401-2</b>	Benefits provided to full-time employees that are not provided to temporary or part-time employees	88-89	
<b>403</b>	Occupational Health and Safety	54, 65	No hazardous situation was reported by the employees of the company for the past years

<b>404-1</b>	Average hours of training per year per employee	54, 60	
<b>404-3</b>	Percentage of total employees by gender and by employee category who received a regular performance and career development review	54, 65	
<b>405-1</b>	Diversity of governance body and employees	20	
<b>413</b>	Local Communities	87,90	