

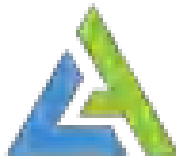


“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

“Investment in capital market involves certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions.”

**INITIAL PUBLIC OFFER (IPO) OF 30,000,000 ORDINARY SHARES OF TK. 10.00
(TEN) EACH TOTALING TK. 300,000,000**

Issue Date of Prospectus	:	
Opening Date of Subscription	:	
Closing Date of Subscription	:	



**Draft Prospectus of
Alliance Finance PLC**

Laila Tower (Level 10), 8 South Gulshan Avenue, Gulshan – 1,
Dhaka – 1212

MANAGER TO THE ISSUE



UCB Investment Limited
Bulus Center (17th Floor)
Plot: CWS(A)-1, Road- 34
Gulshan Avenue, Dhaka-1212

CREDIT RATING STATUS

Rating Particulars	Long Term	Short Term
Entity Rating	AA-	ST-2
Outlook	Stable	
Validity	June 07, 2023	
Rated by	Credit Rating Information and Services Limited (CRISL)	



PRELIMINARY INFORMATION AND DECLARATIONS

(B)(2)(a)

(i) Name(s), address(s), telephone number(s), web address(s), e-mail(s), fax number(s) and contact persons of the issuer, issue manager(s), underwriter(s), auditors, credit rating company and valuer, where applicable;

ISSUER

Name & Address	Contact	Contact Person
Alliance Finance PLC Laila Tower (Level 10), 8 South Gulshan Avenue, Gulshan - 1, Dhaka - 1212	Tel: +8802 222280410, +880 9617171190	Kanti Kumar Saha Chief Executive Officer
	Fax: +8802 9840413	
	E-mail: info@lankanalliance.com	
	Website: www.lankanalliance.com	

ISSUE MANAGER

Name & Address	Contact	Contact Person
UCB Investment Limited Bulus Center (17th Floor) Plot: CWS(A)-1, Road- 34 Gulshan Avenue, Dhaka-1212	Tel: +88 02 55668070 (Ext: 800094)	Tanzim Alamgir Managing Director & CEO
	Fax: +88 02 55668070	
	E-mail: info@ucbil.com.bd	
	Website: www.ucb-investment.com	

UNDERWRITERS

Name & Address	Contact	Contact Person
UCB Investment Limited Bulus Center (17th Floor) Plot: CWS(A)-1, Road- 34 Gulshan Avenue, Dhaka-1212	Tel: +88 02 55668070 (Ext: 800094)	Tanzim Alamgir Managing Director & CEO
	Fax: +88 02 55668070	
	E-mail: info@ucbil.com.bd	
	Website: www.ucb-investment.com	
Prime Finance Capital Management Limited PFI Tower (7 th Floor) 56-57, Dilkusha C/A, Dhaka-1000	Tel: +88 02 223354874, 76-77	Md. Rezaul Haque Managing Director
	Fax: +88 02 223354933	
	E-mail: info@primefinancecap.com	
	Website: www.primefinancecap.com	

AUDITOR

Name & Address	Contact	Contact Person
Hoda Vasi Chowdhury & Co. BTMC Bhaban (6 th & 7 th Floor), 7- 9 Kawran Bazar Road, Dhaka- 1215	Tel: +88 (02) 8189323-24	Shaikh Hasibur Rahman, FCA Partner
	Fax: +88 (02) 811 9298	
	E-mail: hasib@hodavasi.com	
	Website: www.hodavasi.com	



CREDIT RATING COMPANY

Name & Address	Contact	Contact Person
Credit Rating Information and Services Limited Nakshi Homes (1st, 4th & 5th Floor), 6/1/A Segun Bagicha, Dhaka-1000	Tel: +88 02 9530991-4	Tanzirul Islam Vice President
	Fax: +88 02 9530995	
	E-mail: info@crislbd.com	
	Website: www.crislbd.com	

VALUER

The Issuer has not appointed any valuer.

(ii) Any person interested to get a prospectus may obtain from the issuer, and the issue manager(s);

(iii) If you have any query about this document, you may consult the issuer, issue manager and underwriters;

(iv) "CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE OR OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER'S CHIEF EXECUTIVE OFFICER, UNDERWRITERS, AUDITOR(S), VALUER AND/OR CREDIT RATING COMPANY (IF ANY)."

(V) 'Risk in relation to the first issue'

"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is Tk. 10.00 (ten) and the issue price is Tk. 10, i.e. face value. The issue price has been determined and justified by the issuer and the issue manager as stated under the paragraph on "Justification of Issue Price" should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing."

(VI) 'General Risk'

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number(s) 207-221."



(VII) 'Alliance Finance PLC's Absolute Responsibility'

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this prospectus contains all material information with regard to the issuer and the issue, that the information contained in the prospectus are true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

AVAILABILITY OF PROSPECTUS

(B)(2)(b)

(i) Names, addresses, telephone numbers, fax numbers, website addresses and e-mail addresses and names of contact persons of the institutions where the prospectus and abridged version of prospectus are available in hard and soft forms;

ISSUER

Name & Address	Contact	Contact Person
Alliance Finance PLC Laila Tower (Level 10), 8 South Gulshan Avenue, Gulshan - 1, Dhaka - 1212	Tel: +8802 222280410, +880 9617171190	Kanti Kumar Saha Chief Executive Officer
	Fax: +8802 9840413	
	E-mail: info@lankanalliance.com	
	Website: www.lankanalliance.com	

ISSUE MANAGER

Name & Address	Contact	Contact Person
UCB Investment Limited Bulus Center (17th Floor) Plot: CWS(A)-1, Road- 34 Gulshan Avenue, Dhaka-1212	Tel: +88 02 55668070 (Ext: 800094)	Tanzim Alamgir Managing Director & CEO
	Fax: +88 02 55668070	
	E-mail: info@ucbil.com.bd	
	Website: www.ucb-investment.com	

UNDERWRITERS

Name & Address	Contact	Contact Person
UCB Investment Limited Bulus Center (17th Floor) Plot: CWS(A)-1, Road- 34 Gulshan Avenue, Dhaka-1212	Tel: +88 02 55668070 (Ext: 800094)	Tanzim Alamgir Managing Director & CEO
	Fax: +88 02 55668070	
	E-mail: info@ucbil.com.bd	
	Website: www.ucb-investment.com	
Prime Finance Capital Management Limited PFI Tower (7 th Floor) 56-57, Dilkusha C/A, Dhaka-1000	Tel: +88 02 223354874, 76-77	Md. Rezaul Haque Managing Director
	Fax: +88 02 223354933	
	E-mail: info@primefinancecap.com	
	Website: www.primefinancecap.com	



STOCK EXCHANGES		
Name & Address	Contact	Contact Person
Dhaka Stock Exchange Limited DSE Tower, Road: 21, House: 46 Nikunja, Dhaka-1229	Tel: +88 02 9564601, +88 02 9576210-18	Md. Rabiul Islam Senior Manager Listing Affairs
	Fax: 88 02 9564727, 88 02 9569755	
	E-mail: rabiul@dsebd.org	
	Website: www.dsebd.org	
Chittagong Stock Exchange Limited CSE Building, 1080, Sheikh Mujib Road Agrabad, Chittagong- 4100	Tel: 88 031 714632-3	Mohammad Monirul Haque Deputy General Manager Head of Listing
	Fax: 88 031 714101	
	E-mail: monir@cse.com.bd	
	Website: www.cse.com.bd	

The prospectus is also available on the websites of Alliance Finance PLC (www.lankanalliance.com) and UCB Investment Limited (www.ucb-investment.com). It would also be available at the DSE (www.dsebd.org), CSE (www.csebd.com) and Public Reference room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying upon approval.

(ii) Names and dates of the newspapers where abridged version of prospectus was published.

BENGALI NEWSPAPERS		
Sl. No.	Name	Date
1	[*]	[*]
2	[*]	[*]

ENGLISH NEWSPAPERS		
Sl. No.	Name	Date
1	[*]	[*]
2	[*]	[*]



iii. Definitions and Acronyms or Elaborations:

ACRONYMS/ELABORATIONS	
A	
AFPLC	: Alliance Finance PLC
AGM	: Annual General Meeting
ALCO	: Asset and Liabilities Committee
Allotment	: Allotment of Shares to Respective BO Account
B	
BAS	: Bangladesh Accounting Standards
BB	: Bangladesh Bank
BDT	: Bangladeshi Taka
BODs	: Board of Directors
BO	: Beneficiary Owner Account
BSEC	: Bangladesh Securities and Exchange Commission
BSA	: Bangladesh Standards on Auditing
C	
CDBL	: Central Depository Bangladesh Limited
CIB	: Credit Information Bureau
CFO	: Chief Financial Officer
CAR	: Capital Adequacy Ratio
Commission	: Bangladesh Securities and Exchange Commission
Company	: Alliance Finance PLC
Companies Act	: Companies Act, 1994 (Act. No. XVIII of 1994)
CRR	: Cash Reserve Ratio
CSE	: Chittagong Stock Exchange PLC
CIS	: Collective Investment Scheme
D	
DFIM	: Department of Financial Institutions and Markets
DSE	: Dhaka Stock Exchange Ltd.
E	
EPS	: Earnings Per Share
EIs	: Eligible Investors
EGM	: Extraordinary General Meeting



F	
FC Account	: Foreign Currency Account
FCBs	: Foreign Commercial Banks
FDR	: Fixed Deposit Receipt
FY	: Financial Year
G	
GDP	: Gross Domestic Product
GP	: General Public
H	
HR	: Human Resource
I	
IPO	: Initial Public Offer
Issuer	: Alliance Finance PLC
Issue Manager	: UCB Investment Limited
IFRS	: International Financial Reporting Standards
IAS	: International Accounting Standards
N	
NAV	: Net Asset Value Per Share
N/A	: Not Applicable/Not Available
NBR	: National Board of Revenue
NRB	: Non-Resident Bangladeshi
NBFIs	: Non-Banking Financial Institutions
NOC	: No Objection Certificate
O	
Offer Price	: Price of the securities of AFPLC
P	
P/E	: Price Earnings Ratio
R	
RJSC	: Registrar of Joint Stock Companies and Firms
R&D	: Research and Development
ROA	: Return on Assets
ROE	: Return on Equity
S	
SLR	: Statutory Liquidity Ratio



Sponsor	:	The sponsor shareholders of AFPLC
Subscription	:	Application Money
T		
Tk.	:	Taka
U		
UCBIL	:	UCB Investment Limited
Underwriter/s	:	UCB Investment Limited, Prime Finance Capital Management Limited
V		
VAT	:	Value Added Tax
Symbols		
[*]	:	Will be determined after BSEC consent



TABLE OF CONTENTS **(B)(2)C**

Section	Particulars	Page No.
SECTION (I) (B)(2)(d)	EXECUTIVE SUMMARY	1-19
	(a) About the Industry	2-6
	(b) About the Issuer	7-8
	(c) Financial Information	9
	(d) Features of the issue and its objects	10
	(e) Legal and other information	10
	(f) Promoters' background	11-16
	(g) Capital structure and history of capital raising	17
	(h) Summary of the Valuation Report of securities	17
	(i) Others	18-19
SECTION (II) (B)(2)(e)	CONDITIONS IMPOSED BY THE COMMISSION	20
	Disclosure in respect of issuance of security in Demat form	-
	Conditions imposed by the Commission in the consent letter	-
SECTION (III) (B)(2)(f)	DECLARATION AND DUE DILIGENCE CERTIFICATES	21-26
	Annexure-A	22
	Annexure-B	23-24
	Annexure-C	25-26
SECTION (IV) (B)(3)	ABOUT THE ISSUER	27-30
	(a) Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants, telephone number, FAX number, contact person, website address and e-mail address	28
	(b) The names of the sponsors and directors of the issuer	29
	(c) The name, logo and address of the auditors, along with their telephone numbers, FAX numbers, contact persons, website and e-mail addresses	30
	(d) The name(s) of the stock exchange(s) where the specified securities are proposed to be listed	30
SECTION (V) (B)(4)	CORPORATE DIRECTORY OF THE ISSUER	31-32
SECTION (VI) (B)(5)	DESCRIPTION OF THE ISSUER	33-96
	(a) Summary	34-43
	(b) General Information	44-49
	(c) Capital Structure	50-56
	(d) Description of Business	57-67
	(e) Description of Property	68-75
	(f) Plan of Operation and Discussion of Financial Condition	76-96
SECTION (VII) (B)(6)	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	97-101
	(a) Overview of business and strategies	98-99



	(b)	Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis	99
	(c)	Analysis of the financial statements of last five years	100-101
	(d)	Known trends demands, commitments, events or uncertainties that are likely to have an effect on the company's business	101
	(e)	Trends or expected fluctuations in liquidity	101
	(f)	Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition	101
	DIRECTORS AND OFFICERS		102-145
SECTION (VIII) (B)(7)	(a)	Name, father's name, age, residential address, educational qualification, experience and position of each of the directors of the company and any person nominated or represented to be a director	103-105
	(b)	The date on which he first became a director and the date on which his current term of office shall expire	106
	(c)	Directors having any type of interest in other businesses, names and types of business of such organizations	107-112
	(d)	Statement of the directors of the issuer if any of them are associated with the securities market in any manner.	112
	(e)	Family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse' sister) among the directors and top five officers	112
	(f)	A very brief description of other businesses of the directors	113-125
	(g)	Short bio-data of each director	125-135
	(h)	Loan status of the issuer, its directors and shareholders who hold 10% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank;	135
	(i)	Name with position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the Chief Executive Officer, Managing Director, Chief Financial Officer, Company Secretary, Advisers, Consultants and all Departmental Heads	136
	(j)	Changes in the key management persons during the last three years	137
	(k)	A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions/posts held in the past, directorship held, other ventures of each sponsor and present position	138-140
(l)	If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.	141	



	(m)	If the sponsors or directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out or managed	141
	(n)	Interest of the key management persons	141
	(o)	All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary	141-142
	(p)	Number of shares held and percentage of shareholding (pre issue)	143
	(q)	Change in board of directors during last three years	143-144
	(r)	Director's engagement with similar business	144
SECTION (IX) (B)(8)	CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS		145-147
	(a)	Description of any transaction during the last five years, or any proposed transactions certified by the auditors	146
	(b)	Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus	147
	(c)	Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan, and present outstanding of such loan	147
SECTION (X) (B)(9)	EXECUTIVE COMPENSATION		148-151
	(a)	The total amount of remuneration/salary/perquisites paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer	149
	(b)	Aggregate amount of remuneration paid to all Directors and officers as a group during the last accounting year	149
	(c)	If any shareholder Director received any monthly salary/perquisite/benefit it must be mentioned along with date of approval in AGM/EGM, terms thereof and payments made during the last accounting year	149
	(d)	The board meeting attendance fees received by the director including the managing director along with date of approval in AGM/EGM	150
	(e)	Any contract with any Director or officer providing for the payment of future compensation	151
	(f)	If the issuer intends to substantially increase the remuneration paid to its Directors and officers in the current year, appropriate information regarding thereto	151



	(g)	Any other benefit/facility provided to the above persons during the last accounting year	151
SECTION (XI) (B)(10)	OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES		152
SECTION (XII) (B)(11)	TRANSACTIONS WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM		153-157
	(a)	The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last five years along with the description of assets, services or other consideration received or to be received	154-157
	(b)	Any assets which were acquired or to be acquired from the aforesaid persons, the amount paid for such assets and the method used to determine the price	157
SECTION (XIII) (B)(12)	OWNERSHIP OF THE COMPANY'S SECURITIES		158-165
	(a)	The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage of the securities represented by such ownership, in tabular form	159
	(b)	Table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the public issue	160-162
	(c)	The average cost of acquisition of equity shares by the directors certified by the auditors	163
	(d)	A detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors/directors	164
	(e)	Detail of shares issued by the company at a price lower than the issue price	165
	(f)	History of significant (5% or more) changes in ownership of securities from inception.	165
SECTION (XIV) (B)(13)	CORPORATE GOVERNANCE		166-186
	(a)	A disclosure to the effect that the issuer has complied with the requirements of Corporate Governance Guidelines of the Commission	167
	(b)	A compliance report of Corporate Governance requirements certified by competent authority	168-186
	(c)	Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committees operate	186
SECTION (XV) (B)(14)	VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGER		187-192
SECTION (XVI) (B)(15)	DEBT SECURITIES		193
SECTION (XVII) (B)(16)	PARTIES INVOLVED AND THEIR RESPONSIBILITIES		194-195
SECTION (XVIII)	MATERIAL CONTRACTS		196-203



(B)(17)	(a)	Major agreements entered into by the issuer	197
	(b)	Material parts of the agreements	197-202
	(c)	Fees payable to different parties	203
SECTION (XIX) (B)(18)	OUTSTANDING LITIGATIONS, FINE OR PENALTY		204-206
	(a)	The outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority	205-206
	(b)	Outstanding cases filed by the Company or any of its directors	206
SECTION (XX) (B)(19)	RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS		207-221
	(a)	All risk factors and management's perception about how to address the risks are to be clearly stated	208
	(b)	Risk factors shall be disclosed in descending order of materiality	208
	(c)	Perceptions to address risks shall not contain any speculative statement on the positive outcome of any litigation, etc.	208
	(d)	The disclosures of Risk factor	209-221
SECTION (XXI) (B)(20)	DESCRIPTION OF THE ISSUE		222-224
SECTION (XXII) (B)(21)	USE OF PROCEEDS		225-230
	(a)	Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up	226-227
	(b)	Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the issuer at the time of submission of prospectus, in details with indication of use of such funds in the financial statements	228
	(c)	If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture	229
	(d)	If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned	229
	(e)	A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer	229
	(f)	If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of	230



		the contracts shall be enclosed as annexure to the prospectus	
	(g)	If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item-wise break-up of last three years working capital and next two years projection	230
	(h)	Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project-wise, as the case may be	230
	(i)	Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented	230
	(j)	The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies	230
	(k)	Summary of the project appraisal or feasibility report by the relevant professionals not connected with the issuer, issue manager and registrar to the issue with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report	230
		LOCK-IN	231-233
SECTION (XXIII) (B)(22)	(a)	Provisions for lock in as per these Rules;	232
	(b)	Whether a statement regarding lock-in on existing shares furnished in the prospectus;	233
SECTION (XXIV) (B)(23)		MARKETS FOR THE SECURITIES BEING OFFERED INCLUDED	234-235
		DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED	236-238
SECTION (XXV) (B)(24)	(a)	Dividend, voting and preemption rights	237
	(b)	Conversion and liquidation rights	237
	(c)	Dividend policy	237
	(d)	Other rights of the securities holders	238
		FINANCIAL STATEMENTS	239-338
SECTION (XXVI) (B)(25)	(a)	The latest financial statements prepared and audited by any of the Commission's panel of auditors in adherence to the provisions of the Securities and Exchange Rules, 1987, the Companies Act, 1994, International Financial Reporting and Auditing Standards as adopted in Bangladesh from time to time and any other law as applicable	240-296
	(b)	Information as is required under section 186 of the Companies Act, 1994 relating to holding company	296
	(c)	Selected ratios as specified in Annexure-D	297-305



	(d)	Auditors report under Section 135(1), Para 24(1) of Part II of Schedule III of the Companies Act, 1994	306-313
	(e)	Financial spread sheet analysis for the latest audited financial statements	314-315
	(f)	Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS	316
	(g)	All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share included	316
	(h)	Quarterly or Half yearly EPS should not be annualized while calculating the EPS	316
	(i)	Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position	317
	(j)	The Commission may require the issuer to re-audit the audited financial statements, if any deficiency/anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer	317
	(k)	Statements for the last five years or any shorter period of commercial operation certified by the auditors	318-338
SECTION (XXVII) (B)(26)		CREDIT RATING REPORT	339-355
SECTION (XXVIII) (B)(27)		PUBLIC ISSUE APPLICATION PROCEDURE	356-359
		OTHERS	360
SECTION (XXIX) (B)(28)	(a)	Additional Disclosure by the Auditor	-
	(b)	Additional Disclosure by the Management	-
	(c)	Miscellaneous	-



SECTION (I)
(B)(2)(d)

EXECUTIVE SUMMARY

SECTION CONTENTS

(a)	About the Industry
(b)	About the Issuer
(c)	Financial Information
(d)	Features of the issue and its objects
(e)	Legal and other information
(f)	Promoters' background
(g)	Capital structure and history of capital raising
(h)	Summary of the Valuation Report of securities
(i)	Others



About the Industry

(B)(2)(d)(a)

Industry Background:

A non-banking financial institution (NBFI), also known as non-banking financial company, are companies that offer financial services and products but are not officially recognized as a bank with a full banking license. Generally, the distinction between a recognized bank and a non-banking financial company is the fact that non-bank companies cannot accept traditional demand deposits.

NBFIs conduct their business operations with diversified financing modes, such as syndicated financing, bridge financing, lease financing, securitization, private placement of equity, etc. Major sources of funds of NBFIs are Term Deposit (at least three months' tenure), Credit Facility from Banks and other NBFIs, Call Money as well as Bond and Securitization.

In Bangladesh, there are some key differences between banks and NBFIs and how they operate. NBFIs cannot issue cheques, pay-orders or demand drafts, nor can they receive demand deposits. NBFIs also cannot be involved in gold or foreign exchange financing.

Source: <https://corporatefinanceinstitute.com/resources/wealth-management/non-banking-financial-company-nbfc/>,
<https://www.bb.org.bd/en/index.php/financialactivity/bankfi>.

Industry Structure:

Immediately after independence, few state-owned Banks were the sole financial intermediaries in Bangladesh. During the 1970s, they played a crucial role in the economic development and restructuring of the financial system. At the outset of the 1980s, to accelerate economic growth through the private sector and tackle the challenges of globalization, it was necessary to restructure the financial system. This restructuring led to the emergence of more private sector banks as financial intermediaries. Nevertheless, due to the structural limitations, these banks were not interested in expanding their operations in all expected areas but rather confined to a relatively limited sphere of financial services. Moreover, their efforts to meet long-term financing with short-term resources resulted in an asset-liability mismatch, creating pressure on their financial base. With a view to ensuring long-term financing in capital machinery, the concept of 'Leasing' was introduced in the early 1980s in the country. Since leasing was not duly focused by banks at that time, FIs were established to deal with this specialized financial product for supporting industrialization and economic growth of the country.

Initially, NBFIs were incorporated in Bangladesh under the Companies Act, 1913 and were regulated by the provision relating to Non-Banking Institutions as contained in Chapter V of the Bangladesh Bank Order, 1972. But this regulatory framework was not adequate and NBFIs had the scope of carrying out their business in the line of banking. Later, Bangladesh Bank promulgated an order titled 'Non-Banking Financial Institutions Order, 1989' to promote better regulation and to remove the ambiguity relating to the permissible areas of operation of NBFIs. However, this order did not cover all NBFI activities and did not mention the statutory liquidity requirement to be maintained with the central bank. To remove the regulatory deficiency and to define a wide range of activities to be covered by NBFIs, a new act titled 'Financial Institution Act, 1993' was enacted in 1993.



Industrial Promotion and Development Company (IPDC) was the first private sector NBFIs in Bangladesh, starting its operations in 1981. Since then, the number of NBFIs has increased, and currently, there are 35 NBFIs operating in Bangladesh. Out of these, 3 are fully government-owned, 19 were initiated by private domestic initiatives, and 13 were initiated by joint venture initiatives. 23 NBFIs are listed on the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).

Particulars	Period						
	2016	2017	2018	2019	2020	2021	2022*
Govt. owned	3	3	3	3	3	3	3
Joint Venture	11	12	12	12	13	13	13
Private	19	19	19	19	19	19	19
Total no. of NBFIs	33	34	34	34	35	35	35

*As of 30 June 2022

Source: Department of Financial Institution and Markets, Bangladesh Bank,
<https://www.bb.org.bd/en/index.php/financialactivity/bankfi>,
<https://www.bb.org.bd/pub/annual/anreport/ar2122.pdf>,
<https://www.bb.org.bd/pub/research/workingpaper/wp0709.pdf>.

Governance of NBFIs:

The authority of granting licenses to NBFIs and their regulations and control are vested in Department of Financial Institutions and Markets (DFIM), Bangladesh Bank by the Financial Institutions Act, 1993. Under the Act, Financial Institution Regulation 1994 was issued by BB with the approval of the government. Besides, there are prudential regulations and guidelines for NBFIs issued by BB under section 18 of FI Act 1993. According to Circular no. 5 dated 24 July 2011, minimum paid up capital requirement for an ongoing NBFIs is BDT 100 crore. However, paid up capital and reserves cannot be less than the minimum ratio of risk weighted asset as set by Bangladesh Bank which is presently 10 percent. NBFIs may access public funds, either directly or indirectly through term deposits (minimum 3 months' duration), commercial papers (CPs), bonds and debentures. Depositors of NBFIs are not covered under the deposit insurance scheme of Bangladesh Bank.

NBFIs are subject to some prudential guidelines in terms of income recognition, asset classification and provisioning norms; single and group borrower exposure limits; capital market exposures; classification and valuation for the investment portfolio; cash reserve ratio (CRR)/statutory liquidity reserve (SLR) requirements; accounting and disclosure and supervisory reporting requirements. There are also guidelines on the products & services offered, code of conduct, risk management guidelines, green banking policy guidelines and Corporate Social Responsibility expenditure guidelines set for NBFIs by the Bangladesh Bank.

Certain provisions of the key acts like Companies Act 1994 and Bangladesh Securities and Exchange Commission Act 1993 have implications for NBFIs. Though Bangladesh Bank is the regulatory and supervisory authority of both banks and NBFIs; the Ministry of Finance (MoF) of the government exercises notable control over government-owned banks and NBFIs.

The full list of guidelines and regulations governing NBFIs as per Bangladesh Bank are listed below:



- Integrity Award Guidelines for Financial Institutions
- Guidelines to Fill in the NBFi Returns – 1, 2 & 3
- Guidelines On the Base Rate System for Non-Bank Financial Institutions
- Financial Institute Regulation, 1994
- Financial Institute Act, 1993
- Prudential Regulation for Financial Institutions
- Prudential Guidelines on Capital Adequacy and Market Discipline (CAMD) For FIs
- Guidelines On Products & Services of Financial Institutions in Bangladesh
- Policy Guidelines for Green Banking English
- Integrated Risk Management Guidelines for Financial Institutions
- Code of Conduct for Banks & Non-Bank Financial Institutions

Source: <https://www.bb.org.bd/en/index.php/about/guidelist>.

Products & Service Portfolio:

Financial products and services offered by FIs have progressively become more complex and diverse. This diversification has been continuing over the last three decades remarkably. Today

FIs are offering diversified products and services in different areas that include industry, commerce, agriculture, housing and real estate, capital market, bond market etc.

The categories of Asset-side products offered by NBFIs are:

Sl.	Category	Product Variants
1	Corporate Finance	Lease Finance
		Term Loan
		Project Finance
		Working Capital Finance
		Short-term Finance
2	Consumer Finance	Auto-car Loan
		Lease financing for vehicles
		Personal Loan
		Loan against TDR
3	Agriculture Finance	Lease Finance
		Term Loan
		Working Capital Finance
		Agriculture Trade Finance
		SME Agriculture Loan
4	SME Financing	Lease Finance
		Term Finance
		Working Capital Finance
		Woman Entrepreneur Loan
		SME Tailored Loan
5	Housing Financing	Work order Financing
		Real Estate (Individual Customer)
6	Equity Finance	Project/ Commercial Housing Loan
		Investment in Preference Shares
		Common Stock



7	Syndication Finance	Syndication Term Finance
		Syndication Lease Finance
		Working Capital Finance
8	Bonds	Corporate Bonds
		Zero Coupon Bonds
		Asset backed securitization Bonds
		Government Bond and Treasury Bills
9	Capital Market Investment	Investment in listed securities
10	Others	Factoring
		Loans against Deposit (other than consumer finance)
		Work Order Finance (other than SME finance)
		Institutional Loans

The categories of Asset-side services offered by NBFIs are:

Sl.	Product	Product Features
1	Advisory Services	Preparing financial feasibility reports for the clients or act as financial consultant for different projects
2	Arranger	Arranging syndication for new project or BMRE
3	Trustee	Trustee holds or administers property or assets for the benefit of a third party. They are trusted to make decisions in the beneficiary's best interests. In case of issuance of Bonds by different corporate bodies, a Trustee is required, who acts on behalf of the bond holders.
4	Guarantor	<ul style="list-style-type: none"> • FI Loan Guarantee: Providing guarantee by FIs on behalf of the clients to avail short-term credit facilities from other FIs and Banks • Bank Guarantee Facility: FI may act as an arranger of Bank guarantee from a reputed bank for clients against FI's bank guarantee limit with that bank. In this case, FIs share margin and guarantee commission with the guarantee issuing bank.

Along with these asset side products and services, FIs are also attracting fund from public and institutions by offering various customized liability side products such as monthly saving scheme, millionaire deposit scheme, double money deposit scheme, term deposit, zero coupon bond etc.

The categories of Liability-side products offered by NBFIs are:

Sl.	Category	Product Variants
1	Savings Scheme	Deposit Pension Scheme
		Flexible Savings Plans
		Monthly Savings Scheme
		Purpose-based Savings Scheme
2	Term Deposit Scheme	Fixed Term Deposit Scheme
		Cumulative Benefit Plan
		Other Scheme

3	Wealth Builder Scheme	Millionaire Deposit Scheme
		Double/Triple Money Scheme
4	Issuance of Bonds	Corporate Bond
		Zero Coupon Bond
		Asset Backed Securitization Bond

Source: https://www.bb.org.bd/mediaroom/circulars/fid/product_service_2013.pdf.

Major Players:

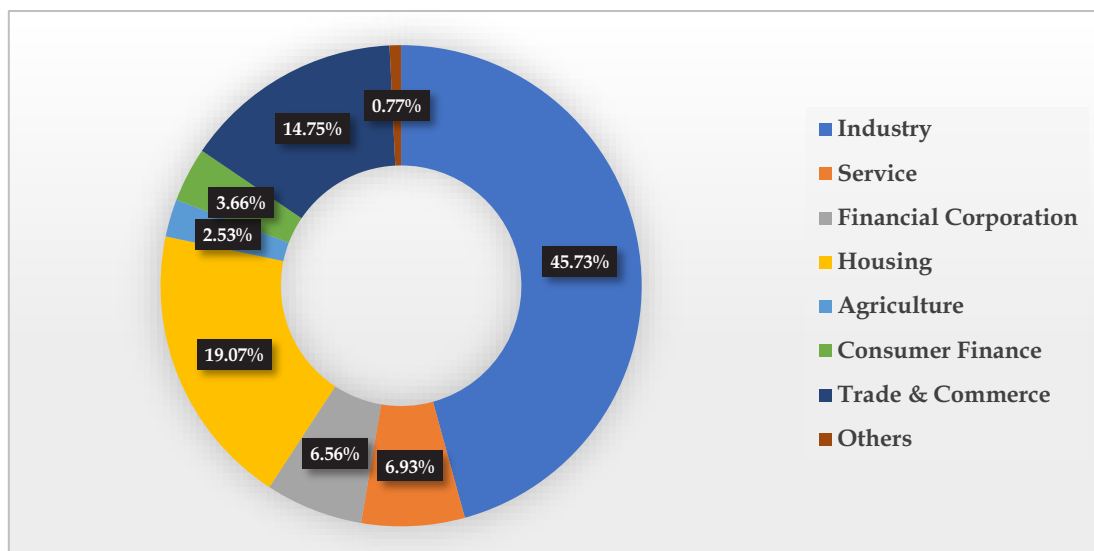
There are several other successful FIs in Bangladesh. Some of these are listed below along with their total market capitalization:

Sl.	Particulars	Market Capitalization
1	IPDC Finance Limited	BDT 3710.92 million
2	IDLC Finance Limited	BDT 19329.98 million
3	Bangladesh Finance Limited	BDT 8301.22 million
4	Lanka Bangla Finance Limited	BDT 5388.39 million
5	DBH Finance PLC	BDT 11270.44 million
6	Investment Corporation of Bangladesh	BDT 74118.91 million

Source: Dhaka Stock Exchange dated 30/03/2023

Investment Pattern of NBFIs:

NBFIs are investing in different sectors of the economy, but their investments are mostly concentrated in the industrial sector. Sector-wise composition of NBFIs' investments as on June 30, 2022 are as follows:



NBFIs are also allowed to invest in the capital market an amount of up to 25% of their paid-up capital and reserve as per the Financial Institutions Act, 1993. NBFIs total investment in the capital market stood at BDT 44.86 billion as on June 30, 2022. This figure represents 4.61% of the total assets of all NBFIs in Bangladesh.

Source: Department of Financial Institution and Markets, Bangladesh Bank, <https://www.bb.org.bd/pub/annual/anreport/ar2122.pdf>.



About the Issuer

(B)(2)(d)(b)

Alliance Finance PLC at a glance

Alliance Finance PLC (AFPLC) is a Financial Institution with multinational collaboration in Bangladesh, licensed by Bangladesh Bank. AFPLC was incorporated with the name of Alliance Leasing & Finance Company Limited on 27 September, 2003 as a Public Limited Company under the Company Act, 1994. The company began operating its business activities in the year 2017.

The majority stakeholder of Alliance Finance PLC is People's Leasing & Finance PLC, a subsidiary of Peoples' Bank, Sri Lanka's largest state-owned bank. The local sponsors include large corporates and individuals with impeccable records and proven goodwill and include companies such as Summit Group, Rangs Group, Alliance Holdings Limited, Green Delta Insurance Company Limited, and Concept Knitting Limited.

AFPLC currently operates its business activities from its corporate head-office located at Laila Tower, 8 South Gulshan Avenue, Dhaka 1212 and its Banani branch located at House 138, Old 81, Road 4, Block-E, Concord Niharika, Kamal Ataturk Avenue, Banani, Dhaka.

With a strong vision for the future and an experienced management team at the helm, Alliance Finance PLC aspires to provide user-friendly digital financial services to its clients and introduce innovative technologies for safe and easy money management.

Legal Status

Alliance Finance PLC was incorporated as a Public Limited Company on 27 September, 2003 under the Companies Act, 1994, in its earlier name of Alliance Leasing & Finance Company Limited. The Company changed its name in December 2017 to Lankan Alliance Finance Limited. And subsequently in EGM held on 28th December 2022, it changed name to Alliance Finance PLC. The company's registered office is situated at The Alliance Building, 63 Pragati Sarani, Baridhara, Dhaka-1212. Its corporate head office is situated at Laila Tower (Level 10), 8 South Gulshan Avenue, Gulshan - 1, Dhaka - 1212. The Company is registered as a Non-Banking Financial Institution under the Financial Institutions Act, 1993.

Principal activities

AFPLC has evolved itself into a multiproduct financial institution. The principal activities of AFPLC are to provide a comprehensive range of financial services such as Lease and Term Financing, Corporate Financing, SME financing, Retail financing and Structured financing as well as term depository services.



Vision

To be the most innovative, dependable & customer-friendly Financial Institution in the country.

Mission

- Maximize values for all stakeholders through uniqueness, dexterity and sustainable business practices.
- Ensuring superior and solution driven financing for our customers
- Inculcate a culture of meritocracy in the ethos/philosophy of the company
- Establish a principled and compliant organization which adheres to the best corporate governance practices.

A short profile of the Company is presented below:

Date of Incorporation	27 September 2003
Date of Getting Permission of Business & Start of Operation	06 June 2017
Authorized Capital	BDT 2,000,000,000/-
Paid Up Capital	BDT 1,050,000,000/-
Corporate Head Office Address	Laila Tower (Level 10), 8 South Gulshan Avenue, Gulshan - 1, Dhaka - 1212
Registered Office Address	The Alliance Building, 63 Pragati Sarani, Baridhara, Dhaka-1212
Branches	1
Nature of Business	Alliance Finance PLC is a Non-Banking Financial Institution that specializes in providing financial services. Its core businesses include lease and term financing. It also provides other Corporate Financing products as well as Small and Medium Enterprise (SME) financing and Retail Financing for individuals. Additionally, AFPLC has launched its Structured Finance Division that arranges syndicated financing, facilitates bond and preference share issuance, foreign currency financing as well as specialized financing.

Note:

- The company has decided to increase its authorized capital from BDT 1,000,000,000/- to BDT 2,000,000,000/- in its Board Meeting, held on 16th March 2023.
- The company has declared a 5% stock dividend and 5% cash dividend for the year 2022, which was approved in the Annual General Meeting, held on 16th March 2023. The post-dividend paid-up capital shall stand at BDT 1,050,000,000/-
- Corporate Head Office will become the Registered Office. The change is under process.



Financial Information

(B)(2)(d)(c)

Particular	31 Dec 22	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18
Interest Income	346,744,598	252,821,725	204,945,091	215,395,289	129,003,873
Interest on deposits and borrowings etc.	183,910,407	118,416,351	78,052,933	78,706,218	8,133,593
Net Interest Income	162,834,191	134,405,374	126,892,158	136,689,071	120,870,280
Investment Income	28,481,234	36,438,469	34,365,808	11,298,487	1,258,051
Commission, exchange and brokerage	-	-	-	-	-
Other operating income	28,078,176	16,742,312	6,641,747	3,792,725	347,042
Total Operating Income	219,393,601	187,586,154	167,899,713	151,780,283	122,475,373
Total Operating Expenses	115,399,001	88,685,136	75,296,724	82,956,103	77,798,192
Operating Profit (Profit before Provision)	103,994,601	98,901,019	92,602,988	68,824,180	44,677,181
Total Profit before Taxation	87,865,671	91,546,134	88,872,464	67,843,446	33,846,215
Net Profit after Taxation	51,823,592	58,553,922	56,782,065	37,174,976	29,705,125
Total loans and Advances	3,142,978,598	2,324,620,040	1,675,422,612	1,269,616,671	1,083,096,544
Total Deposit	2,513,720,509	2,000,442,730	1,123,839,632	769,782,954	356,810,740
Authorized capital*	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Total paid up capital*	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Total Equity	1,274,774,556	1,272,950,964	1,220,854,732	1,165,409,339	1,128,234,363
Total No of shares	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Net Asset Value (NAV) Per Share	12.75	12.73	12.21	11.65	11.28
Earnings Per Share (EPS)	0.52	0.59	0.57	0.37	0.30
Earnings Per Share (EPS) (Considering stock dividend)	0.49	-	-	-	-
Dividend %	Cash	5.00%	5.00%	-	-
	Stock	5.00%	-	-	-
NPL Ratio %	0.24%	0.00%	0.00%	0.00%	0.00%
Capital Adequacy Ratio %	43.24	43.95	57.75	62.61	154.39

Note:

- The company has decided to increase its authorized capital from BDT 1,000,000,000/- to BDT 2,000,000,000/- in its Board Meeting, held on 16th March 2023
- The company has declared a 5% stock dividend and 5% cash dividend for the year 2022, which was approved in the Annual General Meeting, held on 16th March 2023. The post-dividend paid-up capital shall stand at BDT 1,050,000,000/-



Features of the Issue and its Objects

(B)(2)(d)(d)

Issuer Name	Alliance Finance PLC
Public Offer Price	BDT 10 each
Number of Shares To be offered	30,000,000
Total Issue Size	BDT 300,000,000/-
Issue Manager	UCB Investment Limited
The objective of the Issue	<ol style="list-style-type: none"> Investment in core business activities: Loans & advances, etc. IPO Expense
Implementation Period	<ol style="list-style-type: none"> Investment in core business activities: Within 1 year of receiving IPO fund. IPO Expense: As & when required

Note: Bangladesh Bank has given permission to Alliance Finance PLC through its letter no DFIM(L)1053/103/2023-1106 dated 27th March 2023 to raise BDT 300,000,000/- through Initial Public Offer (IPO).

Legal and Other Information

(B)(2)(d)(e)

Sl. No.	Description of Certificate/License/Registration	License Issuer/Issuing Authority	Certificate/Licenses No.	Validity
1	Certificate of Incorporation	Registrar of Joint Stock Companies & Firms, Bangladesh (RJSC)	C-50607(902)/003	N/A
2	Commencement of Business	Registrar of Joint Stock Companies & Firms, Bangladesh (RJSC)	C-50607(902)/003	N/A
3	Financial Institution License	Bangladesh Bank	DFIM(L)/39	N/A
4	NOC for Initial Public Offer	Bangladesh Bank	DFIM(L)1053/103/2023-1106	N/A
5	Trade License (Corporate Head Office)	Dhaka North City Corporation (DNCC)	TRAD/DNCC/046310/2022	30 June 2023
6	Trade License (Principal Branch Office)	Dhaka North City Corporation (DNCC)	TRAD/DNCC/145075/2022	30 June 2023
7	TIN Certificate	National Board of Revenue (NBR)	813781302183	N/A
8	VAT Certificate	National Board of Revenue (NBR)	000654286-0101	N/A



Promoters' Background

(B)(2)(d)(f)

At the time of incorporation following persons were the subscribers to the memorandum:

Sl. No.	Name of Promoters	Position
1.	Syed Ali Jowher Rizvi	Chairman & Sponsor Shareholder
2.	Summit Holdings Limited	Sponsor Shareholder
3.	Concept Knitting Limited	Sponsor Shareholder
4.	Green Delta Insurance Company Limited	Sponsor Shareholder
5.	Sohana Rouf Chowdhury	Sponsor Shareholder & Director
6.	Fahmida Akter Khatun	Sponsor Shareholder
7.	People's Leasing & Finance PLC	Sponsor Shareholder
8.	Rabab Fashion Industry Limited	Promoter (Currently doesn't hold any shares)
9.	Alliance Holdings Limited	Promoter (Currently doesn't hold any shares)
10.	Summit Equities Limited	Promoter (Currently doesn't hold any shares)
11.	Jahanara Islam	Promoter (Currently doesn't hold any shares)
12.	A. Rouf Chowdhury	Promoter (Currently doesn't hold any shares)
13.	Zakia Rouf Chowdhury	Promoter (Currently doesn't hold any shares)
14.	Rangs Industries Limited	Promoter (Currently doesn't hold any shares)
15.	Rangs Limited	Promoter (Currently doesn't hold any shares)
16.	Rangs Motors Limited	Promoter (Currently doesn't hold any shares)
17.	Golam Kabir Chowdhury	Promoter (Currently doesn't hold any shares)



Brief profiles of all the promoters are given below:

Syed Ali Jowher Rizvi | Chairman & Sponsor Shareholder

Mr. Rizvi started his professional career with the Bank of Credit and Commerce International (BCCI) in 1977. He was also engaged with the Institute of Business Administration (IBA) as a part time (Honorary) Lecturer. From 1991 to 1997, he served Union Bank Zambia Ltd., Zambia as its founder Managing Director. Within a short span of 6 years Mr. Rizvi took the new bank to the 2nd leading position (amongst local private banks) in the competitive Zambian banking sector and had his achievements recognized with the prestigious Banker of the Year award.

Returning to Bangladesh he established Alliance Holdings Limited and started his journey as an entrepreneur. In 1997, in partnership with Summit Group, he entered the Off-Dock business where Mr. Rizvi served as the Managing Director of Ocean Containers Limited (OCL). Subsequently in 2003, the two sponsors jointly made another valuable addition to the expanding Off-Dock industry of the Country by establishing Summit Alliance Port Limited, which is the only company of its kind now listed with the two major bourses of the country. OCL merged with SAPL in 2012.

Mr. Rizvi, through Alliance Holdings Limited, also has substantial investment in Textile, Prefabricated Steel Building Manufacturing, Real Estate Development, Financial Institutions, Lubricant Blending, Pharmaceutical etc. In spite of his busy schedule, he still finds time to pursue his favorite passion and teaches on part time (honorary) basis at North South University (NSU), Chittagong Port Authority (CPA) Training Institute and National Defense College (NDC).

Mr. Jowher Rizvi completed his MBA degree in International Finance and Accounting from Indiana University, USA. He also earned MA in Economics with Honors from Dhaka University.

Summit Holdings Limited | Sponsor Shareholder

Summit Holdings is a prominent business conglomerate in Bangladesh, founded by Muhammed Aziz Khan. The company was established in 1997 and is headquartered in Dhaka, Bangladesh, and currently employs over 6000 people.

Summit Holdings Limited has diverse investments in several sectors ranging from essential infrastructure such as telecommunications, energy supply, fuel storage, port management and operation, commercial real estate development such as hi-tech park development and international airport's auxiliary services such as hotels to NBFIs (Non-Banking Financial Institutions) supporting businesses, government agencies and individuals. Summit Power Limited (SPL), Summit Alliance Ports Limited (SAPL) and Khulna Power Company Ltd (KPCL) are subsidiaries of Summit Group and are currently listed in the Dhaka and Chittagong Stock Exchanges.

In the past decade, Summit Group has become an international player with presence outside Bangladesh, and partnerships with some of the largest companies around the globe. In 2016,



Summit entered into a partnership with IFC of the World Bank Group and co-investors and formed Summit Power International Limited, with its registered head-office in Singapore. Besides, Summit also entered into an agreement with General Electric of USA (GE) for development of gas-to-power project in the South Asian Region. An MOU was also signed with Wärtsilä of Finland, for cooperation in the Bangladesh, Indonesian market and South Asia. Summit has accepted investment from JERA Co Ltd. as a strategic shareholder and Mitsubishi, GE and Taiyo Insurance as equity partners in specific projects.

Overall, Summit Holdings Limited has a strong presence in multiple sectors and a reputation for excellence in their fields of operation.

Summit Holdings Limited is represented by Ms. Azeeza Aziz Khan. Her profile is disclosed in “DIRECTORS AND OFFICERS” section.

Concept Knitting Limited | Sponsor Shareholder

Concept Knitting Limited is a garment manufacturing company based in Bangladesh that specializes in producing knitwear. Concept Knitting Limited is part of the Masco Group, which is a vertically integrated textile and apparel company with operations in Bangladesh. The company produces a wide range of knitwear products, including t-shirts, polo shirts, tank tops, sweatshirts, hoodies, and more.

Concept Knitting Limited is represented by Ms. Fahima Akhter. Her profile is disclosed in “DIRECTORS AND OFFICERS” section.

Green Delta Insurance Company Limited | Sponsor Shareholder

Green Delta Insurance Company Limited is a leading insurance company in Bangladesh that provides a wide range of insurance products and services to individuals and businesses. The company was established in December, 1985 as a Public Limited Company and has since become one of the most reputable and respected insurance companies in Bangladesh.

At present, Green Delta Insurance Company Ltd. has amassed more than BDT 807 million with a credit rating of AAA and ST1 as the first Insurance Company in Bangladesh. Green Delta is also the first Insurance Company in Bangladesh to have equity partnership with International Finance Corporation (IFC) of World Bank Group. With a presence in the strategically important parts of the country, which includes 41 branches, Green Delta Insurance Company has established its prominent presence with equity participation in Delta BRAC Housing Ltd., Progressive Life Insurance Co Ltd, United Hospital Ltd., FinExcel Ltd. and BD Venture Ltd. Green Delta Capital Ltd., Green Delta Securities Ltd., Professional Advancement Bangladesh Limited and GD Assist Limited are four of the direct subsidiaries.

Under the charismatic leadership of Mr. Nasir A. Choudhury, Advisor and Ms. Farzana Chowdhury, Managing Director and CEO, Green Delta Insurance Company Ltd. has been leading the winds of change in the insurance industry of the country in terms of service



standard, innovative products and legislative restructuring. After a glorious journey of 3 decades in the Insurance sector, Green Delta Insurance Company Limited has now become a big family of visionary board members, 600+ committed staff, numerous valued clients and thousands of esteemed shareholders. By now, Green Delta has been able to uphold the brand image as a prompt claim settler, superior service provider, and diversified product supplier - almost like a one stop solution provider in the non-life insurance sector in the country.

As a part of the recognition for the contribution in the development of the insurance industry and for maintaining the standard of service, the company has been considered as one of the top 500 companies according to the renowned Rating Agency, Dun Bradstreet Rate Agency of Bangladesh. The company has also been awarded with many national and international awards like "ICAB National Awards" for Best Published Accounts, ICMAB Best Corporate Award in Insurance category, ICSB Corporate Governance Excellence Award, "Winner" for the Best Presented Accounts Award in the category 'Insurance Sector' by the South Asian Federation of Accounts (SAFA), "International Quality Crown Award" by BID International in London, The BIZZ Award by World Business confederation of Business, USA for leadership, Excellence in a management, Quality and Marketing, "The Diamond Eye Award For Quality & Excellence" by BID OTHER WAYS, The Platinum Technology Award for Quality & Best trade name by Association Other Ways in Berlin, International Star Award for Leadership in quality in the Gold, Platinum and Diamond categories, World Finance Award for Best Non-Life Insurance Company in Bangladesh, IFM Award for Best Non-Life Insurance Company Bangladesh, International ARC Award and many more. With the slogan 'Marches with time' during the last 3 decades GDIC has been helping people in their time of need; pulling out all the steps when needed and has been proud to be a partner in progress.

Green Delta Insurance Company Limited is represented by Ms. Farzanah Chowdhury. Her profile is disclosed in "DIRECTORS AND OFFICERS" section.

Ms. Sohana Rouf Chowdhury | Director & Sponsor Shareholder

Ms. Sohana Rouf Chowdhury is a highly accomplished business leader with excellent skills in business development and strategic planning. She has a proven track record of successfully leading and growing diversified businesses in Bangladesh. Ms. Chowdhury has extensive experience in supervising cross-functional teams and leading them to achieve targeted results. Her exceptional business acumen and strategic alliances have contributed significantly to the success of Rangs Group, where she has increased the turnover by 12% to 15% each year for different business units since 2010.

Under her leadership, the organization has become a market leader in the bus business in Bangladesh, with 36% market share and growing. Ms. Chowdhury has also established the state-of-the-art Rangs-Mahindra assembly plant in Bangladesh, which is the first of its kind in the country.



Ms. Chowdhury is also a board member of several companies, including Rangs Limited, Rangs Industries Limited, Rancon Motors Limited, Ranks Powertech Limited, and Ranks Workshop Limited, among others.

She received her undergraduate degree in Economics from The State University of New York, USA.

Fahmida Akter Khatun | Sponsor Shareholder

Dr Fahmida Khatun is the Executive Director of the Centre for Policy Dialogue (CPD), a leading think tank in South Asia. She completed her bachelor and Masters in Economics from Jahangirnagar University, Bangladesh. She did another Masters in Environmental and Natural Resource Economics, and a PhD in Economics from the University College London (UCL). She did her post-doctoral research at the Earth Institute, Columbia University, USA as a Fulbright Scholar and undertook joint research with Professor Jeffery Sachs. She has also participated in a Leadership Decision Making course at Harvard University, USA.

Prior to joining CPD she worked as a Research Fellow at the Bangladesh Institute of Development Studies (BIDS); as an Environment Specialist for the UNDP; as an Economist for the USAID Mission in Bangladesh. She taught economics at universities in Bangladesh and England. She was a Visiting Fellow at the Christian Michelsen Institute (CMI), Norway, at the Korea Institute for Industrial Economics and Trade (KIIET), South Korea and Center for Study of Science, Technology and Policy (CSTEP), India.

She delivers lectures on macroeconomic policy, trade, climate change issues, SDGs, WTO and LDC issues in several reputed institutions in Bangladesh. The pre-eminent ones include public and private universities, National Defense College, Defense Services and Staff College, Bangladesh Public Administration Training Centre, Bangladesh Police Academy, and private universities.

Dr Khatun is a member of the High-level Advisory Board on Productive Capacities Index (PCI) United Nations Conference on Trade and Development (UNCTAD). She was a member of the Panel of Economists for the Eighth Five Year Plan (2021-25) formed by Bangladesh Planning Commission. She served as a member of the Advisory Committee for the National Human Development Report prepared by the Economic Relations Division, Government of Bangladesh. She was a Director of Janata Bank Limited, the second largest state-owned bank of Bangladesh and a Director of the SME Foundation of Bangladesh.

Dr Khatun has undertaken research for several international organizations. Her areas of interest include macroeconomic policy, aid effectiveness, international trade and WTO issues, digital economy, youth unemployment, health issues, social inclusion and poverty eradication, climate change, interests of Least Developed Countries (LDCs), Sustainable Development Goals (SDGs), and women's contribution to the economy. She has published widely at home and abroad. She is a columnist of the Daily Star, a leading daily in Bangladesh. She is also a contributor to the East Asia Forum.



People's Leasing & Finance PLC | Sponsor Shareholder

People's Leasing & Finance PLC is a leading financial services provider in Sri Lanka, and a subsidiary of People's Bank. The company is a listed limited liability company on the Colombo Stock Exchange and has five subsidiaries including People's Leasing Fleet Management Limited, People's Leasing Property Development Limited, People's Leasing Havelock Properties Limited, People's Microfinance Limited, and People's Insurance Limited.

The company has established market leadership in the leasing industry in a short period of time and has retained this position for more than a decade. In 2012, the company received the license from the Monetary Board of the Central Bank of Sri Lanka to conduct finance business under the Finance Business Act No.42 of 2011. This has enabled the company to become the largest non-banking financial institution in Sri Lanka, based on its asset base.

People's Leasing & Finance PLC has a wide reach in Sri Lanka, with over 100 branches island-wide and a strong team of dedicated employees. The company offers a range of financial products and services, including finance leases, loans, deposits (fixed and saving deposits), Islamic products, factoring, and margin trading facilities. The company also has the permit to buy, sell and exchange foreign currency notes and coins, and encash travelers' cheques.

The company's product strategy is designed to position it as a comprehensive financial services provider in Sri Lanka's dynamic business environment. Through its wide range of products and services, People's Leasing & Finance PLC has become a pioneer in providing value-added financial services to Sri Lankans. The company is committed to satisfying all the financial requirements of its valued customers and strengthening its bonds with them.

People's Leasing & Finance PLC is represented by several directors. Their profiles are disclosed in "DIRECTORS AND OFFICERS" section.



Capital Structure and History of Capital Raising

(B)(2)(d)(g)

The Company intends to issue 30,000,000 ordinary shares of Tk. 10.00 each at par through Initial Public Offer (IPO) totaling to Tk. 300,000,000.00 subject to regulatory approvals.

CAPITAL STRUCTURE			
Particulars	Types of Securities	Number of Securities	Amount in Taka
Before IPO			
Authorized Capital	Ordinary	200,000,000	2,000,000,000
Issued, Subscribed and Paid-up Capital	Ordinary	105,000,000	1,050,000,000
Total Paid-Up Capital Before IPO	Ordinary	105,000,000	1,050,000,000
Proposed Initial Public Offer (IPO) through fixed price method	Ordinary	30,000,000	300,000,000
Total Paid-Up Capital After IPO	Ordinary	135,000,000	1,350,000,000

Note: Considering 5% stock dividend and 5% cash dividend for the year ended December 31, 2022. The company has decided to increase its authorized capital from BDT 1,000,000,000/- to BDT 2,000,000,000/- in its Board Meeting, held on 16th March 2023.

HISTORY OF CAPITAL RAISING						
Particulars of Allotment	Allotment Date	Mode of Allotment (No. of Shares)			Issue Price (Tk.)	Amount of Share Capital (Tk.)
		Cash	Other Than Cash	Bonus Issue		
1 st Allotment	27/09/2003	100,000	-	-	100.00	10,000,000
2 nd Allotment	12/04/2017	9,900,000	-	-	100.00	990,000,000
3 rd Allotment	16/03/2023	-	-	5,000,000	10.00	50,000,000
					Total	1,050,000,000

Note:

- The Company split its face value of shares from BDT 100.00 to BDT 10.00 on 18 April 2017 after passing a special resolution during the EGM held on 12 April 2017.
- The company has declared a 5% stock dividend for the year 2022, which was approved in the Annual General Meeting, held on 16th March 2023. The allotment is under process.

Summary of the Valuation Report of Securities

(B)(2)(d)(h)

Reference	Valuation Method	Calculated Fair Value (BDT)
Method - 1	Net Asset Value (NAV) Per Share	11.66
Method - 2 (A)	Earning Based Value Per Share (Considering Market P/E)	6.90
Method - 2 (B)	Earning Based Value Per Share (Considering Sector P/E)	9.51
Method - 3	Average market price of similar stock-based valuation	38.48

Based on Audited Financial Statement for the period ended December 31, 2022

Note: The detailed valuation report is given in the chapter entitled "Valuation report of securities" under section -XV



Others

(B)(2)(d)(i)

1. Disclosure regarding material change

Rule: 3(2)(c)

DECLARATION REGARDING ANY MATERIAL CHANGE INCLUDING RAISING OF PAID-UP CAPITAL AFTER THE DATE OF AUDITED FINANCIAL STATEMENTS AS INCLUDED IN THE PROSPECTUS

This is to declare that, to the best of our knowledge and belief, there is no material change including the Raising of Paid-up Capital after the date of Audited Financial Statements as incorporated in the Prospectus.

Sd/-

Kanti Kumar Saha

Chief Executive Officer

Place: Dhaka

Date: 16th March 2023

2. Disclosure regarding no connection between the issue manager and the issuer

Rule: 3(2)(d)

DECLARATION OF ISSUER REGARDING ISSUE MANAGER OR ANY OF ITS CONNECTED PERSONS HOLDING OF ANY SECURITIES OF ALLIANCE FINANCE PLC

This is to declare that UCB Investment Limited, Manager to the Issue for the upcoming IPO of Alliance Finance PLC; or any of its connected persons are in no way connected with Alliance Finance PLC or any of its connected persons nor does hold any securities thereof.

Sd/-

Kanti Kumar Saha

Chief Executive Officer

Place: Dhaka

Date: 16th March 2023



Rule: 3(2)(d)

**DECLARATION ABOUT NOT HOLDING SECURITIES OF THE ISSUER BY THE
MANAGER TO THE ISSUE**

This is to declare that UCB Investment Limited (UCBIL), Manager to the Issue for upcoming IPO of Alliance Finance PLC. UCBIL itself or any of its connected person is in no way connected with the issuer or any of its connected person nor does hold any securities.

Sd/-

Tanzim Alamgir

Managing Director & CEO

UCB Investment Limited

Place: Dhaka

Date: 16th April 2023

3. Disclosure regarding non-applicability of cost audit

Rule: 3(2)(f)

DECLARATION REGARDING COST AUDIT

This is to declare that Alliance Finance PLC did not make any cost audit as it is not applicable for this type of company as per the latest rules/regulations/directives in this regard.

Sd/-

Kanti Kumar Saha

Chief Executive Officer

Place: Dhaka

Date: 16th March 2023



SECTION (II)
(B)(2)(e)

CONDITIONS IMPOSED BY THE COMMISSION

SECTION CONTENTS

Disclosure in respect of issuance of security in Demat form

Conditions imposed by the Commission in the consent letter

This section shall be incorporated upon receiving the Consent Letter from the Commission



SECTION (III)
(B)(2)(f)

**DECLARATION AND DUE DILIGENCE
CERTIFICATES**

SECTION CONTENTS

Annexure-A

Annexure-B

Annexure-C



Annexure-A

**DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS, INCLUDING
THE CEO OF THE ISSUER IN RESPECT OF THE PROSPECTUS**

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

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

Sd/- Syed Ali Jowher Rizvi Chairman	Sd/- Sohana Rouf Chowdhury Director	Sd/- Lutfie Mawla Ayub Director	Sd/- Azeeza Aziz Khan Nominated Director of Summit Holdings Limited
Sd/- Farzanah Chowdhury Nominated Director of Green Delta Insurance Company Limited	Sd/- Fahima Akhter Nominated Director of Concept Knitting Limited	Sd/- Mohamed Azzam Ali Ahamat Nominated Director of People's Leasing & Finance PLC	Sd/- Rohan Pathirage Nominated Director of People's Leasing & Finance PLC
Sd/- Rajapaksa Pathiranage Udesh Priyadarshana Gunawardena Nominated Director of People's Leasing & Finance PLC	Sd/- Shamindra Joseph Marcus Marcelline Nominated Director of People's Leasing & Finance PLC	Sd/- Michael Pradeep Amirthanayagam Nominated Director of People's Leasing & Finance PLC	Sd/- Don Nayanapriya Laksanda Gunawardena Nominated Director of People's Leasing & Finance PLC
Sd/- Abdur R. Chowdhury Independent Director	Sd/- Anita Ghazi Rahman Independent Director	Sd/- Muraheb Malik Chowdhury Independent Director	Sd/- Neaz Ahmed Independent Director

Sd/-
Kanti Kumar Saha
Chief Executive Officer

Date: 16th March 2023



Annexure-B

**UCB Investment Limited
Due Diligence Certificate by Issue Manager
[Rule 4 (1) (d)]**

**To
The Bangladesh Securities and Exchange Commission**

Sub: Public Issue of 30,000,000 Ordinary Shares of Tk 300,000,000 (Taka Thirty Crore) by Alliance Finance PLC

Dear Sir,

We, the issue manager(s) to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;



- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well-informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;
- (k) We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

Serial No	Name of Issue	Issue Year	Issue Price (BDT)	Dividend/ Repayment History				
				2018	2019	2020	2021	2022
1.	Sonali Paper & Board Mills Limited	2022	10	-	-	-	20% C 20% B	40% C
2	Meghna Insurance Company Limited	2022	10	-	-	-	-	-
3.	AIBL Mudaraba Perpetual Bond	2021	5000	-	-	-	7.87% p.a.	7.87% p.a.
4.	SJIBL Mudaraba Perpetual Bond	2021	5000	-	-	-	7.87% p.a.	7.87% p.a.
5.	IBBL 2 nd Perpetual Mudaraba Bond	2021	5000	-	-	-	-	7.87% p.a.
6.	Premier Bank Perpetual Bond	2021	5000	-	-	-	9.99% semi-annual	10% semi-annual
7.	Pubali Bank Perpetual Bond	2021	5000	-	-	-	-	9.58% p.a.
8.	Dhaka Bank Perpetual Bond	2022	5000	-	-	-	-	-

Note: B refers to Bonus/Stock Dividend; C refers to Cash Dividend; p.a. refers to Per Annum.

Sd/-

Tanzim Alamgir

Managing Director & CEO
UCB Investment Limited

Place: Dhaka

Date: 16th April 2023



Annexure-C

UCB Investment Limited
DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
[Rule 4 (1) (d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue Of 30,000,000 Ordinary Shares of Tk. 300,000,000 (Taka Thirty Crore) of Alliance Finance PLC

Dear Sir,

We, the under-noted Underwriter to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a. We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 1,000,000,000 (One Hundred Crore) and we have the capacity to underwrite a total amount of Tk. 5,000,000,000 (Five Hundred Crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 80,000,000 (Taka Eight Crore) for the upcoming issue.
- b. At present, following underwriting obligations are pending for us:

SL.	Name of the Issue	Amount Underwritten (BDT)
i.	NRB Bank Limited	100,000,000/-

- c. All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- d. We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- e. This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Tanzim Alamgir

Managing Director & CEO

UCB Investment Limited

Date: 16 April 2023



Annexure-C

Prime Finance Capital Management Limited
Due diligence certificate by the underwriter
[Rule 3(3)(e)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public offer of 30,000,000 of Ordinary Shares of Tk. 300,000,000 (Taka thirty crore) of Lankan Alliance Finance Limited.

Dear Sir,

We, the under-noted Underwriter to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at **BDT 2,032,800,000 (two billion thirty two million eight hundred thousand) only** and we have the capacity to underwrite a total amount of **Tk. 10,068,719,220 (Taka ten billion sixty eight million seven hundred nineteen thousand two hundred and twenty only)** as per relevant legal requirements. We have committed to underwrite for up to **Tk. 2,50,00,000.00 (Taka two crore fifty lac)** for the upcoming issue.

- (b) At present, the following underwriting obligations are pending for us.

Sl.	Name of Issue	Underwriting Amount (Taka)
1	Aman Tex Limited	40,000,000
2	Ratanpur Steel Re-Rolling Mills Limited	18,000,000
3	Omera Petroleum Limited	41,726,036
4	Mercantile Bank Bond	10,000,000
5	UCB 2nd Perpetual Bond	30,000,000
6	HR Textile Mills Limited	50,000,000
7	URO Agrovat Limited	12,500,000
	Total	202,226,036

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) The underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Ltd.
Date: 16 April 2023



SECTION (IV)
(B)(3)

ABOUT THE ISSUER

SECTION CONTENTS	
(a)	Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants, telephone number, FAX number, contact person, website address and e-mail address
(b)	The names of the sponsors and directors of the issuer
(c)	The name, logo and address of the auditors, along with their telephone numbers, FAX numbers, contact persons, website and e-mail addresses
(d)	The name(s) of the stock exchange(s) where the specified securities are proposed to be listed



Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants, telephone number, fax number, contact person, website address and e-mail address;

(B)(3)(a)

Name of the issuer	Alliance Finance PLC
Date of Incorporation	27 September 2003
Date of Commencement	27 September 2003
Date of getting license for Commencement of Business	DFIM (L)/38 Dated 06 June 2017
Logo	
Registered Office Address	The Alliance Building, 63 Pragati Sarani, Baridhara, Dhaka-1212
Corporate Head Office Address	Laila Tower (Level 10), 8 South Gulshan Avenue, Gulshan - 1, Dhaka - 1212
Other Offices	Principal Branch: Plot: 138, Road: 04, Block: C, Niharika Concord, Banani R/ A, Dhaka-1213
Plants	The issuer company is a Non-Banking Financial Institution; hence it does not have any plant for serving its client.
Telephone Number	+8802 222280410, +880 9617171190
Fax Number	+8802 9840413
Contact Person	Don Wishva Kantha Wickramarachchi Chief Financial Officer
Website Address	www.lankanalliance.com
E-mail Address	info@lankanalliance.com

Note: Corporate Head Office will become the Registered Office. The change is under process.



The names of the sponsors and directors of the issuer;

(B)(3)(b)

SPONSORS	
Sl. No.	Name
1.	Syed Ali Jowher Rizvi
2.	Summit Holdings Limited
3.	Concept Knitting Limited
4.	Green Delta Insurance Company Limited
5.	Sohana Rouf Chowdhury
6.	Fahmida Akter Khatun
7.	People's Leasing & Finance PLC

Note: The following promoters, namely Alliance Holding Limited, Summit Equities Limited, Mrs. Jahanara Islam, Mr. A. Rouf Chowdhury, Mrs. Zakia Rouf Chowdhury, Rangs Industries Limited, Rangs Limited, Rangs Motors Limited, Mr. Golam Kabir Chowdhury and Rabab Fashion Industry Limited currently do not hold any shares of Alliance Finance PLC.

DIRECTORS		
Sl. No.	Name	Designation
1.	Syed Ali Jowher Rizvi	Chairman
2.	Sohana Rouf Chowdhury	Director
3.	Lutfe Mawla Ayub	Director
4.	Azeeza Aziz Khan <i>(Representative of Summit Holdings Limited)</i>	Nominated Director
5.	Farzanah Chowdhury <i>(Representative of Green Delta Insurance Company Limited)</i>	Nominated Director
6.	Fahima Akhter <i>(Representative of Concept Knitting Limited)</i>	Nominated Director
7.	Mohamed Azzam Ali Ahamat <i>(Representative of People's Leasing & Finance PLC)</i>	Nominated Director
8.	Rohan Pathirage <i>(Representative of People's Leasing & Finance PLC)</i>	Nominated Director
9.	Rajapaksa Pathirana Udesha Priyadarshana Gunawardena <i>(Representative of People's Leasing & Finance PLC)</i>	Nominated Director
10.	Shamindra Joseph Marcus Marcelline <i>(Representative of People's Leasing & Finance PLC)</i>	Nominated Director
11.	Michael Pradeep Amirthanayagam <i>(Representative of People's Leasing & Finance PLC)</i>	Nominated Director
12.	Don Nayanapriya Laksanda Gunawardena <i>(Representative of People's Leasing & Finance PLC)</i>	Nominated Director
13.	Abdur R. Chowdhury	Independent Director
14.	Anita Ghazi Rahman	Independent Director
15.	Muraheb Malik Chowdhury	Independent Director
16.	Neaz Ahmed	Independent Director
17.	Kanti Kumar Saha	Chief Executive Officer

Note: The appointment of Independent Directors is under process.

The name, logo and address of the auditors and registrar to the issue, along with their telephone numbers, fax numbers, contact persons, website and e-mail addresses;

B)(3)(c)

AUDITOR

Name	Hoda Vasi Chowdhury & Co.
Logo	
Address	BTMC Bhaban (6th & 7th Floor), 7-9 Kawran Bazar Road, Dhaka-1215
Telephone	+88 (02) 8189323-24
Fax	+88 (02) 811 9298
Contact Person	Shaikh Hasibur Rahman, FCA Partner
Website	www.hodavasi.com
E-Mail	hasib@hodavasi.com


REGISTRAR TO THE ISSUE

Not Required for this issue as per Rule 3(3) of Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015

The name(s) of the stock exchanges where the specified securities are proposed to be listed.

B)(3)(d)

STOCK EXCHANGES

<p>DHAKA STOCK EXCHANGE</p> 	<p>Dhaka Stock Exchange Ltd. DSE Tower, Road: 21, House: 46 Nikunja, Dhaka-1229</p> <p>Tel: 88 02 9564601, 9576210-18 Fax: 88 02 9564727, 88 02 9569755 Email: research@dsebd.org Web: www.dsebd.org</p>
<p>CHITTAGONG STOCK EXCHANGE</p> 	<p>Chittagong Stock Exchange PLC CSE Building, 1080, Sk. Mujib Road Agrabad, Chittagong, Bangladesh</p> <p>Tel: 88 031 714632-3, 88 031 720871-3 Fax: 88 031 714101 Email: info@cse.com.bd Web: www.cse.com.bd</p>



SECTION (V)
(B)(4)

CORPORATE DIRECTORY OF THE ISSUER



Name of the issuer	Alliance Finance PLC
Legal Status	Public Limited Company
Nature of Business	Non-Banking Financial Institution
Principal Activities	AFPLC has evolved itself into a multiproduct financial institution. The principal activities of AFPLC are to provide a comprehensive range of financial services such as Lease and Term Financing, Corporate Financing, SME financing, Retail financing and Structured financing as well as term depository services.
Date of Incorporation	27 September 2003
Date of Commencement	27 September 2003
Date of getting license for Commencement of Business	DFIM (L)/38 Dated 06 June 2017
Logo	
Registered Office Address	The Alliance Building, 63 Pragati Sarani, Baridhara, Dhaka-1212
Corporate Head Office Address	Laila Tower (Level 10), 8 South Gulshan Avenue, Gulshan - 1, Dhaka - 1212
Company Secretary (CC)	Mohammad Ali Ashraf
Compliance Officer	Brotatee Saha
Auditor	Hoda Vasi Chowdhury & Co.
Manager to the Issue	UCB Investment Limited
Lead Banker for IPO	United Commercial Bank PLC
Authorized Capital	BDT 2,000,000,000/-
Paid-up Capital	BDT 1,050,000,000/-
Telephone Number	+8802 222280410, +880 9617171190
Fax Number	+8802 9840413
Website Address	www.lankanalliance.com
E-mail Address	info@lankanalliance.com

Note:

- The company has decided to increase its authorized capital from BDT 1,000,000,000/- to BDT 2,000,000,000/- in its Board Meeting, held on 16th March 2023.
- The company has declared a 5% stock dividend and 5% cash dividend for the year 2022, which was approved in the Annual General Meeting, held on 16th March 2023. The post-dividend paid-up capital shall stand at BDT 1,050,000,000/-
- Corporate Head Office will become the Registered Office. The change is under process.



SECTION (VI)
(B)(5)

DESCRIPTION OF THE ISSUER

SECTION CONTENTS	
(a)	Summary;
(b)	General Information;
(c)	Capital Structure;
(d)	Description of Business;
(e)	Description of Property;
(f)	Plan of Operation and Discussion of Financial Condition;



Summary;

(B)(5)(a)

(i) The summary of the industry and business environment of the issuer. The summary shall not be one-sided or biased to highlight the issuer or the issue;

Industry Background:

A non-banking financial institution (NBFI), also known as non-banking financial company, are companies that offer financial services and products but are not officially recognized as a bank with a full banking license. Generally, the distinction between a recognized bank and a non-banking financial company is the fact that non-bank companies cannot accept traditional demand deposits.

NBFIs conduct their business operations with diversified financing modes, such as syndicated financing, bridge financing, lease financing, securitization, private placement of equity, etc. Major sources of funds of FIs are Term Deposit (at least three months' tenure), Credit Facility from Banks and other FIs, Call Money as well as Bond and Securitization.

In Bangladesh, there are some key differences between banks and NBFIs and how they operate. FIs cannot issue cheques, pay-orders or demand drafts, nor can they receive demand deposits. FIs also cannot be involved in gold or foreign exchange financing.

Source: <https://corporatefinanceinstitute.com/resources/wealth-management/non-banking-financial-company-nbfc/>,
<https://www.bb.org.bd/en/index.php/financialactivity/bankfi>

Industry Structure:

Immediately after independence, few state-owned Banks were the sole financial intermediaries in Bangladesh. During the 1970s, they played a crucial role in the economic development and restructuring of the financial system. At the outset of the 1980s, to accelerate economic growth through the private sector and tackle the challenges of globalization, it was necessary to restructure the financial system. This restructuring led to the emergence of more private sector banks as financial intermediaries. Nevertheless, due to the structural limitations, these banks were not interested in expanding their operations in all expected areas but rather confined to a relatively limited sphere of financial services. Moreover, their efforts to meet long-term financing with short term resources resulted in an asset-liability mismatch, creating pressure on their financial base. With a view to ensuring long-term financing in capital machinery, the concept of 'Leasing' was introduced in early 1980s in the country. Since leasing was not duly focused by banks at that time, FIs were established to deal with this specialized financial product for supporting industrialization and economic growth of the country.

Initially, NBFIs were incorporated in Bangladesh under the Companies Act, 1913 and were regulated by the provision relating to Non-Banking Institutions as contained in Chapter V of the Bangladesh Bank Order, 1972. But this regulatory framework was not adequate and NBFIs had the scope of carrying out their business in the line of banking. Later, Bangladesh Bank promulgated an order titled 'Non-Banking Financial Institutions Order, 1989' to promote better regulation and to remove the ambiguity relating to the permissible areas of operation of NBFIs. However, this order did not cover all NBFI activities and did not mention the



statutory liquidity requirement to be maintained with the central bank. To remove the regulatory deficiency and to define a wide range of activities to be covered by NBFIs, a new act titled 'Financial Institution Act, 1993' was enacted in 1993.

Industrial Promotion and Development Company (IPDC) was the first private sector NBFIs in Bangladesh, starting its operations in 1981. Since then, the number of NBFIs has increased, and currently, there are 35 NBFIs operating in Bangladesh. Out of these, 3 are fully government-owned, 19 were initiated by private domestic initiatives, and 13 were initiated by joint venture initiatives. 23 NBFIs are listed on the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).

Particulars	Period						
	2016	2017	2018	2019	2020	2021	2022*
Govt. owned	3	3	3	3	3	3	3
Joint Venture	11	12	12	12	13	13	13
Private	19	19	19	19	19	19	19
Total no. of NBFIs	33	34	34	34	35	35	35

*As of 30 June 2022

Source: Department of Financial Institution and Markets, Bangladesh Bank,
<https://www.bb.org.bd/en/index.php/financialactivity/bankfi>,
<https://www.bb.org.bd/pub/annual/anreport/ar2122.pdf>,
<https://www.bb.org.bd/pub/research/workingpaper/wp0709.pdf>

Governance of NBFIs:

The authority of granting licenses to NBFIs and their regulations and control are vested in Department of Financial Institutions and Markets (DFIM), Bangladesh Bank by the Financial Institutions Act, 1993. Under the Act, Financial Institution Regulation 1994 was issued by BB with the approval of the government. Besides, there are prudential regulations and guidelines for NBFIs issued by BB under section 18 of FI Act 1993. According to Circular no. 5 dated 24 July 2011, minimum paid up capital requirement for an ongoing NBFIs is BDT 100 crore. However, paid up capital and reserves cannot be less than the minimum ratio of risk weighted asset as set by Bangladesh Bank which is presently 10 percent. NBFIs may access public funds, either directly or indirectly through term deposits (minimum 3 months' duration), commercial papers (CPs), bonds and debentures. Depositors of NBFIs are not covered under the deposit insurance scheme of Bangladesh Bank.

NBFIs are subject to some prudential guidelines in terms of income recognition, asset classification and provisioning norms; single and group borrower exposure limits; capital market exposures; classification and valuation for the investment portfolio; cash reserve ratio (CRR)/statutory liquidity reserve (SLR) requirements; accounting and disclosure and supervisory reporting requirements. There are also guidelines on the products & services offered, code of conduct, risk management guidelines, green banking policy guidelines and Corporate Social Responsibility expenditure guidelines set for NBFIs by the Bangladesh Bank. Certain provisions of the key acts like Companies Act 1994 and Bangladesh Securities and Exchange Commission Act 1993 have implications for NBFIs. Though Bangladesh Bank is the regulatory and supervisory authority of both banks and NBFIs; the Ministry of Finance (MoF) of the government exercises notable control over government-owned banks and NBFIs.



The full list of guidelines and regulations governing NBFIs as per Bangladesh Bank are listed below:

- Integrity Award Guidelines for Financial Institutions
- Guidelines to Fill in the NBFIs Returns – 1, 2 & 3
- Guidelines On the Base Rate System for Non-Bank Financial Institutions
- Financial Institute Regulation, 1994
- Financial Institute Act, 1993
- Prudential Regulation for Financial Institutions
- Prudential Guidelines on Capital Adequacy and Market Discipline (CAMD) For FIs
- Guidelines On Products & Services of Financial Institutions in Bangladesh
- Policy Guidelines for Green Banking English
- Integrated Risk Management Guidelines for Financial Institutions
- Code of Conduct for Banks & Non-Bank Financial Institutions

Source: <https://www.bb.org.bd/en/index.php/about/guidelist>

Products & Service Portfolio:

Financial products and services offered by FIs have progressively become more complex and diverse. This diversification has been continuing over the last three decades remarkably. Today

FIs are offering diversified products and services in different areas that include industry, commerce, agriculture, housing and real estate, capital market, bond market etc.

The categories of Asset-side products offered by NBFIs are:

Sl.	Category	Product Variants
1	Corporate Finance	Lease Finance
		Term Loan
		Project Finance
		Working Capital Finance
		Short-term Finance
2	Consumer Finance	Auto-car Loan
		Lease financing for vehicles
		Personal Loan
		Loan against TDR
3	Agriculture Finance	Lease Finance
		Term Loan
		Working Capital Finance
		Agriculture Trade Finance
		SME Agriculture Loan
4	SME Financing	Lease Finance
		Term Finance
		Working Capital Finance
		Woman Entrepreneur Loan
		SME Tailored Loan
		Work order Financing
5	Housing Financing	Real Estate (Individual Customer)
		Project/Commercial Housing Loan
6	Equity Finance	Investment in Preference Shares
		Common Stock
7	Syndication Finance	Syndication Term Finance



		Syndication Lease Finance
		Working Capital Finance
8	Bonds	Corporate Bonds
		Zero Coupon Bonds
		Asset backed securitization Bonds
		Government Bond and Treasury Bills
9	Capital Market Investment	Investment in listed securities
10	Others	Factoring
		Loans against Deposit (other than consumer finance)
		Work Order Finance (other than SME finance)
		Institutional Loans

The categories of Asset-side services offered by NBFIs are:

Sl.	Product	Product Features
1	Advisory Services	Preparing financial feasibility reports for the clients or act as financial consultant for different projects
2	Arranger	Arranging syndication for new project or BMRE
3	Trustee	Trustee holds or administers property or assets for the benefit of a third party. They are trusted to make decisions in the beneficiary's best interests. In case of issuance of Bonds by different corporate bodies, a Trustee is required, who acts on behalf of the bond holders.
4	Guarantor	<ul style="list-style-type: none"> • FI Loan Guarantee: Providing guarantee by FIs on behalf of the clients to avail short-term credit facilities from other FIs and Banks • Bank Guarantee Facility: FI may act as an arranger of Bank guarantee from a reputed bank for clients against FI's bank guarantee limit with that bank. In this case, FIs share margin and guarantee commission with the guarantee issuing bank.

Along with these asset side products and services, FIs are also attracting fund from public and institutions by offering various customized liability side products such as monthly saving scheme, millionaire deposit scheme, double money deposit scheme, term deposit, zero coupon bond etc.

The categories of Liability-side products offered by NBFIs are:

Sl.	Category	Product Variants
1	Savings Scheme	Deposit Pension Scheme
		Flexible Savings Plans
		Monthly Savings Scheme
		Purpose-based Savings Scheme
2	Term Deposit Scheme	Fixed Term Deposit Scheme
		Cumulative Benefit Plan
		Other Scheme
3	Wealth Builder Scheme	Millionaire Deposit Scheme
		Double/Triple Money Scheme
4	Issuance of Bonds	Corporate Bond
		Zero Coupon Bond
		Asset Backed Securitization Bond

Source: https://www.bb.org.bd/mediaroom/circulars/fid/product_service_2013.pdf

Major Players:

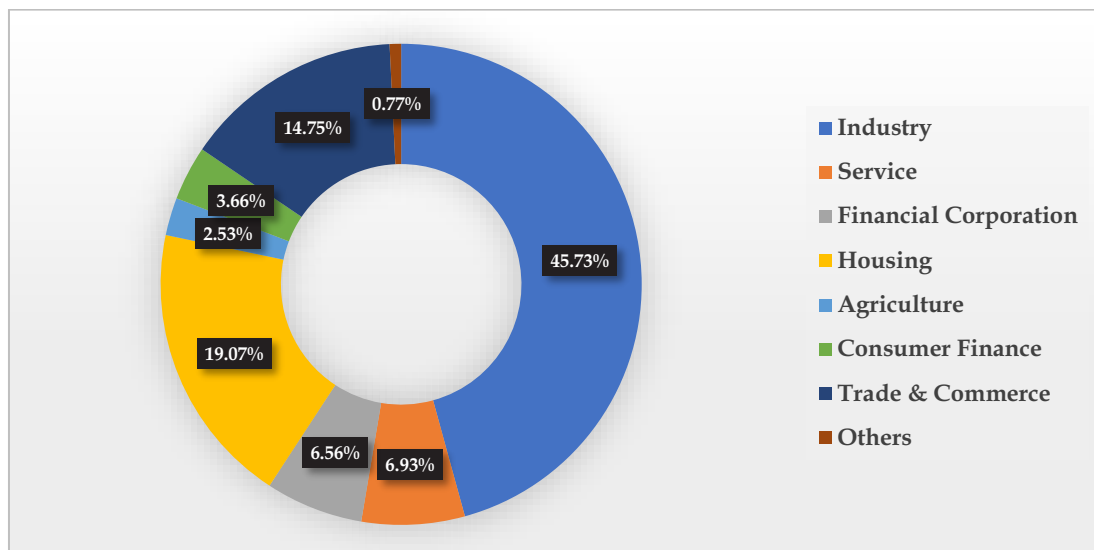
There are several other successful FIs in Bangladesh. Some of these are listed below along with their total market capitalization:

Sl.	Particulars	Market Capitalization
1	IPDC Finance Limited	BDT 3710.92 million
2	IDLC Finance Limited	BDT 19329.98 million
3	Bangladesh Finance Limited	BDT 8301.22 million
4	Lanka Bangla Finance Limited	BDT 5388.39 million
5	DBH Finance PLC	BDT 11270.44 million
6	Investment Corporation of Bangladesh	BDT 74118.91 million

Source: Dhaka Stock Exchange dated 30/03/2023

Investment Pattern of NBFIs:

NBFIs are investing in different sectors of the economy, but their investments are mostly concentrated in the industrial sector. Sector-wise composition of NBFIs' investments as on June 30, 2022 are as follows:



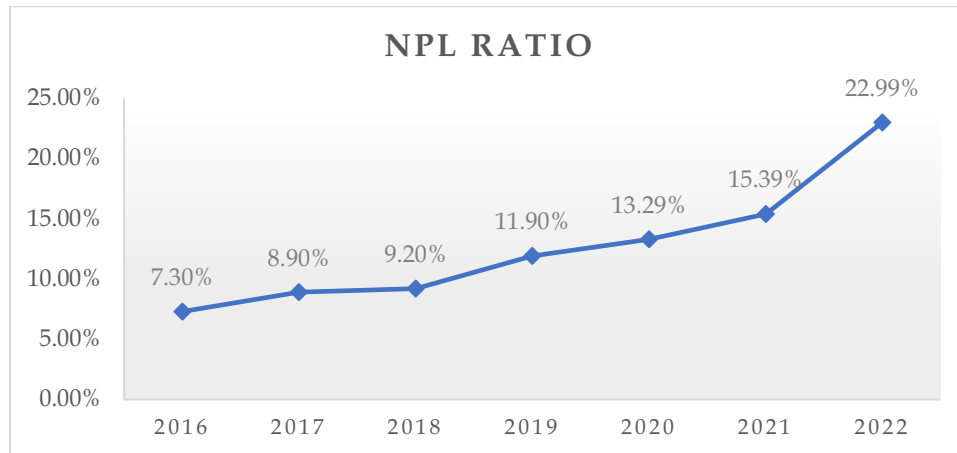
NBFIs are also allowed to invest in the capital market an amount of up to 25% of their paid-up capital and reserve as per the Financial Institutions Act, 1993. NBFIs total investment in the capital market stood at BDT 44.86 billion as on June 30, 2022. This figure represents 4.61% of the total assets of all NBFIs in Bangladesh.

Source: Department of Financial Institution and Markets, Bangladesh Bank,
<https://www.bb.org.bd/pub/annual/anreport/ar2122.pdf>

Major Challenges facing the Industry:

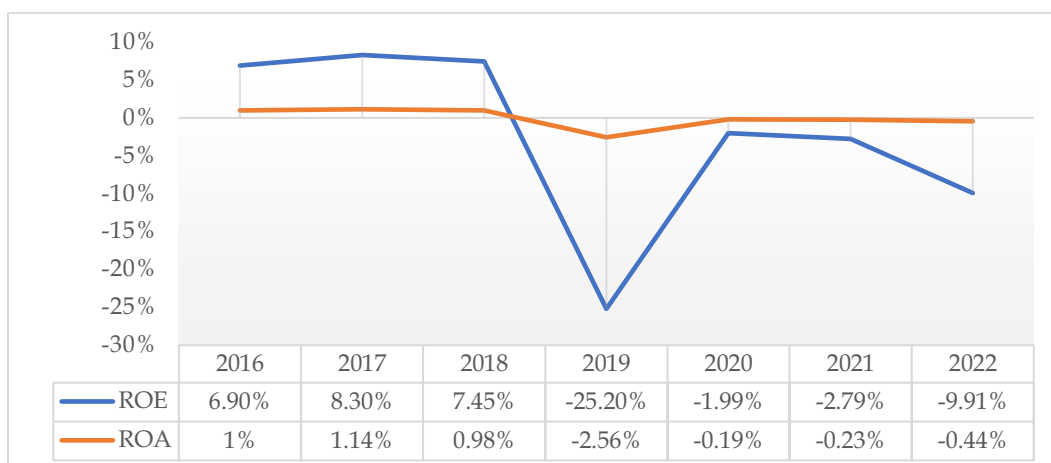
- **Falling Asset Quality:**

The Covid-19 pandemic, Russia-Ukraine war and subsequent inflation have negatively impacted the economy and thus can be blamed for increasing Non-Performing Loans (NPL) in the overall banking and financial sector. NPL ratio was 22.99% at the end of June 2022 for NBFIs, compared to 15.39% in 2021 and 13.29% in 2020. The increasing NPL ratio has been the overall cause of poor profitability of the industry and has amplified the liquidity crisis in the industry as well.



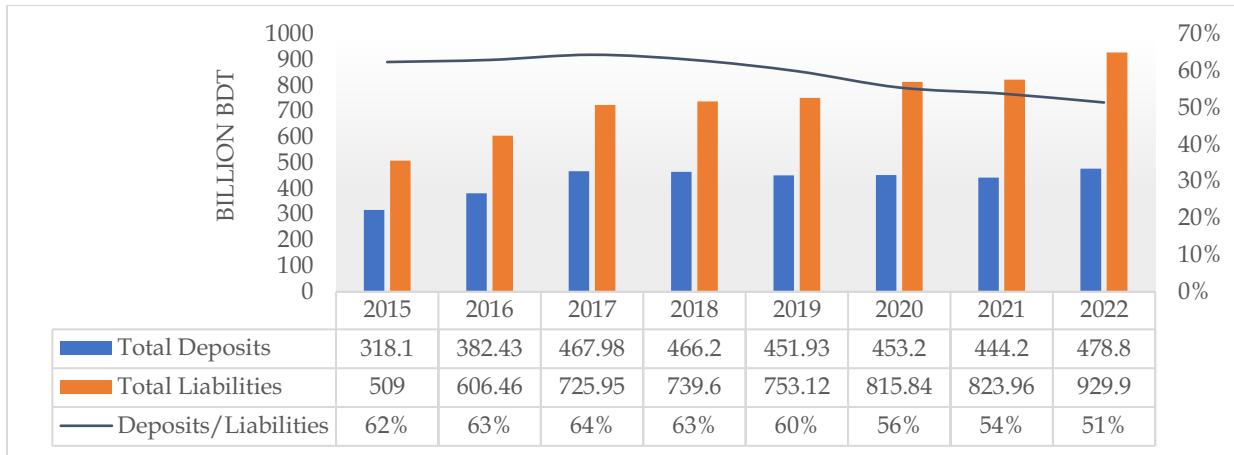
- **Negative Profitability:**

The profitability performance of the NBFi industry has been unsatisfactory for the last few years. The Return on Asset (ROA) and Return on Equity (ROE) of the overall industry stood at -0.44% and -9.91% in the year 2022. Poor asset quality in the form of high non-performing loans and lack of customer trust and reputation due to recent fraudulent incidents have resulted in dwindling profits for the industry in recent years. The gloomy capital market conditions have also impacted on the profitability of the industry as NBFIs are invested in the secondary market.



- **Liquidity crunch:**

Total deposits of NBFIs stood at Tk. 478 billion in 2022 while the industry's total liabilities equaled Tk. 929.90 billion. The % of total deposits to total liabilities, therefore, was 51%. It stood at 54% in 2021 and 56% in 2020. In fact, the deposit percentage to total liabilities has been gradually decreasing in the industry over the years. The decreasing trend of the deposit base increases the cost of funds and brings up questions of the sustainability of the industry.



The Central Bank recently imposed an interest rate cap of 11% on loans and 7% on deposits for the NBFIs sector. However, there was no provision for adjustment of inflation, as is present for Banks operating in Bangladesh. As a result, the high rates of inflation have resulted in NBFIs unable to compete with banks and maintain their market positions, as more and more depositors have transferred their money from NBFIs to banks. This has caused a downward pressure on the overall liquidity of the industry.

- **Waning Customer trust and reputation:**

Trust is a critical factor in determining the success of NBFIs. Building and maintaining trust with customers is essential for attracting new customers, retaining existing ones, and ensuring long-term success. Consumers' trust in NBFIs has diminished due to the recent incidents of loan scams and fraudulent activities in the sector.

Source: Department of Financial Institution and Markets, Bangladesh Bank,
<https://www.bb.org.bd/pub/annual/anreport/ar2122.pdf>,
<https://www.bb.org.bd/pub/research/workingpaper/wp0709.pdf>,
<https://www.thedailystar.net/business/economy/stock/news/stocks-fall-third-consecutive-day-3245626>



Future Prospects:

The NBFi industry of Bangladesh faces an uphill battle to regain investor confidence and increase its financial performance. However, there is scope for improvement in the sector due to the factors listed below:

- 1. Economic growth:** The economic growth of Bangladesh is a significant factor in determining the demand for financial products and services offered by NBFIs. A growing economy creates more opportunities for NBFIs to expand their business and attract customers. Bangladesh's economy is growing at a rapid rate with 7.5% growth predicted for FY 2022-23, and 7.8% and 8% in FY 2023-24 and FY 2024-25 respectively. The improving economy has enabled a growing middle class with more disposable income, and this has resulted in an increase in the demand for financial products and services offered by NBFIs.
- 2. Technological advancements:** There is a growing demand for financial services in Bangladesh, particularly among the large unbanked population. People are becoming more aware of technology and the internet and as a result can access these services from any corner of the country. The SME sector of Bangladesh has been growing yearly and this is a result of better technology and access to it. Currently, the sector contributes to almost 25% of the GDP of the country. SME Financing has become an important revenue source for the banking and FI sector in recent years.
- 3. Innovation and Product development:** NBFIs have to continuously innovate and improve their products and services to stay relevant and ahead of the competition in attracting new customers. In recent years, NBFIs have leveraged the use of fintech, digital financial services and new and updated products and services to cater to the needs of its customers. Further commitment to such innovation is required as the world becomes more technologically and financially capable.
- 4. Corporate Social Responsibility (CSR):** Corporate Social Responsibility is an important factor in determining the success of NBFIs. By engaging in socially responsible activities, NBFIs can build trust and credibility with customers, attract new customers, and ensure long-term success. With falling investor and consumer confidence levels, CSR activities will play a vital role in enabling the industry to become more transparent and trustworthy in the eyes of the people. Recent Bangladesh Bank guideline dated 9 January 2022 regulates CSR activities of Banks and FIs in Bangladesh and these corporations have been active in increasing their CSR activities i.e., recent years with a total of BDT 77.4 million spent by NBFIs in 2022.

Source: Department of Financial Institution and Markets, Bangladesh Bank,
https://mof.portal.gov.bd/sites/default/files/files/mof.portal.gov.bd/page/f2d8fabb_29c1_423a_9d37_cdb500260002/09_BER_22_En_Exe_Summary.pdf,
<https://www.bb.org.bd/pub/annual/anreport/ar2122.pdf>,
<https://www.thedailystar.net/supplements/32nd-anniversary/towards-smart-bangladesh/news/are-we-doing-enough-our-smes-3244356>



Business Environment:

The business environment in NBFI sector is indeed challenging. However, Alliance Finance PLC has immense potential considering its business strategy and management strength.

Alliance Finance PLC is a Joint Venture Financial Institution with multinational collaboration in Bangladesh, licensed by Bangladesh Bank. The company began operating its business activities in the year 2017. Subsequently, in June 2017, the company formed a Joint Venture with People's Leasing & Finance PLC, a subsidiary of Peoples' Bank, Sri Lanka's largest state-owned bank, and changed its name to Alliance Finance PLC in December 2017.

The majority stakeholder of Alliance Finance PLC is People's Leasing & Finance PLC. The local sponsors include large corporates and individuals with impeccable records and proven goodwill and include companies such as Summit Group, Rangs Group, Alliance Holdings Limited, Green Delta Insurance Company Limited, and Concept Knitting Limited.

With a strong vision for the future and an experienced management team at the helm, Alliance Finance PLC aspires to provide user-friendly digital financial services to its clients and introduce innovative technologies for safe and easy money management.

(ii) Summary of consolidated financial, operating and other information.

The consolidated financial information is given below:

Particular	31 Dec 22	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18
Total Loans and Advances	3,142,978,598	2,324,620,040	1,675,422,612	1,269,616,671	1,083,096,544
Total Deposits	2,513,720,509	2,000,442,730	1,123,839,632	769,782,954	356,810,740
Total Paid up Capital	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Total Equity	1,274,774,556	1,272,950,964	1,220,854,732	1,165,409,339	1,128,234,363
Net Asset Value (NAV)	12.75	12.73	12.21	11.65	11.28
Net Profit after Taxation	51,823,592	58,553,922	56,782,065	37,174,976	29,705,125

The consolidated operating and other information are given below:

Particular	31 Dec 22	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18
Interest Income	346,744,598	252,821,725	204,945,091	215,395,289	129,003,873
Interest on deposits and borrowings etc.	183,910,407	118,416,351	78,052,933	78,706,218	8,133,593
Net Interest Income	162,834,191	134,405,374	126,892,158	136,689,071	120,870,280
Investment Income	28,481,234	36,438,469	34,365,808	11,298,487	1,258,051
Commission, exchange and brokerage	-	-	-	-	-
Other operating income	28,078,176	16,742,312	6,641,747	3,792,725	347,042
Total Operating Income	219,393,601	187,586,154	167,899,713	151,780,283	122,475,373
Total Operating Expenses	115,399,001	88,685,136	75,296,724	82,956,103	77,798,192
Operating Profit (Profit before Provision)	103,994,601	98,901,019	92,602,988	68,824,180	44,677,181
Total Profit before Taxation	87,865,671	91,546,134	88,872,464	67,843,446	33,846,215
Net Profit after Taxation	51,823,592	58,553,922	56,782,065	37,174,976	29,705,125
Earnings per Share (EPS)	0.52	0.59	0.57	0.37	0.30



General Information:

(B)(5)(b)

(i) Name and address, telephone and fax numbers of the registered office, corporate head office, other offices, factory, business premises and outlets of the issuer;

Name of Promoters	Position
Name of the issuer	Alliance Finance PLC
Telephone Number	+8802 222280410, +880 9617171190
Fax Number	+8802 9840413
Registered Office Address	The Alliance Building, 63 Pragati Sarani, Baridhara, Dhaka-1212
Corporate Head Office Address	Laila Tower (Level 10), 8 South Gulshan Avenue, Gulshan - 1, Dhaka - 1212
Other Offices	Principal Branch: Plot: 138, Road: 04, Block: C, Niharika Concord, Banani R/ A, Dhaka-1213
Factory, business premises and outlets	N/A

Note: Corporate Head Office will become the Registered Office. The change is under process.

(ii) The board of directors of the issuer;

DIRECTORS		
Sl. No.	Name	Designation
1.	Syed Ali Jowher Rizvi	Chairman
2.	Sohana Rouf Chowdhury	Director
3.	Lutfe Mawla Ayub	Director
4.	Azeeza Aziz Khan <i>(Representative of Summit Holdings Limited)</i>	Nominated Director
5.	Farzanah Chowdhury <i>(Representative of Green Delta Insurance Company Limited)</i>	Nominated Director
6.	Fahima Akhter <i>(Representative of Concept Knitting Limited)</i>	Nominated Director
7.	Mohamed Azzam Ali Ahamat <i>(Representative of People's Leasing & Finance PLC)</i>	Nominated Director
8.	Rohan Pathirage <i>(Representative of People's Leasing & Finance PLC)</i>	Nominated Director
9.	Rajapaksa Pathirana Udesha Priyadarshana Gunawardena <i>(Representative of People's Leasing & Finance PLC)</i>	Nominated Director
10.	Shamindra Joseph Marcus Marcelline <i>(Representative of People's Leasing & Finance PLC)</i>	Nominated Director
11.	Michael Pradeep Amirthanayagam <i>(Representative of People's Leasing & Finance PLC)</i>	Nominated Director
12.	Don Nayanapriya Laksanda Gunawardena <i>(Representative of People's Leasing & Finance PLC)</i>	Nominated Director
13.	Abdur R. Chowdhury	Independent Director
14.	Anita Ghazi Rahman	Independent Director



DIRECTORS		
Sl. No.	Name	Designation
15.	Muraheb Malik Chowdhury	Independent Director
16.	Neaz Ahmed	Independent Director
17.	Kanti Kumar Saha	Chief Executive Officer

Note: The appointment of independent directors is under process.

iii) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the chairman, managing director, whole time directors, etc. of the issuer;

Chairman	Name	: Syed Ali Jowher Rizvi
	Addresses	: Laila Tower (Level 10), 8 South Gulshan Avenue, Gulshan - 1, Dhaka - 1212
	Telephone	: +8802 222280410, +880 9617171190
	Fax	: +8802 9840413
	E-Mail	: info@lankanalliance.com

Chief Executive Officer	Name	: Kanti Kumar Saha
	Addresses	: Laila Tower (Level 10), 8 South Gulshan Avenue, Gulshan - 1, Dhaka - 1212
	Telephone	: +8802 222280410, +880 9617171190
	Fax	: +8802 9840413
	E-Mail	: info@lankanalliance.com

Whole-time Directors	AFPLC does not have any whole-time directors.	
-----------------------------	---	--

Note: AFPLC does not have any whole-time directors.

(iv) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the CFO, company secretary, legal advisor, auditors and compliance officer;

CFO	Name	: Don Wishva Kantha Wickramarachchi
	Addresses	: Laila Tower (Level 10), 8 South Gulshan Avenue, Gulshan - 1, Dhaka - 1212
	Telephone	: +8802 222280410, +880 9617171190
	Fax	: +8802 9840413
	E-Mail	: info@lankanalliance.com

Company Secretary (CC)	Name	: Mohammad Ali Ashraf
	Addresses	: Laila Tower (Level 10), 8 South Gulshan Avenue, Gulshan - 1, Dhaka - 1212
	Telephone	: +8802 222280410, +880 9617171190
	Fax	: +8802 9840413
	E-Mail	: info@lankanalliance.com



Legal Advisor	AFPLC does not have any Legal Advisor.
----------------------	---

Auditor	Name	:	Hoda Vasi Chowdhury & Co.
	Addresses	:	BTMC Bhaban (6th & 7th Floor), 7-9 Kawran Bazar Road, Dhaka-1215
	Telephone	:	+88 (02) 8189323-24
	Fax	:	+88 (02) 811 9298
	E-Mail	:	hasib@hodavasi.com

Compliance Officer	Name	:	Brotatee Saha
	Addresses	:	Laila Tower (Level 10), 8 South Gulshan Avenue, Gulshan - 1, Dhaka - 1212
	Telephone	:	+8802 222280410, +880 9617171190
	Fax	:	+8802 9840413
	E-Mail	:	info@lankanalliance.com

(v) Names, addresses, telephone numbers, fax numbers, contact person, website addresses and e-mail addresses of the issue manager(s), registrar to the issue etc.;

Issue Manager	Name	:	UCB Investment Limited
	Addresses	:	Bulus Center (17 th Floor), Plot-CWS-(A)-1 Road No-34, Gulshan Avenue, Dhaka-1212
	Telephone	:	+88-02-55668070
	Fax	:	+88-02-55668070
	Contact Person	:	Tanzim Alamgir Managing Director & CEO
	Website	:	www.ucb-investment.com
	E-Mail	:	info@ucbil.com.bd

Registrar to the issue	Registrar to the issue is not applicable for this issuer as per Rule 3(3) of Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015.
-------------------------------	---



(vi) The following details of credit rating, where applicable:

a) The names of all the credit rating agencies from which credit rating has been obtained;

Name of the Credit Rating Agencies	Rating Date
Credit Rating Information and Services Limited	June 08, 2022
	June 09, 2021
	June 10, 2020
	March 14, 2019
	June 11, 2018

b) The details of all the credit ratings obtained for the issue and the issuer;

Year	Long Term Rating	Short Term Rating	Outlook
2022	AA-	ST-2	Stable
2021	A+	ST-3	Stable
2020	A	ST-3	Stable
2019	A	ST-3	Stable
2018	A-	ST-3	Stable

a) The rationale or description of the ratings (s) so obtained, as furnished by the credit rating agency(s);

CRISL has upgraded the Long-Term rating to 'AA-' (pronounced as double A minus) and the Short Term rating to 'ST-2' of Alliance Finance PLC (AFPLC) based on both relevant qualitative and quantitative information up-to-the date of rating. The above ratings have been assigned based on some fundamentals such as good capital base, good asset quality, renowned local sponsors, proven track record of the joint venture partner, etc. However, the above factors are constrained to some extent by limited core business and credit portfolio, exposure to credit and deposit concentration risk, and limited branch network etc.

The Long-Term rating implies that entities rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions. The Short-Term rating indicates the high certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

CRISL also views the company with "Stable Outlook" for its steady business growth and consistent fundamentals.

d) Observations and risk factors as stated in the credit rating report.

Observations and risk factors are stated in Section XXVII – "Credit Rating Report" of the Draft Prospectus.



(vii) Following details of underwriting:

- a) **The names, addresses, telephone numbers, fax numbers, contact persons and e-mail addresses of the underwriters and the amount underwritten by them;**

Underwriter/s		Amount Underwritten (BDT)
UCB Investment Limited Bulus Center (17 th Floor), Plot-CWS-(A)-1 Road No-34, Gulshan Avenue, Dhaka-1212	Contact Person: H. A. Mamun Senior Manager	80,000,000
	Tel: +88-02-55668070	
	Fax: +88-02-55668070	
	Email: info@ucbil.com.bd	
Prime Finance Capital Management Limited PFI Tower (7 th Floor) 56-57, Dilkusha C/A, Dhaka-1000	Contact Person: Mohammad Rajibul Islam Head of Issue Management	25,000,000
	Tel: +88 02 223354874, 76-77	
	Fax: +88 02 223354933	
	E-mail: info@primefinancecap.com	

- b) **Declaration by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations;**

DECLARATION BY THE UCB INVESTMENT LIMITED THAT WE HAVE SUFFICIENT RESOURCES AS PER THE REGULATORY REQUIREMENTS TO DISCHARGE OUR RESPECTIVE OBLIGATIONS

We are one of the underwriters of the Initial Public Offer (IPO) of Alliance Finance PLC. We will underwrite Tk. 80,000,000 (Eight Crore) only of the total public offer of BDT 300,000,000/- for the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligation.

For the Underwriter:

Sd/-

Tanzim Alamgir

Managing Director & CEO

UCB Investment Limited

Place: Dhaka

Date: 16th April 2023



**DECLARATION BY THE PRIME FINANCE CAPITAL MANAGEMENT LIMITED
THAT WE HAVE SUFFICIENT RESOURCES AS PER THE REGULATORY
REQUIREMENTS TO DISCHARGE OUR RESPECTIVE OBLIGATIONS**

We are one of the underwriters of the Initial Public Offer (IPO) of Alliance Finance PLC. We will underwrite Tk. 25,000,000 (two crore fifty lac) only of the total public offer of BDT 300,000,000/- for the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligation.

For the Underwriter:

Sd/-

Md. Rezaul Haque

Managing Director

Prime Finance Capital Management Limited

Place: Dhaka

Date: 16th April 2023

c) Major terms and conditions of the underwriting agreements.

1. Thirty-five percent (35%) of the issue has been underwritten on a firm commitment basis by the underwriter(s).
2. In case of under-subscription collectively up to 35% of a public issue, the unsubscribed portion of securities shall be taken up by the underwriter(s).
3. In case of under-subscription collectively above 35%, the public issue shall be cancelled.
4. The Issuer, in the event of under-subscription, shall send notice to the underwriter(s) within 10 (ten) days of closure of subscription calling upon them to subscribe to the securities of the company and pay for this in cash in full within 15 (fifteen) days of the said notice and the said amount shall be credited into securities subscription account within the said period.
5. Within 7 (seven) days of the expiry of the aforesaid 15 (fifteen) days, the company shall send proof of subscription and deposit of the money by the underwriter(s) to the commission.



Capital Structure:

(B)(5)(c)

(i) Authorized, issued, subscribed and paid-up capital (number and class of securities, allotment dates, nominal price, issue price and form of consideration);

CAPITAL STRUCTURE				
Particulars	Types of Securities	Number of Securities	Nominal Price in Taka	Amount in Taka
Authorized Capital	Ordinary	200,000,000	10.00	2,000,000,000
Issued, Subscribed and Paid-up Capital	Ordinary	105,000,000	10.00	1,050,000,000
Total Paid-Up Capital Before IPO	Ordinary	105,000,000	10.00	1,050,000,000

Note: Considering 5% stock dividend for the year ended December 31, 2022.

ALLOTMENT HISTORY OF SECURITIES						
Particulars of Allotment	Allotment Date	Mode of Allotment (No. of Shares)			Issue Price (Tk.)	Amount of Share Capital (Tk.)
		Cash	Other Than Cash	Bonus Issue		
1 st Allotment	27/09/2003	100,000	-	-	100.00	10,000,000
2 nd Allotment	12/04/2017	9,900,000	-	-	100.00	990,000,000
3 rd Allotment	16/03/2023	-	-	5,000,000	10.00	50,000,000
					Total	1,050,000,000

Note:

- The Company split its face value of shares from BDT 100.00 to BDT 10.00 on 18 April 2017 after passing a special resolution during the EGM held on 12 April 2017.
- The company has declared a 5% stock dividend for the year 2022, which was approved in the Annual General Meeting, held on 16th March 2023. The allotment is under process.

(ii) Size of the present issue, with break-up (number of securities, description, nominal value and issue amount);

SIZE OF THE PRESENT ISSUE				
Particulars	Types of Securities	Number of Securities	Nominal Price in Taka	Amount in Taka
Proposed Initial Public Offer (IPO) through fixed price method	Ordinary	30,000,000	10.00	300,000,000



BREAK-UP OF THE ISSUE							
Particulars		Percentage		Number of securities	Description	Nominal Value in Taka	Issue Amount in Taka
		Rule	Pro-rata				
Eligible Investor (EI)	EI excluding mutual funds and CISs	20%	17.00%	5,100,000	Ordinary Share	10.00	51,000,000
	Mutual Funds and CISs	5%	4.25%	1,275,000			12,750,000
General Public (GP)	NRB	5%	4.25%	1,275,000			12,750,000
	Others	70%	59.50%	17,850,000			178,500,000
Employees or any other persons		15%	15%	4,500,000			45,000,000
Total		100%		30,000,000		300,000,000	

Note: The issuer shall make private offer to its employees or any other persons maximum 15% (fifteen percent) of its initial public offer (IPO) at par value, subject to the approval of the commission.

(iii) Paid up capital before and after the present issue, after conversion of convertible instruments (if any) and share premium account (before and after the issue);

Particulars	Types of Securities	Number of Securities
Paid Up Capital	1,050,000,000	1,350,000,000
Convertible Instrument	N/A	N/A
Share Premium	122,200,000	122,200,000

Note: Considering 5% stock dividend for the year ended December 31, 2022.

(iv) Category wise shareholding structure with percentage before and after the present issue and after conversion of convertible instruments (if any);

Category of Shareholders		Before Present Issue		After Present Issue	
		Ordinary Shares	Percentage	Ordinary shares	Percentage
Directors & Sponsors		105,000,000	100.00%	105,000,000	77.78%
Shareholders other than Directors & Sponsors		-	-	-	-
Eligible Investor (EI)	EI excluding mutual funds and CISs	-	-	5,100,000	3.78%
	Mutual Funds and CISs	-	-	1,275,000	0.94%
General Public (GP)	NRB	-	-	1,275,000	0.94%
	Others	-	-	17,850,000	13.22%
Employees or any other persons				4,500,000	3.33%
Total		105,000,000	100.00%	135,000,000	100.00%

Note: Considering 5% stock dividend for the year ended December 31, 2022. There is no convertible instrument, so no conversion is required.



- (v) Where shares have been issued for consideration in other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the issuer, issue price, consideration and valuation thereof, reasons for the issue and whether any benefits have been accrued to the issuer out of the issue;

No shares of AFPLC have been issued for consideration other than cash at any point of time.

- (vi) Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted;

No shares have been allotted in terms of any merger, amalgamation, or acquisition. However, the previous sponsors of the company transferred shares to new shareholders and new shares were allocated to additional shareholders. Details are as follows:

Share Transfer History

Transferor	Transferee	Date of Transfer	Face Value (BDT)	No of Shares
Alliance Holding Limited	Syed Ali Jowher Rizvi	15/05/2016	100	235,000
Summit Equities Limited	Summit Holdings Limited	15/05/2016	100	235,000
Mrs. Jahanara Islam	Sohana Rouf Chowdhury	15/05/2016	100	30,000
Mr. A Rouf Chowdhury	Sohana Rouf Chowdhury	15/05/2016	100	80,000
Mrs. Zakia Rouf Chowdhury	Sohana Rouf Chowdhury	15/05/2016	100	100,000
Rangs Industries Limited	Sohana Rouf Chowdhury	15/05/2016	100	100,000
Rangs Limited	Sohana Rouf Chowdhury	15/05/2016	100	100,000
Rangs Motors Ltd.	Sohana Rouf Chowdhury	15/05/2016	100	100,000
Mr. Golam Kabir Chowdhury	Sohana Rouf Chowdhury	15/05/2016	100	20,000
Rabab Fashion Industry Ltd.	Lutfe Mawla Ayub	30/03/2021	10	2,000,000

Share Allotment History

New Allotment	Date of Allotment	Face Value (BDT)	No of Shares
People's Leasing & Finance PLC	12/04/2017	100	5,100,000
Summit Holdings Limited	12/04/2017	100	976,500
Concept Knitting Ltd.	12/04/2017	100	400,000
Green Delta Insurance Company Ltd.	12/04/2017	100	1,000,000
Rabab Fashion Industry Ltd.	12/04/2017	100	200,000
Syed Ali Jowher Rizvi	12/04/2017	100	976,500
Sohana Rouf Chowdhury	12/04/2017	100	947,000
Fahmida Akter Khatun	12/04/2017	100	300,000

Note: The Company has split its face value of shares from BDT 100.00 to BDT 10.00 on 18 April 2017 after passing a special resolution during the EGM held on 12 April 2017.



- (vii) Where the issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued;**

The Company did not issue any equity shares under stock options to its employees.

- (viii) If the issuer has made any issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the issuer, reasons for such issue and the price thereof;**

Alliance Finance PLC has not made any issue of specified securities at a price lower than the issue price during the preceding two years.

- (ix) The decision or intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue;**

The Company has no such decision or intention, negotiation, and consideration to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue.

- (x) The total shareholding of the sponsors and directors in a tabular form, clearly stating the names, nature of issue, date of allotment, number of shares, face value, issue price, consideration, date when the shares were made fully paid up, percentage of the total pre and post issue capital, the lock in period and the number and percentage of pledged shares, if any, held by each of them;

Name & Position	Nature of Issue	Date of Allotment	No. of Shares	Face Value	Issue Price	Consideration	Pre-IPO (%)	Post IPO (%)	Lock In	Pledged shares
Syed Ali Jowher Rizvi (Sponsor Shareholder & Chairman)	Ordinary Share	27 th Sept 2003	235,000	10	10	Cash	10%	7.78%	3 years	Nil
		12 th Apr 2017	9,765,000			Cash				
		16 th March 2023	500,000			Bonus				
Summit Holdings Limited (Sponsor Shareholder)	Ordinary Share	27 th Sept 2003	235,000	10	10	Cash	10%	7.78%	3 years	Nil
		12 th Apr 2017	9,765,000			Cash				
		16 th March 2023	500,000			Bonus				
Concept Knitting Limited (Sponsor Shareholder)	Ordinary Share	12 th Apr 2017	4,000,000	10	10	Cash	4%	3.11%	3 years	Nil
		16 th March 2023	200,000			Bonus				
Green Delta Insurance Company Limited (Sponsor Shareholder)	Ordinary Share	12 th Apr 2017	10,000,000	10	10	Cash	10%	7.78%	3 years	Nil
		16 th March 2023	500,000			Bonus				
Lutfe Mawla Ayub (Shareholder & Director)	Ordinary Share	12 th Apr 2017	2,000,000	10	10	Cash	2%	1.56%	3 years	Nil
		16 th March 2023	100,000			Bonus				
Sohana Rouf Chowdhury (Sponsor Shareholder & Director)	Ordinary Share	27 th Sept 2003	530,000	10	10	Cash	10%	7.78%	3 years	Nil
		12 th Apr 2017	9,470,000			Cash				
		16 th March 2023	500,000			Bonus				
Fahmida Akter Khatun (Sponsor Shareholder)	Ordinary Share	12 th Apr 2017	3,000,000	10	10	Cash	3%	2.33%	3 years	Nil
		16 th March 2023	150,000			Bonus				
People's Leasing & Finance PLC (Sponsor Shareholder)	Ordinary Share	12 th Apr 2017	51,000,000	10	10	Cash	51%	39.67	3 years	Nil
		16 th March 2023	2,550,000			Bonus				

Note: Considering 5% stock dividend for the year ended December 31, 2022.



- (xi) The details of the aggregate shareholding of the sponsors and directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the prospectus;

Aggregate shareholding of the Sponsors and Directors:

Sl.	Name of the Shareholder	Position	No. of Shares	Pre-IPO Percentage	Post-IPO Percentage
1	Mr. Syed Ali Jowher Rizvi	Chairman	10,500,000	10%	7.78%
2	Summit Holdings Limited	Sponsor Shareholder	10,500,000	10%	7.78%
3	Concept Knitting Limited	Sponsor Shareholder	4,200,000	4%	3.11%
4	Green Delta Insurance Company Limited	Sponsor Shareholder	10,500,000	10%	7.78%
5	Lutfе Mawla Ayub	Shareholder & Director	2,100,000	2%	1.56%
6	Sohana Rouf Chowdhury	Sponsor Shareholder & Director	10,500,000	10%	7.78%
7	Fahmida Akter Khatun	Sponsor Shareholder	3,150,000	3%	2.33%
8	People's Leasing & Finance PLC	Sponsor Shareholder	53,550,000	51%	39.67%
Total:			105,000,000	100%	77.78%

Note: Considering 5% stock dividend for the year ended December 31, 2022.

Transfer of specified securities by the sponsor or by the directors of the issuer:

Transferor	Transferee	Date of Transfer	Face Value (BDT)	No of Shares
Rabab Fashion Industry Ltd.	Lutfе Mawla Ayub	30/03/2021	10	2,000,000



(xii) The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the amount of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert any convertible instrument;

Sl.	Name of the Shareholder	Position	Address	No. of Shares	Pre-IPO Percentage	Post-IPO Percentage
1.	Mr. Syed Ali Jowher Rizvi	Chairman	House # 15, Road # 117, Gulshan - 1, Dhaka - 1212	10,500,000	10%	7.78%
2.	Summit Holdings Limited	Sponsor Shareholder	Summit Centre, 18 Kawran Bazar, Dhaka	10,500,000	10%	7.78%
3.	Green Delta Insurance Company Limited	Sponsor Shareholder	Green Delta Insurance Co. Ltd., Green AIMS Tower (6th floor), 51-52 Mohakhali C/A, Dhaka - 1212	10,500,000	10%	7.78%
4.	Ms. Sohana Rouf Chowdhury	Director	House No. CEN (H) 44, Road No. 113, Gulshan, Dhaka - 1212	10,500,000	10%	7.78%
5.	People's Leasing & Finance PLC	Sponsor Shareholder	No.1161, Maradana Road, Borella, Sri Lanka	53,550,000	51%	39.67%

Note: Above shareholders are not entitled to exercise any warrant, option or right to convert any convertible instrument. Considering 5% stock dividend for the year ended December 31, 2022.

(xiii) The number of securities of the issuer owned by each of the top ten salaried officers, and all other officers or employees as group, indicating the percentage of outstanding shares represented by the securities owned;

There is no employee of Alliance Finance PLC that holds any shares of the Company.



Description of Business;

(B)(5)(d)

- (i) **The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in;**

Date of Incorporation	27 September 2003
Date of Commencement of Business	27 September 2003
Date of getting permission of Business	06 June 2017
Nature of Business	Alliance Finance PLC is a Non-Banking Financial Institution that specializes in providing financial services. Its core businesses include lease and term financing. It also provides other Corporate Financing products as well as Small and Medium Enterprise (SME) financing and Retail Financing for individuals. Additionally, AFPLC has launched its Structured Finance Division that arranges syndicated financing, facilitates bond and preference share issuance, foreign currency financing as well as specialized financing.
Major services	AFPLC offers a wide range of financial services, including long-term and short-term finance, project finance, lease finance, supply chain finance, home and auto loans, equity financing, syndication finance, retail finance, Small and Medium Enterprises (SME) finance, asset-backed securitization, and many other financial services within the framework of regulatory guidelines.
Subsidiaries	AFPLC has no subsidiary company.

- (ii) **Location of the project;**

AFPLC operates through its Corporate Head Office, which is situated at Laila Tower, 8 South Gulshan Avenue, Dhaka 1212 and Banani Branch located at House 138, Old 81, Road 4, Block-E, Concord Niharika, Kamal Ataturk Avenue, Banani, Dhaka.

All offices and branches of Alliance Finance PLC including the corporate head office are situated in rented properties under lease agreements. Details regarding the lease commitments are disclosed on page no 69.

- (iii) **Plant, machinery, technology, process, etc.**

The issuer company is a Non-Banking Financial Institution; hence it does not have any plant and machinery for serving its client.



Technology:

The use of information technology, including MIS, is at the deployment stage. Necessary IT support is being provided by AFPLC IT team. AFPLC's IT infrastructure has the necessary hardware and software, such as PCs, laptops, backup power UPS, Core Banking Solutions EFS, Office 365 software, CIB software, e-KYC, EDS Money, RTGS, EC Portal, etc. The Core Banking Solution EFS has been fully operational since June 2022. The Company is currently using three Dell 740 servers for CBS, e-KYC, active directory, file server, print server etc. It uses Microsoft Hyper-V technology, Cisco switches as distribution switch for user workstations, and a Mikrotik router as a gateway for the Internet. Additionally, the Company has implemented Fortinet Firewall and Cisco Router. In 2019, AFPLC established a Board-approved ICT policy to handle all technological operations. The Company is also in the process of setting up a disaster recovery site as part of its Business Continuity Plan (BCP) and taking scheduled database backups from one server to another.

Furthermore, AFPLC is planning to introduce an app-based lending platform under a strategic alliance with CASHe. The platform will be able to instantly underwrite and disburse short-term personal loans, primarily to people who may not have a formal credit history or bank account or need emergency financial services.

As part of the technical adaptation, AFPLC aims to increase security awareness among its customers more frequently than before to ensure their safety throughout the digitalization journey.

Process:

AFPLC has developed a credit policy manual that outlines the policies and procedures for managing credit-related operations. At the primary stage, Relationship Managers (RM) are responsible for initiating contact with borrowers and analyzing their financial performance and transaction behavior proactively. During this stage, proposals cannot be rejected. After receiving a business proposal, the RM submits the application to the Credit Risk Management (CRM) Department for risk identification and assessment.

The Credit Risk Officer then physically visits the client to verify their creditworthiness and check all data before making an initial decision on whether to forward the proposal. After receiving a recommendation from the CRM, the file is forwarded to the Credit Risk Management Committee for further recommendation. Subsequently, it is forwarded to the Management Credit Committee (MCC)/Executive Committee (EC) and Board of Directors for approval based on the delegation limit. The EC has the authority to approve up to Tk. 200 million, while the Board has supreme authority to approve any amount.



(iv) Details of the major events in the history of the issuer, including details of capacity or facility creation, launching of plant, products, marketing, change in ownership and/or key management personnel etc.;

History of the issuer	27 th September, 2003 - Incorporation and got Commencement of Business
	14 th November, 2017 - First Board meeting of under new management
	6 th June, 2017 - Got permission for Financial Institutions businesses.
	25 th June 2018 - Held first AGM
Capacity or facility creation	1 st January 2022 - Inaugurated the Banani Branch Office. Through which Fixed Deposits Business is facilitated
Launching of plant, products, marketing, change	December, 2020 - Launching of Structure Finance Products
Change in ownership	Changes in ownership occurred on 15 th of May, 2016. The previous sponsors of the company transferred shares to new shareholders and new shares were allocated to additional shareholders as indicated in page no. 52.
Change in key management personnel	Changes in key management personnel is indicated in page no. 137.

(v) Principal products or services of the issuer and markets for such products or services. Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data;

Principal products or services of Alliance Finance PLC

Sl.	Loan Products	Description
1	Corporate Finance	AFPLC has designed various corporate financing products tailored to meet the requirements of companies for their infrastructure development. These consist of corporate financing facilities such as project financing, lease financing, term financing etc.
2	SME Finance	SMEs are considered the engine of growth in Bangladesh and have become a priority sector as announced by Bangladesh Bank. AFPLC SME Financing has differentiated itself in the market in its business approach in unique ways. The Company has designed several loan products to meet the needs as well as help them make effective business decisions with their equity planning service.
3	Retail Finance	AFPLC provides retail financing to individuals and institutions in the form of home loans and auto loans which offer competitive rates, suitable payment options and simple procedures.
4	Structured Finance	AFPLCs Structured Finance division consists of veteran human resources who have wide range of experience in arranging syndication, club financing and IPFF II Financing as well as working as issue manager of Bonds and Preference Shares.



Sl.	Deposit Products	Description
1	Fixed Deposits	Alliance Finance PLC has designed a multitude of fixed depository schemes to service its individual customers' different needs, enabling them to prioritize flexibility, high interest yield and convenience.
2	DPS & Millionaire	AFPLC provides several Deposit Pension Schemes (DPS), which are installment-based deposit products for individuals. Products range from regular DPSs to schemes including initial deposits.

Markets for such products or services:

The Company's services are rendered through its Corporate Head Office and Banani Branch located in the capital, Dhaka. Alliance Finance PLC provides deposit and loan products within the territory of Bangladesh.

Past trends in local market:

Particular	31 Dec 22	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18
Net Interest Income	162,834,191	134,405,374	126,892,158	136,689,071	120,870,280

Future prospects in local market

Bangladesh's GDP has grown by 7.1 percent in the outgoing fiscal year of 2021-22, according to the Bangladesh Bureau of Statistics (BBS). While it fell below the provisional estimate of 7.25%, this is still the highest growth rate the country has sustained since the 2018-19 fiscal year preceding the pandemic. The high growth rate is quite impressive given the economic challenges globally and domestically and is a direct result of the rebounding of the economy following the reopening of the country and the end of country-wide lockdowns, which resulted in an expansion of manufacturing activities. And while there are downward predictions of GDP growth for the current fiscal year, predicted to be 5.2% in 2022-23, considering the overall condition of the global economy and the oil price hike resulting from the Russia-Ukraine war, the numbers are still reasonable and expected to bounce back in future years.

The financial sector of a country reflects the growth potential of the economy of that country. The expansion of trade and commerce, the creation of jobs and the promotion of industry in an economy all require the contribution of a strong financial sector. With rising income levels and increasing rates of development in production, technology and infrastructure, the macroeconomic trends indicate potential growth for Bangladesh's banking and financial industry.

Source: <https://en.prothomalo.com/business/local/zhovwleil8>
<https://en.prothomalo.com/business/002cg2xy89>



Demand and Supply Forecasts

The financial sector is currently at the forefront of the Fourth Industrial Revolution (4IR) globally. Technological innovations in financial services, popularly known as Fintech, are bringing disruptions to the conventional banking system. Global integration and mobilization of resources, new technologies in the form of FinTech, Artificial Intelligence and Blockchain, regulatory requirements, and evolving consumer expectations are having an unprecedented influence on the sector. Experience from many developed countries has shown that collaboration between traditional financial institutions and Fintech firms often results in the best form of digital institution providing innovative products and services. The potential for such services in Bangladesh has already been partially demonstrated by the Mobile Financial Service (MFS) providers in the country.

The financial sector of Bangladesh has already experienced significant, but varied effects of the 4IR. The use of technology has caused a complete transformation of the banking and financial institutions in Bangladesh, resulting in more transactions being processed and more services being provided in a given time period. Transactions through internet banking in Bangladesh more than doubled in the last fiscal year, as a large number of people, especially the younger generations, are using the platform to carry out financial activities. The outbreak of Covid-19 has accelerated the adoption of internet financing, as the virus forced people to turn to technology to communicate, work, study and find entertainment. In fiscal year 2021-22, transactions increased by 122.60 percent year-on-year to Taka 224,958 crore, according to data from Bangladesh Bank. Strengthening the credit infrastructure and promoting further digitalization of financial services will be crucial to reach the most underserved population.

To succeed in the future, banks and financial institutions must not only fulfill their current obligations but also fundamentally innovate and transform themselves for tomorrow.

Source: <https://www.thedailystar.net/business/news/how-innovations-are-transforming-banking-bangladesh-3127411>,
<https://www.thedailystar.net/business/economy/news/fourth-industrial-revolution-and-our-financial-sector-3147386>,
AFPLC's own research.



- (vi) **If the issuer has more than one product or service, the relative contribution to sales and income of each product or service that accounts for more than 10% of the company's total revenues;**

Sl.	Description	31-Dec-2022	Percentage (%)
1	Loans & Advance Products	346,744,598	86%
	Total	346,744,598	86%

- (vii) **Description of associates, subsidiary and holding company of the issuer and core areas of business thereof;**

AFPLC has neither associate nor subsidiary company, but is operated under the holding company, People's Leasing & Finance PLC. Description of the holding company is provided below:

People's Leasing & Finance PLC, a subsidiary of People's Bank, is a limited liability company listed on the Main Board of the Colombo Stock Exchange. Over the past few decades, the company has established itself as a pioneer in providing value-added financial services to Sri Lankans. With over 100 branches across the country and a dedicated team of employees, the company has built strong relationships with its customers by meeting their diverse financial needs through a wide range of products and services.

The company's product portfolio primarily consists of finance leases, loans, deposits (fixed and saving deposits), Islamic products, and factoring. However, the company also offers margin trading facilities and has the permit to buy, sell and exchange foreign currency notes and coins, as well as encash travelers' cheques. The company's product strategy is carefully designed to position it as a comprehensive financial services provider in the dynamic business environment of Sri Lanka today.

- (viii) **How the products or services are distributed with details of the distribution channel. Export possibilities and export obligations, if any;**

The loan and deposit products of AFPLC are offered through its office and branch locations in Dhaka.

AFPLC reaches the customers through numerous delivery channels, including Banani branch, office.

There are no export possibilities or obligations for AFPLC.



(ix) Competitive conditions in business with names, percentage and volume of market shares of major competitors;

In Bangladesh, there are several listed FIs operating in the industry. Major competitor FIs are:

Sl.	Competitor
1	IPDC Finance Limited
2	Bangladesh Finance Limited
3	Lanka Bangla Finance Limited
4	Bay Leasing & Investment Limited

The Net Interest Income amounts of some representative listed FIs and Alliance Finance PLC, as per annual report for the year 2021 are presented below:

Sl.	Name of the Company	Net Interest Income BDT	Percentage (%)
1	IPDC Finance Limited	2,783,062,350	50%
2	Bangladesh Finance Limited	549,503,057	10%
3	Lanka Bangla Finance Limited	2,019,052,306	36%
4	Bay Leasing & Investment Limited	123,961,497	2%
5	Alliance Finance PLC	134,405,374	2%
Total		5,609,984,584	100%

Total Net Interest Income of above representative companies of NBFISector: TK. 5,609.98 million during the year of 2021.

Source: Individual annual reports 2021 of above companies.

(x) Sources and availability of raw materials, names and addresses of the principal suppliers and contingency plan in case of any disruption;

AFPLC is a service provider, and its raw materials are human resources. The NBFISector industry has developed and expanded fast to meet the growing needs of the economy. The Company has procured the services of experienced professional personnel and has also set up tailored training programs for training fresh graduates for development of its growing need of human resources.

Contingency Plan in case of any disruption:

In our country there is huge supply of educated manpower and different institutions have been providing higher degrees specializing in the study of finance and banking at present. Therefore, there is low possibility of disruption of service.

(xi) Sources of, and requirement for, power, gas and water; or any other utilities and contingency plan in case of any disruption;

The Company does not need any power, gas and water except for ordinary uses in office work.



Contingency Plan in case of any disruption:

There is an arrangement of high-capacity generator in each office building to ensure alternative power supply to tackle any power disruptions.

(xii) Names, address(s), telephone number, web address, e-mail and fax number of the customers who account for 10% or more of the company's products /services with amount and percentage thereof;

There is no such customer of the company who provides 10% or more of its revenues.

(xiii) Names, address(s), telephone number, web address, e-mail and fax number of the suppliers from whom the issuer purchases 10% or more of its raw material or finished goods with amount and percentage thereof;

Not applicable in this type of business.

(xiv) Description of any contract which the issuer has with its principal suppliers or customers showing the total amount and quantity of transaction for which the contract is made and the duration of the contract. If there is not any of such contract, a declaration is to be disclosed duly signed by CEO or MD, CFO and Chairman on behalf of Board of Directors;

DECLARATION REGARDING CONTRACTS WITH PRINCIPAL SUPPLIERS OR CUSTOMERS

We, on behalf of the Board of Directors, certify that Alliance Finance PLC did not enter into any contract with its principal suppliers or customers.

Sd/-

Syed Ali Jowher Rizvi
Chairman

Sd/-

Kanti Kumar Saha
Managing Director & CEO

Sd/-

Don Wishva Kantha
Wickramarachchi
Chief Financial Officer

on behalf of the Board of Directors.

Place: Dhaka

Date: 16th March 2023



(xv) Description of licenses, registrations, NOC and permissions obtained by the issuer with issue, renewal and expiry dates;

Sl. No.	Description of Certificate/License/Registration	License Issuer/Issuing Authority	Certificate/Licenses No.	Validity
1	Certificate of Incorporation	Registrar of Joint Stock Companies & Firms, Bangladesh (RJSC)	C-50607(902)/003	N/A
2	Commencement of Business	Registrar of Joint Stock Companies & Firms, Bangladesh (RJSC)	C-50607(902)/003	N/A
3	Financial Institution License	Bangladesh Bank	DFIM(L)/39	N/A
4	NOC for Initial Public Offer	Bangladesh Bank	DFIM(L)1053/103/2023-1106	N/A
5	Trade License (Corporate Head Office)	Dhaka North City Corporation (DNCC)	TRAD/DNCC/046310/2022	30 June 2023
6	Trade License (Principal Branch Office)	Dhaka North City Corporation (DNCC)	TRAD/DNCC/145075/2022	30 June 2023
7	TIN Certificate	National Board of Revenue (NBR)	813781302183	N/A
8	VAT Certificate	National Board of Revenue (NBR)	000654286-0101	N/A

(xvi) Description of any material patents, trademarks, licenses or royalty agreements;

The Company neither obtained any Patent Right/Trademarks nor signed any royalty agreement with any party.

(xvii) Number of total employees and number of full-time employees;

Particulars	31 st December 2022
No. of employees	47

Note: All employees are hired on full-time basis.



(xviii) A brief description of business strategy;

Alliance Finance PLC's overall mission is to deliver optimum value to its customers, employees, shareholders, and the nation and the business strategy is geared toward achieving this.

The policy has been to deliver optimum value in a manner that is consistent with the highest levels of fairness and transparency. For AFPLC, it has not been a case of building financial value and enhancing the bottom line at any cost, but rather participating in a process of creating value through fair and ethical means. The Company has strived to maintain sound asset quality and an adequate capital base, and its 0.24% NPL ratio in 2022 is proof of its excellent governance, especially given the current situation of the industry and economy.

Some of the measures taken to create, sustain and deliver optimum value are as follows:

- **Maintaining capital adequacy**

Capital adequacy symbolizes the financial strength and stability of the company. It limits the extent up to which the company can expand their business in terms of risk-weighted assets. Like all commercial institutions, FIs too constantly look at ways of expanding their operations by opening branches, in addition to mobilizing deposits, providing loans, and making prudent investments in other assets.

Regulatory capital requirements are therefore necessary to prevent FIs from expanding beyond their ability to manage and improve the quality of their assets, control the ability of the FIs to leverage their growth and lead to higher earnings on assets, leading to peace of mind for all the stakeholders. As of 31st December 2022, the company's CAR stood at 43.24%, which is well above the requirements of Bangladesh Bank.

- **Maintaining liquidity**

The liquidity policy of the company has always been to carry a positive mismatch in the interest-earning assets and interest-bearing liabilities. AFPLC has an Asset Liability Manual (ALM) developed in line with Bangladesh Bank guidelines and the Assets Liability Management Committee (ALCO) monitors the situation and maintains a satisfactory trade-off between liquidity and profitability. The Company's liquidity position has been on an improving trend over the last three years, with the SLR ratio well above the 5% required.

- **Sustainable Expansion**

With the ever-changing and advancing needs of people at individual levels, AFPLC aims to sustainably develop and expand its network of branches with the focus on delivering quality customer service with the utmost compassion. The retail strategy of Alliance Finance PLC is based on network expansion, building product differentiators, customer segmentation and sales effectiveness.



- **Embracing Financial Technology**

Alliance Finance PLC is committed to being at the forefront of the technological revolution by utilizing fintech to provide innovative and groundbreaking new products and services. The company is currently in the process of launching a new app-based product called "nano loan" that targets the unbanked and low-income population, with the goal of accelerating financial inclusion in Bangladesh. To develop this initiative, AFPLC has partnered with CASHe Alliance Limited (CASHe). The nano loan application will offer affordable and instantaneous credit to millions of unbanked, digital-first customers.

- **Sustainable Financing and CSR**

Alliance Finance PLC has been prioritizing Sustainable Financing since its inception. The Company adopted CSR and Green Financing practices and activities from the very beginning of its journey. Till now, the Company has contributed a substantial amount towards CSR activities across multiple sectors.

AFPLC will look at future opportunities to partner with other development organizations in CSR activities. As per the decision taken at the Board Meeting dated June 2022, AFPLC donated to SAJIDA Foundation to support school-aged children in accessing education under SAJIDA's Urban Development Initiative (SUDIN).

AFPLC donated medical equipment "Biochemistry Analyzer" to Marie Stopes Bangladesh (MSB). MSB is a leading NGO. AFPLC signed an MOU with the Centre for Climate Change and Environmental Research (C3ER), BRAC University to enhance youth involvement and develop knowledge and capacity for climate change adaptation and mitigation.

- (xix) **A table containing the existing installed capacities for each product or service, capacity utilization for these products or services in the previous years, projected capacities for existing as well as proposed products or services and the assumptions for future capacity utilization for the next three years in respect of existing as well as proposed products or services. If the projected capacity utilization is higher than the actual average capacity utilization, rationale to achieve the projected levels.**

The Company is licensed as a NBFIs and in practice they carry out the following types of financial services in their normal course of business:

Sl.	Loan Products
1	Corporate Finance
2	SME Finance
3	Retail Finance
4	Structured Finance
Sl.	Deposit Products
1	Fixed Deposits
2	DPS & Millionaire

As AFPLC is a service-oriented concern, therefore, it is not possible to determine the actual capacity and its utilization like manufacturing and other concern.



Description of Property;

(B)(5)(e)

- (i) Location and area of the land, building, principal plants and other property of the company and the condition thereof;**

AFPLC operates through its Corporate Head Office, which is situated at Laila Tower, 8 South Gulshan Avenue, Dhaka 1212, and Banani Branch located at House 138, Old 81, Road 4, Block-E, Concord Niharika, Kamal Ataturk Avenue, Banani, Dhaka

The company has its headquarters of 5200 sft. at Laila Tower, 8 South Gulshan Avenue, Dhaka 1212 and 1 branch office of 1700 sft. at House 138, Old 81, Road 4, Block-E, Concord Niharika, Kamal Ataturk Avenue, Banani, Dhaka. It is to be noted here that both the branch office and corporate head office are situated in rented premises under lease agreements. AFPLC doesn't own any land, building or principal plants.

- (ii) Whether the property is owned by the company or taken on lease;**

All the office spaces are taken on lease as disclosed in page no. 69.

- (iii) Dates of purchase, last payment date of current rent (খাজনা) and mutation date of lands, deed value and other costs including details of land development cost, if any and current use thereof;**

The company does not own any land properties.

- (iv) The names of the persons from whom the lands have been acquired or proposed to be acquired along with the cost of acquisition and relation, if any, of such persons to the issuer or any sponsor or director thereof;**

The company does not own any land properties. So, this is not applicable.

- (v) Details of whether the issuer has received all the approvals pertaining to use of the land, if required;**

The company does not own any land properties. So, this is not applicable.

- (vi) If the property is owned by the issuer, whether there is a mortgage or other type of charge on the property, with name of the mortgagee;**

There is no mortgage or any type of charge on the property of Alliance Finance PLC.



(vii) If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment;

No property of Alliance Finance PLC is taken on lease except the following operating lease commitments for its following offices and branches:

Sl.	Name of Office	Address	Area (Sft.)	Rent per Sft. (BDT)	Monthly Amount (BDT)	Period of Lease	Name of Lessor(s)
01	Corporate Head Office	Laila Tower (Level 10), 8 South Gulshan Avenue, Gulshan - 1, Dhaka - 1212	5,200	207.42	1,078,584	1 st October 2016-30 th September 2026 (10 years)	Dreamland Resorts Limited
02	Banani Branch	House 138, Old 81, Road 4, Block-E, Concord Niharika, Kamal Ataturk Avenue, Banani, Dhaka	1,700	270	459,000	1 st January 2023- 31 st December 2024 (2 years)	Akhtaruzzaman

(viii) Dates of purchase of plant and machineries along with seller's name, address, years of sale, condition when purchased, country of origin, useful economic life at purchase and remaining economic life, purchase price and written down value;

As Alliance Finance PLC is a service-oriented company, it has no need for plant and machineries for the normal course of action.

TO WHOM IT MAY CONCERN

AUDITOR'S CERTIFICATE REGARDING PLANT AND MACHINERIES

After due verification, and as per the information contained in the audited financial statements for the years ended 31 December 2018, 2019, 2020, 2021 and 2022 and the underlying accounting records of Lankan Alliance Finance Limited (the "Company") and management representation letter provided by the management, we certify that the Company is treated as service provider dealing with principal activities of providing Loans and Advances to the prospective clients by mobilizing deposit rather than using plant and machineries. There are no plant and machineries purchased by the Company, as shown by the records of the Company.

This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 (as amended). It may be noted here that the statutory audit for the years 2018 & 2019 had been conducted by A. Qasem & Co., Chartered Accountants.

Dhaka, 17 April 2023

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants



- (ix) Details of the machineries required to be bought by the issuer, cost of the machineries, name of the suppliers, date of placement of order and the date or expected date of supply, etc.;**

As Alliance Finance PLC is a service-oriented company, it has no requirement for buying machineries and hence this information is not applicable here.

- (x) In case the machineries are yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned;**

As Alliance Finance PLC is a service-oriented company, it has no machineries which are yet to be delivered and hence this information is not applicable here.

- (xi) If plant is purchased in brand new condition then it should be mentioned;**

As Alliance Finance PLC is a service-oriented company, it has no plant and hence this information is not applicable here.

- (xii) Details of the second hand or reconditioned machineries bought or proposed to be bought, if any, including the age of the machineries, balance estimated useful life, etc. as per PSI certificates of the said machineries as submitted to the Commission;**

As Alliance Finance PLC is a service-oriented company, it has no plant and hence this information is not applicable here.



- (xiii) A physical verification report by the issue manager(s) regarding the properties as submitted to the Commission;

PHYSICAL VERIFICATION REPORT BY THE ISSUE MANAGER OF ALLIANCE FINANCE PLC

Company Overview:

Alliance Finance PLC (AFPLC) is a Financial Institution with multinational collaboration in Bangladesh, licensed by Bangladesh Bank. AFPLC was incorporated with the name of Alliance Leasing & Finance Company Limited on 27 September, 2003 as a Public Limited Company under the Company Act, 1994. The company began operating its business activities in the year 2017.

The majority stakeholder of Alliance Finance PLC is People's Leasing & Finance PLC, a subsidiary of Peoples' Bank, Sri Lanka's largest state-owned bank. The local sponsors include large corporates and individuals with impeccable records and proven goodwill and include companies such as Summit Group, Rangs Group, Alliance Holdings Limited, Green Delta Insurance Company Limited, and Concept Knitting Limited.

Nature of Business:

Alliance Finance PLC is a Non-Banking Financial Institution that specializes in providing financial services. Its core businesses include lease and term financing. It also provides other Corporate Financing products as well as Small and Medium Enterprise (SME) financing and Retail Financing for individuals. Additionally, AFPLC has launched its Structured Finance Division that arranges syndicated financing, facilitates bond and preference share issuance, foreign currency financing as well as specialized financing.

Service Portfolio:

Sl.	Loan Products	Description
1	Corporate Finance	AFPLC has designed various corporate financing products tailored to meet the requirements of companies. These consist of corporate financing facilities such as project financing, lease financing, working capital finance, term financing etc.
2	SME Finance	SMEs are considered the engine of growth in Bangladesh and have become a priority sector as announced by Bangladesh Bank. AFPLC SME Financing has differentiated itself in the market in its business approach in unique ways. The Company has designed several loan products to meet the needs as well as help them make effective business decisions with their equity planning service.
3	Retail Finance	AFPLC provides retail financing to individuals and institutions in the form of home loans and auto loans which offer competitive rates, suitable payment options and simple procedures.



4	Structured Finance	AFPLCs Structured Finance division consists of veteran human resources who have wide range of experience in arranging syndication, club financing and IPFF II Financing as well as working as issue manager of Bonds and Preference Shares.
----------	---------------------------	---

Process of the Verification:

UCB Investment Limited (UCBIL) have been working with Alliance Finance PLC since 2023. During the period, different teams of UCBIL visited the Company on several occasions. The process comprises of five different teams in the verification process for the IPO of Alliance Finance PLC as under:

Particulars	Team Profile
Strategic Management Team	Tanzim Alamgir Managing Director & CEO
	H. A. Mamun Senior Manager
	M. Samiul Islam Senior Manager
	Anisul Haque Senior Manager
Financial Statements Analysis Team	Emran Khan Janin, CA (CC) Assistant Manager
	Rokibul Islam Bin Yousuf, FMVA® Assistant Manager
Corporate Compliance Review Team	G. M. Fazel Rabbi Assistant Manager
	Mohammad Sharfaraz Ahmed, MSc. (UK) Assistant Manager
Prospectus Preparation and Design Team	Rokibul Islam Bin Yousuf, FMVA® Assistant Manager
	Emran Khan Janin, CA (CC) Assistant Manager
Prospectus Review Team	H. A. Mamun Senior Manager
	M. Samiul Islam Senior Manager
	Anisul Haque Senior Manager

The team examined all the necessary documents provided by Alliance Finance PLC. This verification is related to the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015. UCBIL examinations were limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance with the conditions of the BSEC (Public Issue) Rules, 2015.

In verifying the compliance of BSEC (Public Issue) Rules, 2015, UCBIL visited the corporate head office of AFPLC as the issue manager on 3rd March 2023. The sole purpose of the visit was to verify the business of Alliance Finance PLC for preparing this verification report.



Visiting Team:

Teams	Representative
Alliance Finance PLC (Issuer)	Kanti Kumar Saha Chief Executive Officer
	Don Wishva Kantha Wickramarachchi Chief Financial Officer
	Mohammad Ali Ashraf Company Secretary (CC)
	Shahanur Rashid Head of Business
	Md. Shahidul Islam Mazumder Head of Information Technology
	Iqbal Ahmed Head of Internal Control & Compliance
	Md. Shuruzzaman Head of Credit Administration
	Md. Sayful Islam Head of Small & Medium Enterprise
UCB Investment Limited (Issue Manager)	Tanzim Alamgir Managing Director & CEO
	H. A. Mamun Senior Manager
	Emran Khan Janin, CA (CC) Assistant Manager
	Rokibul Islam Bin Yousuf, FMVA® Assistant Manager

Description of Offices:

The company's registered office is situated at The Alliance Building, 63 Pragati Sarani, Baridhara, Dhaka-1212. The visiting team has found the Corporate Head Office of Alliance Finance PLC, which is situated at Laila Tower, 8 South Gulshan Avenue, Dhaka 1212. The team also visited the Banani Branch located at House 138, Old 81, Road 4, Block-E, Concord Niharika, Kamal Ataturk Avenue, Banani, Dhaka.

AFPLC operates its overall business and operation from the Corporate Head Office.

Around 45 officers and staff were present during our visit to the Corporate Head Office of issuer. We also verified the trade licenses and lease deed agreements of the issuer.

It is to be noted that AFPLC shall change the address of its registered office to Laila Tower, 8 South Gulshan Avenue, Dhaka 1212. The change is under process.

Sign Board:

The signboard of the company is well displayed at the registered office and branch office.



Description of Property:

Information regarding offices and department wise functions on each floor is provided in the table below:

Corporate Head Office	Floor Number	Departments
Laila Tower, 8 South Gulshan Avenue, Dhaka 1212	10 th Floor Area: 5,200 Sft.	Information Technology (IT)
		Corporate, SME & Retail
		Finance & Accounts
		Human Resources
		Credit Administration
		Internal Control & Compliance
		Credit Risk Management
		Fixed Deposits Operations
		Structured Finance

Banani Branch Office	Floor Number	Departments
House 138, Old 81, Road 4, Block-E, Concord Niharika, Kamal Ataturk Avenue, Banani, Dhaka.	Ground Floor Area: 1,700 Sft.	Fixed Deposits Business

Other Assets:

The company does not own any land or building. All the offices/branches are taken on lease. AFPLC has freehold assets which includes, office decorations, Furniture and fixtures, ICT Equipment, Office equipment and vehicle. Additionally, it has intangible assets comprising Core Banking Software and others. All of these are reflected audited financial statements.

Vehicles:

The company owns following vehicle:

Vehicle Name & Model	Vehicle Number
Nissan X trail (2017)	189789-GHA

During our visit, we found that both the tangible and intangible assets of the company were in use.

Sd/-

Tanzim Alamgir

Managing Director & CEO

UCB Investment Limited

Place: Dhaka

Date: 16th April 2023



- (xiv) If the issuer is entitled to any intellectual property right or intangible asset, full description of the property, whether the same are legally held by the issuer and whether all formalities in this regard have been complied with;

Name of intangible asset	Description of the asset	Nature of Ownership	Status of Compliance
Software	Core Banking Software and others	Fully owned	Complied as per IAS 38

- (xv) Full description of other properties of the issuer.

There is no other property except those mentioned in the fixed asset schedule in page no. 294.

Plan of Operation and Discussion of Financial Condition;

(B)(5)(f)

- (i) **If the issuer has not started its commercial operation, the company's plan of operations for the period which would be required to start commercial operation which shall, among others, include: -**

Alliance Finance PLC started its commercial operation on June 06, 2017. Hence, such information would not be applicable for the company.

- (ii) **If the issuer had been in operation, the issuer's revenue and results from operation, financial position and changes in financial position and cash flows for the last five years or from commercial operation, which is shorter, shall be furnished in tabular form which shall, among others, include the following information:**

The revenue of the company, results from the last five years, financial position of the last five years, and cash flow of the last five years is given in the following tables:

REVENUE AND RESULTS FROM OPERATIONS					
For the period or year ended					
Particulars	31 Dec 22	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18
Interest Income	346,744,598	252,821,725	204,945,091	215,395,289	129,003,873
Interest on deposits and borrowings etc.	183,910,407	118,416,351	78,052,933	78,706,218	8,133,593
Net Interest Income	162,834,191	134,405,374	126,892,158	136,689,071	120,870,280
Investment Income	28,481,234	36,438,469	34,365,808	11,298,487	1,258,051
Commission, exchange and brokerage	-	-	-	-	-
Other operating income	28,078,176	16,742,312	6,641,747	3,792,725	347,042
Total Operating Income	219,393,601	187,586,154	167,899,713	151,780,283	122,475,373
Total Operating Expenses	115,399,001	88,685,136	75,296,724	82,956,103	77,798,192
Operating Profit (Profit before Provision)	103,994,601	98,901,019	92,602,988	68,824,180	44,677,181
Total Provision for loans and investments	16,128,930	7,354,885	3,730,524	980,734	10,830,966
Total Profit before Taxation	87,865,671	91,546,134	88,872,464	67,843,446	33,846,215
Total Provision for Taxation	36,042,079	32,992,212	32,090,399	30,668,470	4,141,090
Net Profit after Taxation	51,823,592	58,553,922	56,782,065	37,174,976	29,705,125
Earnings per Share (EPS)	0.52	0.59	0.57	0.37	0.30

FINANCIAL POSITION					
As at					
Particulars	31 Dec 22	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18
Cash	32,583,401	30,879,811	16,853,410	20,924,832	9,031,812
Balance with other Banks and Financial Institutions	323,102,636	567,096,812	293,347,974	322,544,671	319,423,406
Money at Call on Short Notice	340,000,000	100,000,000	100,000,000	200,000,000	150,000,000
Investments	250,151,033	305,790,409	295,000,000	300,653,634	403,220
Loans and Advances/Investments	3,142,978,598	2,324,620,040	1,675,422,612	1,269,616,671	1,083,096,544
Fixed Assets including Premises, Furniture and Fixtures	58,020,820	54,188,298	62,591,721	83,661,295	13,711,310
Other Assets	72,500,303	81,722,410	62,729,291	47,045,107	51,064,244
Non-banking Assets	-	-	-	-	-
Total Assets	4,219,336,791	3,464,297,779	2,505,945,008	2,244,446,210	1,626,730,535
Borrowings from other Banks and Financial Institutions	204,353,683	7,750,000	4,750,000	140,000,000	100,000,000
Deposits and other Accounts	2,513,720,509	2,000,442,730	1,123,839,632	769,782,954	356,810,740
Other Liabilities	226,488,043	183,154,085	156,500,645	169,253,917	41,685,432
Total Liabilities	2,944,562,235	2,191,346,815	1,285,090,277	1,079,036,871	498,496,172
Total Shareholder's Equity	1,274,774,556	1,272,950,964	1,220,854,731	1,165,409,339	1,128,234,363
Total Liability and Shareholder's Equity	4,219,336,791	3,464,297,779	2,505,945,008	2,244,446,210	1,626,730,535

CHANGES IN EQUITY					
As at					
Particulars	31 Dec 22	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18
Paid-up Capital	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Share Premium	172,200,000	172,200,000	172,200,000	172,200,000	172,200,000
Statutory Reserves	46,807,935	36,443,217	24,732,433	13,376,020	5,941,025
General Reserves	-	-	-	-	-
Retained Earnings	55,766,621	64,307,747	23,922,298	(20,166,681)	(49,906,662)
Total Shareholder's Equity	1,274,774,556	1,272,950,964	1,220,854,731	1,165,409,339	1,128,234,363

CASH FLOWS					
As at					
Particulars	31 Dec 22	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18
Net Cash flow from/ used in operating activities	(196,229,257)	292,129,675	1,311,773	25,911,266	(722,275,004)
Net Cash flow from investing activities	47,334,987	(7,354,436)	670,108	(896,981)	(4,041,801)
Net Cash flow from financing activities	146,603,683	3,000,000	(135,250,000)	40,000,000	100,000,000
Net increase/(decrease) in cash and cash equivalents	(2,290,586)	287,775,239	(133,268,119)	65,014,285	(626,316,805)
Cash and cash equivalents at beginning of the year	697,976,623	410,201,384	543,469,503	478,455,218	1,104,772,023
Cash and cash equivalents at end of the year	695,686,037	697,976,623	410,201,384	543,469,503	478,455,218

(a) Internal and external sources of cash;

INTERNAL SOURCES OF CASH					
Particulars	31 Dec 22	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18
Paid-up Capital	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Share premium	172,200,000	172,200,000	172,200,000	172,200,000	172,200,000
Statutory Reserve	46,807,935	36,443,217	24,732,433	13,376,020	5,941,025
Retained Earnings	55,766,621	64,307,747	23,922,298	(20,166,681)	(49,906,662)
Sub-Total	1,274,774,556	1,272,950,964	1,220,854,731	1,165,409,339	1,128,234,363
EXTERNAL SOURCES OF CASH					
Particulars	31 Dec 22	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18
Borrowings from other Banks and Financial Institutions	204,353,683	7,750,000	4,750,000	140,000,000	100,000,000
Deposits and other Accounts	2,513,720,509	2,000,442,730	1,123,839,632	769,782,954	356,810,740
Sub-Total	2,718,074,192	2,008,192,730	1,128,589,632	909,782,954	456,810,740
Grand Total	3,992,824,927	3,287,233,134	2,349,444,363	2,075,192,293	1,585,045,103

(b) Any material commitments for capital expenditure and expected sources of funds for such expenditure;

The company has no material commitments for capital expenditure apart from its regular business operations.

(c) Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income;

Particular	31 Dec 22	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18
Interest Income	346,744,598	252,821,725	204,945,091	215,395,289	129,003,873
Interest on deposits and borrowings etc.	183,910,407	118,416,351	78,052,933	78,706,218	8,133,593
Total Operating Expenses	115,399,001	88,685,136	75,296,724	82,956,103	77,798,192
Net Profit after Tax	51,823,592	58,553,922	56,782,065	37,174,976	29,705,125

The company's interest income and expenses changed over the years due to changes in the interest rate. The total operating expenses of the company changed due to the variable nature of expenses related to NBFi operations. Net Profit after Tax over the years changed because of all the overall changes as well as provision requirements of the Company.

(d) Any seasonal aspects of the issuer's business;

There are no seasonal aspects of the issuer's business.

(e) Any known trends, events or uncertainties that may have material effect on the issuer's future business;

There are no such known trends, events or uncertainties that may affect the company's business. However, the business may be affected by the following uncertainties- natural disasters, political unrest, increased competition from new entrants etc.

(f) Any assets of the company used to pay off any liabilities;

None of the assets of the company was used to pay off any liabilities of the company.

(g) Any loan taken from or given to any related party or connected person of the issuer with details of the same;

The company did not give or receive any loan to any related party or connected person of the issuer.



(h) Any future contractual liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issuer;

AFPLC has no plan to enter into any contract creating future liabilities for the Company except for those that are created in the normal course of business activities.

(i) The estimated amount, where applicable, of future capital expenditure;

The Company has no plan for capital expenditure in the near future.

(j) Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities stating why the same was not paid prior to the issuance of the prospectus. Updated income tax status for the last 5 years or from commercial operation, which is shorter;

VAT: The VAT registration number of the Company is BIN No. 000654286-0101 under area Dhaka (North). There are no VAT liabilities of the Company till now.

Income Tax: The TIN number of the Company is 8137 8130 2183. Year wise income tax status of the Company is depicted below as per the audited accounts of December 31, 2022:

Assessment Year	Income Year	Income Tax Paid	Current Status
2022-2023	2021	34,358,907	Assessment completed
2021-2022	2020	33,164,930	Assessment completed
2020-2021	2019	31,654,282	Assessment completed
2019-2020	2018	4,499,327	Assessment completed
2018-2019	2017	243,249	Assessment completed

Note: For assessment year 2023-2024 and income year 2022 the Income Tax return is yet to be submitted.

Customs Duty or Other Tax Liability: There are no customs or other tax liabilities of the Company.



(k) Any financial commitment, including lease commitment, the company had entered into during the past five years or from commercial operation, which is shorter, giving details as to how the liquidation was or is to be effected;

Financial Commitments:

There have been no such financial commitments for the company during the past five years.

Lease Commitments:

Sl.	Name of Lessor(s)	Name of Office	Area (Sft.)	Rent per Sft. (BDT)	Monthly Amount (BDT)	Period of Lease	Liquidation
01	Dreamland Resorts Limited	Corporate Head Office	5,200	207.42	1,078,584	1 st October 2016-30 th September 2026 (10 years)	N/A
02	Akhtaruzzaman	Banani Branch	1,700	270	459,000	1 st January 2023-31 st December 2024 (2 years)	N/A

(l) Details of all personnel related schemes for which the company has to make provision for in future years;

Alliance Finance PLC considers its human resources the most valuable assets of the company and has been continuing to train, equip and groom fresh recruits to build a strong foundation. To enhance and advance the professional ability and knowledge of the employees, regular training programs are organized at different professional institutions. The Company provides a standard monthly salary package to its employee. In addition to that, there is an arrangement of following benefits for its employee:

- a. **Provident Fund:** The Company operates a Contributory Provident Fund for its permanent employees, provision for which are being made monthly as rules administered by a Board of Trustee in which eligible employees contribute @ 10% of Basic Salary. The company also makes equal contributions to the said Provident Fund. The contributions are managed separately from the Company's assets.
- b. **Gratuity:** The Company has introduced a non-funded gratuity scheme. Employees are entitled to gratuity benefits after completion of a minimum of 5 years of service with the Company. The gratuity is calculated on the last basic pay and is payable at the rate of one month's basic pay for each year of service completed.
- c. **Health Insurance Policy:** The purpose of the fund is to give benefits on accidental death of an employee.
- d. **Bonus:** In Each Eid, employees are given a festival Bonus equivalent to one month's basic salary. Besides, employees get another bonus of 20% of the basic salary on occasion of Bengali New Year.
- e. **Maternity Leave:** Female employees are eligible for maternity leave as per Government Rules.



(m) Break down of all expenses related to the public issue;

Particulars	Amount	Remarks	
A. Bangladesh Securities & Exchange Commission (BSEC) Fees: (Subject to BSEC IPO Rules)			
Application Fee	BDT 50,000	50,000	At actual
Consent Fee	0.40% on the IPO amount	1,200,000	At actual
B. Fees related to listing with each Stock Exchanges (DSE & CSE): (Subject to Listing Regulations)			
Prospectus Scrutiny Fee	BDT 50,000	100,000	
Initial Listing Fee	0.25% up to BDT 10 crore Paid-up Capital	500,000	Fees will be minimum BDT 50,000 and maximum BDT 10,000,000 for each exchange
	0.15% on the rest of Paid-up Capital	3,600,000	
Annual Listing Fee	0.05% on BDT 100 Crore; 0.02% on the rest of Paid-up Capital	1,120,000	(Total listing fee shall be minimum BDT 50,000 and maximum BDT 600,000 for each of the exchanges)
C. CDBL Fees and Expenses: (Subject to CDBL Regulations)			
Security Fee	BDT 500,000	500,000	At actual
Documentation Fee	BDT 2,500	2,500	At actual
Annual Fee	BDT 100,000	100,000	At actual
Connection Fee (1 year)	BDT 500 Per Month	6,000	At actual
Initial Public Offering Fee	0.015% of Issue size	45,000	At actual
D. Manager to the Issue Fees:			
Issue Management Fee	Maximum 2% of the IPO	2,800,000	0.93% of Issue Size
VAT on Issue Management Fee	15% on the total Issue Management Fee	420,000	At actual
E. IPO related Fees:			
Underwriting Commission	Maximum 1% of 35% of the IPO	1,050,000	1% of 35% of Issue Size
VAT on Underwriting Commission	15% on the total Underwriting Commission	157,500	At actual
Auditor Certification & Auditor Fee		1,250,000	At actual
VAT on Auditor Certification & Auditor Fee	15% of the total fee	187,500	At actual
F. Printing & Post-IPO Expenses:			
Publication of Prospectus	(Estimated 2,500 Copies)	700,000	(To be paid at actual)
Publication of Abridged Version of prospectus and notice in 4 National dailies		650,000	
Notice for prospectus, Subscription, Refund etc. in 4 National dailies		300,000	
Post Issue Manager fee, Data Processing and Share Software Charge		2,500,000	
Courier, Stationery and Other Expenses		2,761,500	
Total:		20,000,000	



- (n) If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission;**

Alliance Finance PLC has not revalued any assets thus far. As such it is not applicable for the company.

- (o) Where the issuer is a holding/subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary or holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor;**

There are no such transactions made between Alliance Finance PLC and its holding company within the last five years of the issuance of the prospectus.

- (p) Financial Information of Group Companies under common ownership by more than 50%: following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors:**

The Issuer has no Group Companies under common ownership.



- (q) Where the issuer is a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the prospectus stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer;

Declaration for Non-Banking Financial Institution

The Company declares that being a non-banking financial institution, it has adhered to and complied with all requirements of the relevant laws and regulatory requirements of its primary regulator Bangladesh Bank.

Sd/- Syed Ali Jowher Rizvi Chairman	Sd/- Sohana Rouf Chowdhury Director	Sd/- Lutfe Mawla Ayub Director	Sd/- Azeeza Aziz Khan Nominated Director of Summit Holdings Limited
Sd/- Farzanah Chowdhury Nominated Director of Green Delta Insurance Company Limited	Sd/- Fahima Akhter Nominated Director of Concept Knitting Limited	Sd/- Mohamed Azzam Ali Ahamat Nominated Director of People's Leasing & Finance PLC	Sd/- Rohan Pathirage Nominated Director of People's Leasing & Finance PLC
Sd/- Rajapaksa Pathirana Udesh Priyadarshana Gunawardena Nominated Director of People's Leasing & Finance PLC	Sd/- Shamindra Joseph Marcus Marcelline Nominated Director of People's Leasing & Finance PLC	Sd/- Michael Pradeep Amirthanayagam Nominated Director of People's Leasing & Finance PLC	Sd/- Don Nayanapriya Laksanda Gunawardena Nominated Director of People's Leasing & Finance PLC
Sd/- Abdur R. Chowdhury Independent Director	Sd/- Anita Ghazi Rahman Independent Director	Sd/- Muraheb Malik Chowdhury Independent Director	Sd/- Neaz Ahmed Independent Director

Sd/-
Kanti Kumar Saha
Chief Executive Officer

Place: Dhaka

Date: 16th March 2023



- (r) A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares;**

TO WHOM IT MAY CONCERN

AUDITORS' CERTIFICATE REGARDING ALLOTMENT OF SHARES OF LANKAN ALLINACE FINANCE LIMITED FOR ANY CONSIDERATION OTHERWISE THAN CASH

This is to certify that, as per the Company's statutory records and share registers, Lankan Alliance Finance Limited having corporate office at Laila Tower, Bangladesh. The Company has no allotment of shares as up to 31 December 2022 for consideration other than cash.

The Company has declared 5% stock dividend for the year ended 31 December 2022. However, related allotment and regulatory approval from RJSC is yet to complete.

This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 (as amended). It may be noted here that the statutory audit for the years 2018 & 2019 had been conducted by A. Qasem & Co., Chartered Accountants.

Dhaka, 17 April 2023

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants

- (s) Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public;**

TO WHOM IT MAY CONCERN

This is to declare that, to the best of our knowledge and belief, no material information has been suppressed which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

Kanti Kumar Saha
Chief Executive Officer

Place: Dhaka
Date: 16th March 2023



- (t) **Business strategies and future plans - projected financial statements shall be required only for companies not started commercial operation yet and authenticated by Chairman, two Directors, Managing Director, CFO, and Company Secretary;**

Business Strategies:

Alliance Finance PLC's overall mission is to deliver optimum value to its customers, employees, shareholders, and the nation and the business strategy is geared toward achieving this.

The policy has been to deliver optimum value in a manner that is consistent with the highest levels of fairness and transparency. For AFPLC, it has not been a case of building financial value and enhancing the bottom line at any cost, but rather participating in a process of creating value through fair and ethical means. The Company has strived to maintain sound asset quality and an adequate capital base, and its 0.24% NPL ratio in 2022 is proof of its excellent governance, especially given the current situation of the industry and economy.

Some of the measures taken to create, sustain and deliver optimum value are as follows:

- **Maintaining capital adequacy**

Capital adequacy symbolizes the financial strength and stability of the company. It limits the extent up to which the company can expand their business in terms of risk-weighted assets. Like all commercial institutions, FIs too constantly look at ways of expanding their operations by opening branches, in addition to mobilizing deposits, providing loans and making prudent investments in other assets.

Regulatory capital requirements are therefore necessary to prevent FIs from expanding beyond their ability to manage and improve the quality of their assets, control the ability of the FIs to leverage their growth and lead to higher earnings on assets, leading to peace of mind for all the stakeholders. As of 31st December 2022, the company's CAR stood at 43.24%, which is well above the requirements of Bangladesh Bank.

- **Maintaining liquidity**

The liquidity policy of the company has always been to carry a positive mismatch in the interest-earning assets and interest-bearing liabilities. AFPLC has an Asset Liability Manual (ALM) developed in line with Bangladesh Bank guidelines and the Assets Liability Management Committee (ALCO) monitors the situation and maintains a satisfactory trade-off between liquidity and profitability. The Company's liquidity position has been on an improving trend over the last three years, with the SLR ratio well above the 5% required.

- **Sustainable Expansion**

With the ever-changing and advancing needs of people at individual levels, AFPLC aims to sustainably develop and expand its network of branches with the focus on delivering quality customer service with the utmost compassion. The retail strategy of Alliance Finance is based on network expansion, building product differentiators, customer segmentation and sales effectiveness.



- **Embracing Financial Technology**

Alliance Finance PLC is committed to being at the forefront of the technological revolution by utilizing fintech to provide innovative and groundbreaking new products and services. The company is currently in the process of launching a new app-based product called "nano loan" that targets the unbanked and low-income population, with the goal of accelerating financial inclusion in Bangladesh. To develop this initiative, AFPLC has partnered with CASHe Alliance Limited (CASHe). The nano loan application will offer affordable and instantaneous credit to millions of unbanked, digital-first customers.

- **Sustainable Financing and CSR**

Alliance Finance PLC has been prioritizing Sustainable Financing since its inception. The Company adopted CSR and Green Financing practices and activities from the very beginning of its journey. Till now, the Company has contributed a substantial amount towards CSR activities across multiple sectors.

AFPLC will look at future opportunities to partner with other development organizations in CSR activities. As per the decision taken at the Board Meeting dated June 2022, AFPLC made a donation to SAJIDA Foundation to support school-aged children in accessing education under SAJIDA's Urban Development Initiative (SUDIN).

AFPLC donated medical equipment "Biochemistry Analyzer" to Marie Stopes Bangladesh (MSB). MSB is a leading NGO. AFPLC signed an MOU with the Centre for Climate Change and Environmental Research (C3ER), BRAC University to enhance youth involvement and develop knowledge and capacity for climate change adaptation and mitigation.

Future Plans:

- Establish AFPLC as a leading NBFIs of the country offering all kinds of NBFIs, wealth management, and capital market services to cater to all kinds of financial needs of the customers.
- Grow the company with strong footing along with the subsidiaries ensuring investment banking services, asset management, and stock brokerage which will boost up revenue growth of AFPLC and strengthen its market positioning.
- Be the market leader in the emerging fintech product space, particularly the e-wallet segment of retail customers.

Projected Financial Statements: The company started its commercial operations on June 06, 2017; therefore, such information is not applicable for Alliance Finance PLC.

(u) Discussion on the results of operations shall inter-alia contain the following:

(1) A summary of the past financial results after adjustments as given in the auditor's report containing significant items of income and expenditure;

Particular	31 Dec 22	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18
Interest Income	346,744,598	252,821,725	204,945,091	215,395,289	129,003,873
Interest on deposits and borrowings etc.	183,910,407	118,416,351	78,052,933	78,706,218	8,133,593
Net Interest Income	162,834,191	134,405,374	126,892,158	136,689,071	120,870,280
Investment Income	28,481,234	36,438,469	34,365,808	11,298,487	1,258,051
Commission, exchange and brokerage	-	-	-	-	-
Other operating income	28,078,176	16,742,312	6,641,747	3,792,725	347,042
Total Operating Income	219,393,601	187,586,154	167,899,713	151,780,283	122,475,373
Total Operating Expenses	115,399,001	88,685,136	75,296,724	82,956,103	77,798,192
Operating Profit (Profit before Provision)	103,994,601	98,901,019	92,602,988	68,824,180	44,677,181
Total Provision for loans and investments	16,128,930	7,354,885	3,730,524	980,734	10,830,966
Total Profit before Taxation	87,865,671	91,546,134	88,872,464	67,843,446	33,846,215
Total Provision for Taxation	36,042,079	32,992,212	32,090,399	30,668,470	4,141,090
Net Profit after Taxation	51,823,592	58,553,922	56,782,065	37,174,976	29,705,125
Earnings per Share (EPS)	0.52	0.59	0.57	0.37	0.30

(2) A summary of major items of income and expenditure;

Major items of income:

Particular	31 Dec 22	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18
Interest Income	346,744,598	252,821,725	204,945,091	215,395,289	129,003,873
Investment Income	28,481,234	36,438,469	34,365,808	11,298,487	1,258,051
Commission, exchange and brokerage	-	-	-	-	-
Other Operating Income	28,078,176	16,742,312	6,641,747	3,792,725	347,042

Major items of Expenditure:

Particular	31 Dec 22	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18
Interest on deposits and borrowings etc.	183,910,407	118,416,351	78,052,933	78,706,218	8,133,593
Total Operating Expenses	115,399,001	88,685,136	75,296,724	82,956,103	77,798,192
Total Provision for loans and investments	16,128,930	7,354,885	3,730,524	980,734	10,830,966

(3) The income and sales on account of major products or services;

Particular	31 Dec 22	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18
Interest Income	346,744,598	252,821,725	204,945,091	215,395,289	129,003,873
Investment Income	28,481,234	36,438,469	34,365,808	11,298,487	1,258,051
Commission, exchange and brokerage	-	-	-	-	-
Net Profit after Taxation	51,823,592	58,553,922	56,782,065	37,174,976	29,705,125

(4) In case, other income constitutes more than 10% of the total income, the breakup of the same along with the nature of the income, i.e., recurring or non-recurring;

The other incomes of AFPLC do not constitute more than 10% of the total income (Interest Income and Investment Income and Other Income) of the company; not applicable for AFPLC.

(5) If a material part of the income is dependent upon a single customer or a few major customers, disclosure of this fact along with relevant data. Similarly, if any foreign customer constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations;

The material part of the income of Alliance Finance PLC is not dependent upon a single customer or a few major customers nor any foreign customers.

(6) In case the issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed.

The issuer has not followed any unorthodox procedure for recording sales and revenues.

- (v) Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure, inter-alia, containing the following:

Particular	31-Dec-22	% Change	31-Dec-21	% Change	31-Dec-20	% Change	31-Dec-19	% Change	31-Dec-18
Interest Income	346,744,598	37%	252,821,725	23%	204,945,091	(5%)	215,395,289	67%	129,003,873
Interest on deposits and borrowings etc.	183,910,407	55%	118,416,351	52%	78,052,933	(1%)	78,706,218	868%	8,133,593
Net Interest Income	162,834,191	21%	134,405,374	6%	126,892,158	(7%)	136,689,071	13%	120,870,280
Investment Income	28,481,234	(22%)	36,438,469	6%	34,365,808	204%	11,298,487	798%	1,258,051
Commission, exchange and brokerage	-	-	-	-	-	-	-	-	-
Other operating income	28,078,176	68%	16,742,312	152%	6,641,747	75%	3,792,725	993%	347,042
Total Operating Income	219,393,601	17%	187,586,154	12%	167,899,713	11%	151,780,283	24%	122,475,373
Total Operating Expenses	115,399,001	30%	88,685,136	18%	75,296,724	(9%)	82,956,103	7%	77,798,192
Operating Profit (Profit before Provision)	103,994,601	5%	98,901,019	7%	92,602,988	35%	68,824,180	54%	44,677,181
Total Provision for loans and investments	16,128,930	119%	7,354,885	97%	3,730,524	280%	980,734	(91%)	10,830,966
Total Profit before Taxation	87,865,671	(4%)	91,546,134	3%	88,872,464	31%	67,843,446	100%	33,846,215
Total Provision for Taxation	36,042,079	9%	32,992,212	3%	32,090,399	5%	30,668,470	641%	4,141,090
Net Profit after Taxation	51,823,592	(11%)	58,553,922	3%	56,782,065	53%	37,174,976	25%	29,705,125
Earnings per Share (EPS)	0.52	(12%)	0.59	4%	0.57	54%	0.37	23%	0.30



- **Causes for Changes in Net Interest Income**

The overall Net Interest Income of the Company changed over the years due to the change in interest rates on deposits and lending.

- **Causes for Changes in Total Operating Income:**

The Total Operating Income of AFPLC has changed over the years due to changes in the Net Interest Income and Investment Income and Other Income. Fluctuations in the values of Investment Income are a result of shifting market conditions with the recent economic scenario playing a major role in lowering Investment income in the latest periods. However, there was an increase in the Other Incomes due to the introduction of the incomes from Structured Finance department.

- **Causes for Changes in Total Operating Expenses:**

The Total Operating Expenses of the company have changed over the years due to changes in the fixed and variable-based expenses related to the operation of the Company.

- **Causes for Changes in Profit before Tax & Net Profit after Tax:**

Based on the changes in Net Interest Income, Investment Income, Total Operating Expenses, and provision requirements, the Profit before Taxation and Net Profit after Taxation have changed over the years. In 2019, AFPLC's Provision for Taxation increased by almost 650% compared to the previous year, while the Provision for Loans and Investments increased by 280% in 2020 compared to 2019 because of increase in loans portfolio. Regardless, the Company has managed to stay profitable in subsequent years. However, recent turbulent economic conditions in the country and around the world have put pressure on the company's profits, leading to tighter margins.

(1) Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.

There were no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.

(2) Significant economic changes that materially affect or are likely to affect income from continuing operations;

There were no significant economic changes that materially affect or are likely to affect income from continuing operations.

(3) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations;

At present, there are no known trends, events and/or uncertainties that could have a material impact on the company's future business except those which are naturally beyond the control of humans.

The business operation of AFPLC may be affected by the following uncertainties:

- Increased competition from new entrants
- Political unrest
- Natural disaster
- Global Recession



(4) Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known;

AFPLC's main revenue is generated from the loans and investments made by the Company. On the other hand, the major cost of revenue includes the interest paid to the depositors. In future, interest rates can change due to the intervention of the regulators or based on the gap between demand and supply of funds. Any kind of change in the cost (interest paid to depositors) is adjusted in the revenue (interest income).

(5) The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices;

AFPLC was able to increase its revenues in recent years due to increased income from its new Structured Finance Department which has been able to initiate several new projects including Investment Promotion and Financing Facility II (IPFF II) projects in collaboration with the Government of Bangladesh and the World Bank.

However, this increase in revenue has been squeezed because of changing interest rates, increased cost of borrowings and turbulent market conditions which has decreased Net Interest Income and Investment Income of the Company.

(6) Total turnover of each major industry segment in which the issuer operated;

Considering the business nature of AFPLC, the company is operating in the NBFIs sector of Bangladesh. The data for the year 2022 has not been published yet. The total turnover (Interest Income and Investment Income) of the NBFIs industry for the year ended December 31, 2021 is as follows.

Particulars	(Amount in Billion BDT)
Interest Income	59.4
Investment Income	3.7
Non-Interest Income	7.2

Source: Bangladesh Bank Financial Stability Report, 2021

(7) Status of any publicly announced new products or business segment;

AFPLC is planning to introduce an app-based lending platform under a strategic alliance with CASH. The platform will be able to instantly underwrite and disburse short-term personal loans, primarily to people who may not have a formal credit history or bank account or are in need of emergency financial services.

(8) The extent to which the business is seasonal.

The business of AFPLC does not depend on any seasonal aspects.



(w) Defaults or rescheduling of borrowings with financial situations/ banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc. during the history of operation of the company;

AFPLC has neither rescheduled its borrowings with financial institutions/banks nor converted its loans into equity. There has been no lock outs, strikes etc. during the history of operation of the company.

(x) Details regarding the changes in the activities of the issuer during the last five years which may had a material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors;

Alliance Finance PLC has introduced the following new business ventures other than convention NBFIs products and services in Bangladesh in the last five years namely:

(a) Structured Finance Department

(y) Injunction or restraining order, if any, with possible implications;

Alliance Finance PLC did not receive any injunction or restraining from any competent authority or regulatory body.

(z) Technology, market, managerial competence and capacity built-up;

Technology:

The use of information technology, including MIS, is at the deployment stage. Necessary IT support is being provided by the AFPLC IT team. AFPLC's IT infrastructure has the necessary hardware and software, such as PCs, laptops, backup power UPS, Core Banking Solutions EFS, Office 365 software, CIB software, e-KYC, EDS Money, RTGS, EC Portal, etc. The Core Banking Solution EFS has been fully operational since June 2022. The Company is currently using three Dell 740 servers for CBS, e-KYC, active directory, file server, print server etc. It uses Microsoft Hyper-V technology, Cisco switches as distribution switch for user workstations, and a Mikrotik router as a gateway for the Internet. Additionally, the Company has implemented Fortinet Firewall and Cisco Router. In 2019, AFPLC established a Board-approved ICT policy to handle all technological operations. The Company is also in the process of setting up a disaster recovery site as part of its Business Continuity Plan (BCP) and taking scheduled database backups from one server to another.

Furthermore, AFPLC is planning to introduce an app-based lending platform under a strategic alliance with CASH. The platform will be able to instantly underwrite and disburse short-term personal loans, primarily to people who may not have a formal credit history or bank account or are in need of emergency financial services.

As part of the technical adaptation, AFPLC aims to increase security awareness among its customers more frequently than before to ensure their safety throughout the digitalization journey.



Market for products and services:

AFPLC serves the local market through providing loans, deposits and other structured financial solutions.

Managerial Competence:

The management team of AFPLC, headed by the Chief Executive Officer, Mr. Kanti Kumar Saha, consists of highly qualified, trained, and skilled professionals who are well experienced and extremely devoted to the optimal operation of the Company.

The expert team of AFPLC includes a good number of professionals from various disciplines and are seasoned and experienced enough to head and operate each of the different departments for optimal service to fulfill the demand of target customers. Successive strong financial performance is the result of unwavering commitment of the promoters, management efficiency, employees' sincerity, and use of appropriate technology, among others.

Capacity built-up:

Alliance Finance PLC is a Joint Venture Financial Institution operating in the NBFIs industry of Bangladesh. The capacity or earning efficiency of the NBFIs sector depends on less costly deposit mobilization and investment in promising sectors which results in the highest yield. The core products of AFPLC are:

- (1) Several Deposit products (usually collected from customers & other Banks & FIs)
- (2) Several Loans & Advances & Investment products
- (3) Several Structured Finance products

Alliance Finance PLC generates its revenue through the following steps:

- (1) Investment in profit-earning segments of Loans & Advances while complying with the instructions provided by Bangladesh Bank
- (2) Generate several fee-based incomes based on products & services.
- (3) Active participation in the capital market
- (4) Structuring projects that include syndication and fund arrangement such as IPFF II fund arrangement projects.

(aa) Changes in accounting policies in the last three years;

There were no changes in accounting policies in the last three years.



(bb) Significant developments subsequent to the last financial year: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the red-herring prospectus or prospectus or information memorandum and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months;

DECLARATION REGARDING SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

In our opinion, there have no such circumstances arisen since the date of the last financial statements as disclosed in the prospectus which materially and adversely affect or are likely to affect the trading or profitability of the Alliance Finance PLC or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Sd/- Syed Ali Jowher Rizvi Chairman	Sd/- Sohana Rouf Chowdhury Director	Sd/- Lutfе Mawla Ayub Director	Sd/- Azeeza Aziz Khan Nominated Director of Summit Holdings Limited
Sd/- Farzanah Chowdhury Nominated Director of Green Delta Insurance Company Limited	Sd/- Fahima Akhter Nominated Director of Concept Knitting Limited	Sd/- Mohamed Azzam Ali Ahamat Nominated Director of People’s Leasing & Finance PLC	Sd/- Rohan Pathirage Nominated Director of People’s Leasing & Finance PLC
Sd/- Rajapaksa Pathiranage Udesh Priyadarshana Gunawardena Nominated Director of People’s Leasing & Finance PLC	Sd/- Shamindra Joseph Marcus Marcelline Nominated Director of People’s Leasing & Finance PLC	Sd/- Michael Pradeep Amirthanayagam Nominated Director of People’s Leasing & Finance PLC	Sd/- Don Nayanapriya Laksanda Gunawardena Nominated Director of People’s Leasing & Finance PLC
Sd/- Abdur R. Chowdhury Independent Director	Sd/- Anita Ghazi Rahman Independent Director	Sd/- Muraheb Malik Chowdhury Independent Director	Sd/- Neaz Ahmed Independent Director
Sd/- Kanti Kumar Saha Chief Executive Officer			

Date: 16th March 2023



- (cc) If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the prospectus or information memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer or information memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer;**

There is no such requirement at the moment.

- (dd) Factors that may affect the results of operations.**

Financial Market condition i.e., money and capital market, monetary policy of Bangladesh Bank, political unrest, etc. may affect the results of operations.



SECTION (VII)
(B)(6)

**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF
OPERATIONS**

SECTION CONTENTS	
(a)	Overview of business and strategies;
(b)	Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis;
(c)	Analysis of the financial statements of last five years;
(d)	Known trends demands, commitments, events or uncertainties that are likely to have an effect on the company's business;
(e)	Trends or expected fluctuations in liquidity;
(f)	Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition;



Overview of business and strategies;

(B)(6)(a)

Alliance Finance PLC's overall mission is to deliver optimum value to its customers, employees, shareholders, and the nation and the business strategy is geared toward achieving this.

The policy has been to deliver optimum value in a manner that is consistent with the highest levels of fairness and transparency. For AFPLC, it has not been a case of building financial value and enhancing the bottom line at any cost, but rather participating in a process of creating value through fair and ethical means. The Company has strived to maintain sound asset quality and an adequate capital base, and its 0.24% NPL ratio in 2022 is proof of its excellent governance, especially given the current situation of the industry and economy.

Some of the measures taken to create, sustain and deliver optimum value are as follows:

- **Maintaining capital adequacy**

Capital adequacy symbolizes the financial strength and stability of the company. It limits the extent up to which the company can expand their business in terms of risk-weighted assets. Like all commercial institutions, FIs too constantly look at ways of expanding their operations by opening branches, in addition to mobilizing deposits, providing loans and making prudent investments in other assets.

Regulatory capital requirements are therefore necessary to prevent FIs from expanding beyond their ability to manage and improve the quality of their assets, control the ability of the FIs to leverage their growth and lead to higher earnings on assets, leading to peace of mind for all the stakeholders. As of 31st December 2022, the company's CAR stood at 43.24%, which is well above the requirements of Bangladesh Bank.

- **Maintaining liquidity**

The liquidity policy of the company has always been to carry a positive mismatch in the interest-earning assets and interest-bearing liabilities. AFPLC has an Asset Liability Manual (ALM) developed in line with Bangladesh Bank guidelines and the Assets Liability Management Committee (ALCO) monitors the situation and maintains a satisfactory trade-off between liquidity and profitability. The Company's liquidity position has been on an improving trend over the last three years, with the SLR ratio well above the 5% required.

- **Sustainable Expansion**

With the ever-changing and advancing needs of people at individual levels, AFPLC aims to sustainably develop and expand its network of branches with the focus on delivering quality customer service with the utmost compassion. The retail strategy of Alliance Finance is based on network expansion, building product differentiators, customer segmentation and sales effectiveness.

- **Embracing Financial Technology**

Alliance Finance PLC is committed to being at the forefront of the technological revolution by utilizing fintech to provide innovative and groundbreaking new products and services. The company is currently in the process of launching a new app-based product called



"nano loan" that targets the unbanked and low-income population, with the goal of accelerating financial inclusion in Bangladesh. To develop this initiative, AFPLC has partnered with CASHe Alliance Limited (CASHe). The nano loan application will offer affordable and instantaneous credit to millions of unbanked, digital-first customers.

• **Sustainable Financing and CSR**

Alliance Finance PLC has been prioritizing Sustainable Financing since its inception. The Company adopted CSR and Green Financing practices and activities from the very beginning of its journey. Till now, the Company has contributed a substantial amount towards CSR activities across multiple sectors.

AFPLC will look at future opportunities to partner with other development organizations in CSR activities. As per the decision taken at the Board Meeting dated June 2022, AFPLC donated to SAJIDA Foundation to support school-aged children in accessing education under SAJIDA’s Urban Development Initiative (SUDIN).

AFPLC donated medical equipment “Biochemistry Analyzer” to Marie Stopes Bangladesh (MSB). MSB is a leading NGO. AFPLC signed an MOU with the Centre for Climate Change and Environmental Research (C3ER), BRAC University to enhance youth involvement and develop knowledge and capacity for climate change adaptation and mitigation.

Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis; (B)(6)(b)

Strengths	Weaknesses
<ul style="list-style-type: none"> ▪ Strong capital base, asset quality and liquidity ▪ Renowned local sponsors with impeccable records and proven goodwill ▪ Proven track record of Joint Venture partner ▪ Professional board and excellent corporate governance ▪ Highly efficient and experienced management team 	<ul style="list-style-type: none"> ▪ Limited core business and credit portfolio ▪ Credit and deposit concentration risk ▪ IT infrastructure at developing stage ▪ Unable to reach certain areas due to limited number of branches ▪ Low market share ▪ Slim profit margin
Opportunities	Threats
<ul style="list-style-type: none"> ▪ Positive economic outlook ▪ Variety of digital products and services ▪ Utilizing IT-driven practices 	<ul style="list-style-type: none"> ▪ Highly competitive market ▪ Threat of new entrants ▪ Changing of stakeholders’ needs and demand for services ▪ Lack of public confidence on the sector ▪ Regulatory changes

Analysis of the financial statements of last five years with reason(s) of fluctuating revenue/sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense; changes of inventories, net profit before & after tax, EPS etc;

(B)(6)(c)

Particular	31-Dec-22	% Change	31-Dec-21	% Change	31-Dec-20	% Change	31-Dec-19	% Change	31-Dec-18
Interest Income	346,744,598	37%	252,821,725	23%	204,945,091	(5%)	215,395,289	67%	129,003,873
Interest on deposits and borrowings etc.	183,910,407	55%	118,416,351	52%	78,052,933	(1%)	78,706,218	868%	8,133,593
Net Interest Income	162,834,191	21%	134,405,374	6%	126,892,158	(7%)	136,689,071	13%	120,870,280
Investment Income	28,481,234	(22%)	36,438,469	6%	34,365,808	204%	11,298,487	798%	1,258,051
Commission, exchange and brokerage	-	-	-	-	-	-	-	-	-
Other operating income	28,078,176	68%	16,742,312	152%	6,641,747	75%	3,792,725	993%	347,042
Total Operating Income	219,393,601	17%	187,586,154	12%	167,899,713	11%	151,780,283	24%	122,475,373
Total Operating Expenses	115,399,001	30%	88,685,136	18%	75,296,724	(9%)	82,956,103	7%	77,798,192
Operating Profit (Profit before Provision)	103,994,601	5%	98,901,019	7%	92,602,988	35%	68,824,180	54%	44,677,181
Total Provision for loans and investments	16,128,930	119%	7,354,885	97%	3,730,524	280%	980,734	(91%)	10,830,966
Total Profit before Taxation	87,865,671	(4%)	91,546,134	3%	88,872,464	31%	67,843,446	100%	33,846,215
Total Provision for Taxation	36,042,079	9%	32,992,212	3%	32,090,399	5%	30,668,470	641%	4,141,090
Net Profit after Taxation	51,823,592	(11%)	58,553,922	3%	56,782,065	53%	37,174,976	25%	29,705,125
Earnings per Share (EPS)	0.52	(12%)	0.59	4%	0.57	54%	0.37	23%	0.30



- **Causes for Changes in Net Interest Income**

The overall Net Interest Income of the Company changed over the years due to the change in interest rates and increased rate of borrowings.

- **Causes for Changes in Total Operating Income**

The Total Operating Income of AFPLC has changed over the years due to changes in the Net Interest Income and Investment Income. Fluctuations in the values of Investment Income is a result of shifting market conditions with the recent economic scenario playing a major role in lowering Investment incomes in the latest periods.

- **Causes for Changes in Total Operating Expenses**

The Total Operating Expenses of the company have changed over the years due to changes in the fixed and variable-based expenses related to the operation of the bank.

- **Causes for Changes in Profit before Tax, Net Profit after Tax**

Based on the changes in Net Interest Income, Investment Income, Total Operating Expenses, and provision requirements, the Profit before Taxation and Net Profit after Taxation have changed over the years. In 2019, AFPLC's Provision for Taxation increased by almost 650% compared to the previous year, while the Provision for Loans and Investments increased by 280% in 2020 compared to 2019 because of increase in loans portfolio. Regardless, the Company has managed to stay profitable in subsequent years. However, recent turbulent economic conditions in the country and around the world have put pressure on the company's profits, leading to tighter margins.

Known trends, demands, commitments, events or uncertainties that are likely to have an effect on the company's business;

(B)(6)(d)

There are no such known trends, demands, commitments, events, or uncertainties that are likely to influence the company's business. However, the business may have the following uncertainties- natural disaster, political unrest, increased competition etc.

Trends or expected fluctuations in liquidity;

(B)(6)(e)

There are no such trends or expected fluctuations in liquidity for AFPLC.

Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition;

(B)(6)(f)

There are no off-balance sheet arrangements those have or are likely to have a current or future effect on financial condition.



**SECTION (VIII)
(B)(7)**

DIRECTORS AND OFFICERS

SECTION CONTENTS

(a)	Name, father's name, age, residential address, educational qualification, experience and position of each of the directors of the company and any person nominated or represented to be a director
(b)	The date on which he first became a director and the date on which his current term of office shall expire
(c)	Directors having any type of interest in other businesses, names and types of business of such organizations
(d)	Statement of the directors of the issuer if any of them are associated with the securities market in any manner.
(e)	Family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers
(f)	A very brief description of other businesses of the directors
(g)	Short bio-data of each director
(h)	Loan status of the issuer, its directors and shareholders who hold 10% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank;
(i)	Name with position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the Chief Executive Officer, Managing Director, Chief Financial Officer, Company Secretary, Advisers, Consultants and all Departmental Heads
(j)	Changes in the key management persons during the last three years
(k)	A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions/posts held in the past, directorship held, other ventures of each sponsor and present position
(l)	If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.
(m)	If the sponsors or directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out or managed
(n)	Interest of the key management persons
(o)	All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary
(p)	Number of shares held and percentage of shareholding (pre issue)
(q)	Change in board of directors during last three years
(r)	Director's engagement with similar business

Name, father's name, age, residential address, educational qualification, experience and position of each of the directors of the company and any person nominated or represented to be a director

(B)(7)(a)

Sl. No.	Name	Father's Name	Age	Residential Address	Educational Qualification	Experience	Position
1.	Syed Ali Jowher Rizvi	S N H Rizvi	68	House # 15, Road # 117, Gulshan - 1, Dhaka - 1212	MBA	46 years	Chairman
2.	Sohana Rouf Chowdhury	Abdur Rouf Chowdhury	45	House No. CEN (H) 44, Road No. 113, Gulshan, Dhaka - 1212	B. Sc.	13 years	Director
3.	Lutfe Mawla Ayub	Mahmudul Huq	70	House # 3, Road # 2, Zakir Hossain Road, Khulshi, Chittagong	B.A. (Hons)	42 years	Director
4.	Azeeza Aziz Khan (Representative of Summit Holdings Limited)	Muhammed Aziz Khan	37	House # 15/C, Road # 2, Dhaka Cantonment, Dhaka - 1206	ACCA, B. Sc.	12 years	Nominated Director
5.	Farzanah Chowdhury (Representative of Green Delta Insurance Company Limited)	Nasiruddin Ahmad Chowdhury	54	House # 5, Road # 82, Gulshan - 2, Dhaka - 1212	ACII	25 Years	Nominated Director
6.	Fahima Akhter (Representative of Concept Knitting Limited)	M A Sabur	47	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka	MBA	20 years	Nominated Director
7.	Mohamed Azzam Ali Ahamat (Representative of People's Leasing & Finance PLC)	Tuan Mirza Vazeer Ahamat	42	420/46, Sunethradevi Road, Kohuwela	FCMA (UK), FCCA (UK), CPA (Australia)	18 years	Nominated Director
8.	Rohan Pathirage (Representative of People's Leasing & Finance PLC)	Pathirage Leslie Perera	58	127/1 VGA Jayawardena Mawatha, Kandy Road, Kadawatha	MBA	25 years	Nominated Director
9.	Rajapaksa Pathirana Udesch Priyadarshana Gunawardena	R. P. Gunawardena	52	90/8, Ragama Road, Kadwatha	ACA, CIA, ACMA	25 Years	Nominated Director

Sl. No.	Name	Father's Name	Age	Residential Address	Educational Qualification	Experience	Position
	(Representative of People's Leasing & Finance PLC)						
10.	Shamindra Joseph Marcus Marcelline (Representative of People's Leasing & Finance PLC)	Hillaire Marcus Marcelline	49	60/9, Madinnagoda Road, Rajagiriya	FAIQ (UK), B. Sc.	25 years	Nominated Director
11.	Michael Pradeep Amirthanayagam (Representative of People's Leasing & Finance PLC)	Gratien Andre Premraj Amirthanayagam	60	107/38, Shalawa Road, Mirihana, Nugegoda	FCIM UK, CIMA Professional Stage 1	35	Nominated Director
12.	Don Nayanapriya Laksanda Gunawardena (Representative of People's Leasing & Finance PLC)	J. Gunawardena	51	No. 15, Sri Nagavihara Road, Pagoda, Nugegoda	MA Business Administration, MSc. Strategic Marketing, Certified Professional Marketer, CMA (Australia)	28	Nominated Director
13.	Abdur R. Chowdhury	Abdul Halim Chowdhury	70	House: 10, Road: 20/B, Sector: 4, Uttora, Dhaka	PhD in Economics, University of Kentucky, Masters in Economics, University of Dhaka	40	Independent Director
14.	Anita Ghazi Rahman	Mujibur Rahman	43	Apartment: 3E, Plot no: NW (K) 12,, Road no: 50, Gulshan 2, Dhaka-1212	Bar Vocational Course College Of Law, London LL.B. (Honours), University College London (UCL)	20	Independent Director



Sl. No.	Name	Father's Name	Age	Residential Address	Educational Qualification	Experience	Position
15.	Muraheb Malik Chowdhury	Masih Malik Chowdhury	39	House 32, Road 9/A, Flat 3/B, Dhanmondi, Dhaka-1207	FCA (BD), FCA (England & Wales), FCCA (UK)	20	Independent Director
16.	Neaz Ahmed	Borhan Uddin Ahmed	69	House: 17, Road: 65, Gulshan 2, Dhaka-1212	M.A (Economics, D.U.), A.C.I.B (London), D.A.I.B.B.	37	Independent Director
17.	Kanti Kumar Saha	Monoranjan Saha	59	Apt: D4, House: 21, Road: 1, Dhanmondi, Dhaka 1205	MA in Economics	31	Chief Executive Officer

Note: The appointment of Independent Directors is under process.



The date on which he became a director and the date on which his current term of office shall expire; **(B)(7)(b)**

Sl. No.	Name of the Director	Position	Date of becoming Director for the first time	Date of Expiration of Current Term (Tentative)
1.	Syed Ali Jowher Rizvi	Chairman	6-Dec-16	16-Mar-25
2.	Sohana Rouf Chowdhury	Director	6-Dec-16	15-Jul-25
3.	Lutfe Mawla Ayub	Director	12-Apr-17	22-Sep-24
4.	Azeeza Aziz Khan (Representative of Summit Holdings Limited)	Nominated Director	25-Jun-18	16-Mar-26
5.	Farzanah Chowdhury (Representative of Green Delta Insurance Company Limited)	Nominated Director	12-Apr-17	22-Sep-24
6.	Fahima Akhter (Representative of Concept Knitting Limited)	Nominated Director	12-Apr-17	22-Sep-24
7.	Mohammed Azzam Ali Ahamat (Representative of People's Leasing & Finance PLC)	Nominated Director	16-Oct-19	22-Sep-24
8.	Rohan Pathirage (Representative of People's Leasing & Finance PLC)	Nominated Director	15-Jul-20	15-Jul-25
9.	Rajapaksa Pathirana Udesh Priyadarshana Gunawardena (Representative of People's Leasing & Finance PLC)	Nominated Director	30-09-20	16-Mar-26
10.	Shamindra Joseph Marcus Marcelline (Representative of People's Leasing & Finance PLC)	Nominated Director	28- Dec-20	16-Mar-26
11.	Michael Pradeep Amirthanayagam (Representative of People's Leasing & Finance PLC)	Nominated Director	16-Mar-23	16-Mar-26
12.	Don Nayanapriya Laksanda Gunawardena (Representative of People's Leasing & Finance PLC)	Nominated Director	16-Mar-23	16-Mar-26
13.	Abdur R. Chowdhury	Independent Director		
14.	Anita Ghazi Rahman	Independent Director		
15.	Muraheb Malik Chowdhury	Independent Director		
16.	Neaz Ahmed	Independent Director		
17.	Kanti Kumar Saha	Chief Executive Officer	-	-

Note: The appointment of Independent Directors is under process.



If any Directors having any type of interest in other businesses, names and types of business of such organizations

(B)(7)(c)

1. Syed Ali Jowher Rizvi, Chairman

Businesses	Type	Position
Alliance Holdings Limited	Conglomerate	Chairman & Shareholder
PEB Steel Alliance Limited	Steel building manufacturing	Director and shareholder
Alliance Building Materials Limited	Construction	Chairman and Shareholder
PEB Steel Bangladesh Limited	Steel building manufacturing	Managing Director and Shareholder
Alliance Equities Limited	Brokerage	Chairman and Shareholder
Alliance Oil Limited	Crude oil manufacturing	Chairman and Shareholder
Summit Alliance Port Limited	Off-dock services	Managing Director and Shareholder
Alliance Petroleum Corporation Limited	Crude oil manufacturing	Chairman and Shareholder
Oriental Oil Company Limited	Crude oil manufacturing	Chairman (Nominated by Alliance Holdings Limited) and Shareholder
Union Accessories Limited	Garment accessories and export	Chairman and Shareholder
Union Knitting and Dyeing Limited	Knit fabrics and RMG	Chairman and Shareholder
Cashe Alliance Limited	FinTech	Chairman and Shareholder
Ispahani Summit Alliance Terminals Limited	Off-dock services	Director (Nominated by Alliance Holdings Limited)
Fountain Garments Manufacturing Limited	Garments manufacturing	Director and Shareholder

2. Sohana Rouf Chowdhury, Director

Businesses	Type	Position
Ranks Motors Limited	Automobile	Managing Director
Ranks Commercial Vehicle Limited	Automobile	Director
Ranks Motors Workshop Limited	Automotive repairs	Managing Director
Ranks Interiors Limited	Interior design	Managing Director
Ranks Food & Beverage Limited	F&B	Director
Ranks Real Estate Limited	Real estate	Director
Ranks Motorbikes Limited	Automobile	Managing Director
Ranks Electrode & Electronics Ind. Limited	Electric welding & manufacturing	Director
Ranks Agro Boiteq Limited	Biopharmaceuticals and biochemical manufacturing	Director
Zhen Natural Limited	F&B	Director
Ranks Power Tech Limited	Power & Material Handling Solutions	Managing Director



Ranks Construction Limited	Commercial & Industrial Equipment Supplier	Managing Director
Sash Limited	Jewelry manufacturing	Managing Director
SRK Limited	Consultancy	Managing Director
Ranks Autos Limited	Automobile	Shareholder
M/s. The Largest Equipment Rental Network	Consultancy	Partner
SASH International	Consultancy	Managing Partner
Metro Foils Limited	Foil	Director
Zest Polymers Limited	Polymer	Director
Rancon Autos Limited	Automobile	Director
Rangs Pharmaceuticals Ltd	Pharmaceutical company	Director
Shield Security Service Limited	Private security services	Director
Rancon Engineering Limited	Solar power solutions	Director
Agro Foods Services Limited	F&B	Director
Ranks Appliances Limited	Appliance manufacturing	Managing Director
Ranks Dolonchapa Express Limited	Bus and coach services	Managing Director
Streat Limited	Consultancy	Share Holder
Ranks Alliance Limited	Consultancy	Managing Director
Ranks-Agro Industries Limited	Agrobusiness	Managing Director
Sea Resources Ltd.	Fisheries	Director
Sea Fishers Ltd.	Fisheries	Director
Deep Sea Fishers Ltd	Fisheries	Director
Rangs Limited	Retail electronics manufacturing	Shareholder
Ranqs Properties Limited	Real Estate	Shareholder
Rangs Workshop Limited	Automotive repairs	Shareholder
Rangs ITT Limited	Internet service	Shareholder
Ranks Telecom Limited	Telecommunication	Shareholder
Softex Communication Limited	IT solutions	Shareholder
Rancon Motors Limited	Automobile	Shareholder

3. Lutfе Mawla Ayub, Director

Businesses	Type	Position
Green Care Agro Ltd	Tea manufacturing	Shareholder
Cashe Alliance Limited	FinTech	Shareholder
Fountain Garments Manufacturing Limited	Export-oriented garments manufacturing	Shareholder



4. Azeeza Aziz Khan, Nominated Director
(Representative of Summit Holdings Limited)

Businesses	Type	Position
Summit Assets Limited	Real Estate	Director
Summit Investment Limited	Investment Company	Director
Summit Equities Limited	Brokerage	Director
Cosmopolitan Finance Limited	Financial Institute	Director

5. Farzanah Chowdhury, Nominated Director
(Representative of Green Delta Insurance Company Limited)

Businesses	Type	Position
Green Delta Insurance Company Limited	Insurance	Managing Director & CEO
Green Delta Securities Limited (GDSDL)	Brokerage House	Nominated Director
Green Delta Capital Limited (GDCL)	Merchant Bank	Nominated Director
Green Delta Dragon Asset Management Company Limited (GDDAMC)	Asset Management Company	Nominated Director

6. Fahima Akhter, Nominated Director
(Representative of Concept Knitting Limited)

Businesses	Type	Position
MPL Wear Limited	Export-oriented garments manufacturing	Chairman & Shareholder
Masco Exports Limited	Export-oriented garments manufacturing	Chairman & Shareholder
Masco Overseas Limited	Export-oriented garments manufacturing	Chairman & Shareholder
Masminu International Limited	Consultancy	Chairman & Shareholder
Masminu Systems Limited	IT solutions	Chairman & Shareholder
Masco Trims Limited	Export-oriented garments manufacturing	Managing Director & shareholder
Masco Industries Limited	Export-oriented garments manufacturing	Director & Shareholder
Masco Cottons Limited	Knitwear manufacturing & export	Director & shareholder
Mascotex Limited	Export-oriented garments manufacturing	Director & shareholder
Shanta Expression Limited	Export-oriented garments manufacturing	Director & shareholder



Tasniah Fabrice Limited	Knitwear manufacturing & export	Director & shareholder
Masco Printing and Embroidery Limited	Export-oriented garments manufacturing	Director & shareholder
Masco Picasso Limited	Export-oriented garments manufacturing	Director & shareholder
Masco Yarn Dyeing and	Export-oriented garments manufacturing	Director & shareholder
Masco Poultry Limited	Hatcheries	Director & shareholder
Masco Services Limited	Consultancy	Director & shareholder
Masco Linens Limited	Export-oriented garments manufacturing	Director & shareholder
Masminu Energy Limited	Energy	Director & shareholder
Masminu Footspree Limited	Footwear	Director & shareholder
Masco Superknits Limited	Knitwear manufacturing & export	Director & shareholder
Masco Shakib Cricket Academy Ltd.	Cricket academy	Director & shareholder
Masco Cotspin Limited	Export-oriented garments manufacturing	Director & shareholder
Masco Properties Limited	Real Estate	Director & shareholder
Masco Bazar Limited	E-commerce	Director & shareholder
Masco Shares & Securities Limited	Brokerage	Director & shareholder

7. Mohamed Azzam Ali Ahamat, Nominated Director

(Representative of People's Leasing & Finance PLC)

Businesses	Type	Position
People's Leasing & Finance PLC	Financial Institute	Director
People's Insurance PLC	Insurance	Director

8. Rohan Pathirage, Nominated Director

(Representative of People's Leasing & Finance PLC)

Businesses	Type	Position
People's Leasing & Finance PLC	Financial Institute	Director
People's Leasing Havelock Properties Limited	Real Estate Management	Chairman
People's Leasing Fleet Management Ltd.	Fleet Management	Director
People's Micro Commerce Limited	Finance Company	Director
People's Travels (Pvt) Ltd.	Travel Agency	Director
Institute of Bankers of Sri Lanka.	Association	Alternate Director



9. Rajapaksa Pathirana Udesh Priyadarshana Gunawardena, Nominated Director
(Representative of People's Leasing & Finance PLC)

Businesses	Type	Position
Nil	Nil	Nil

10. Shamindra Joseph Marcus Marcelline, Nominated Director
(Representative of People's Leasing & Finance PLC)

Businesses	Type	Position
People's Insurance PLC	Insurance	Director
Fleet Management Limited	Fleet Management	Director
People's Leasing Property Development Limited	Real Estate	Director
People's Leasing Havelock Properties Limited	Real Estate Management	Director
People's Micro-Commerce Ltd	Financial Institute	Director
Financial Houses Association of Sri Lanka	Finance Company	Vice President

11. Michael Pradeep Amirthanayagam, Nominated Director
(Representative of People's Leasing & Finance PLC)

Businesses	Type	Position
Homes, Pollard & Stott	Advertising agency	Chairman & Managing Director
People's Micro-commerce Limited	Financial Institution	Chairman
Society for the Uplift and Rehabilitation of Leprosy Affected Persons (SUROL)	Welfare	Vice President
Anura Bandaranaike Foundation	Welfare	Director
People's Leasing & Finance PLC	Financial Institute	Chairman

12. Don Nayanapriya Laksanda Gunawardena, Nominated Director
(Representative of People's Leasing & Finance PLC)

Businesses	Type	Position
Nil	Nil	Nil

13. Abdur R. Chowdhury

Businesses	Type	Position
Nil	Nil	Nil



14. Anita Ghazi Rahman

Businesses	Type	Position
Bangladesh Angels Network	Association	Sponsor Member
Chittagong Stock Exchange	Stock Exchange	Independent Director
National Advisory Board for Impact Investment	Association	Member
Startup Bangladesh Ltd.	Association	member of the Investment Committee
iSocial	Social impact company	Director
Jaago Foundation	Welfare	Director

15. Muraheb Malik Chowdhury

Businesses	Type	Position
Masih Muhith Haque & Co. Chartered Accountants	Chartered Accountancy Firm	Partner

16. Neaz Ahmed

Businesses	Type	Position
Bangladesh Tennis Federation	Sports Federation	Vice President
Consular Corps in Bangladesh	Association	President
Voluntary Association of Bangladesh (VAB)	Association	Finance Director

Statement of the directors of the issuer if any of them are associated with the securities market in any manner. If any director of the Issuer Company is also a director of any issuer of other listed securities during last three years then dividend payment history and market performance of that issuer; (B)(7)(d)

None of the Directors of AFPLC are involved in securities market and not involved as director with other listed securities during last three years.

Family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse' sister) among the directors and top five officers (B)(7)(e)

Family relationship among directors:

There are no family relationships among the directors of the company.

Family relationship among the top five officers of the company:

There are no family relationships among the top five officers of the company.



A very brief description of other businesses of the directors

(B)(7)(f)

1. Syed Ali Jowher Rizvi, Chairman

Name of the Company	Description of Business	
Alliance Holdings Limited	Address	The Alliance Building, 63 Pragati Sarani, Baridhara Dhaka-1212
	Legal Status	Private Limited Company
	Nature of business	Conglomerate
PEB Steel Alliance Limited	Address	The Alliance Building, 63 Pragati Sarani, Baridhara Dhaka-1212
	Legal Status	Private Limited Company
	Nature of business	Steel building manufacturing
Alliance Building Materials Limited	Address	The Alliance Building, 63 Pragati Sarani, Baridhara Dhaka-1212
	Legal Status	Private Limited Company
	Nature of business	Construction Material Manufacturing
PEB Steel Bangladesh Limited	Address	The Alliance Building, 63 Pragati Sarani, Baridhara Dhaka-1212
	Legal Status	Private Limited Company
	Nature of business	Steel building manufacturing
Alliance Equities Limited	Address	The Alliance Building, 63 Pragati Sarani, Baridhara Dhaka-1212
	Legal Status	Private Limited Company
	Nature of business	Brokerage
Alliance Oil Limited	Address	The Alliance Building, 63 Pragati Sarani, Baridhara Dhaka-1212
	Legal Status	Private Limited Company
	Nature of business	Crude oil manufacturing
Summit Alliance Port Limited	Address	The Alliance Building, 63 Pragati Sarani, Baridhara Dhaka-1212
	Legal Status	Private Limited Company
	Nature of business	Off-dock services
Alliance Petroleum Corporation Limited	Address	The Alliance Building, 63 Pragati Sarani, Baridhara Dhaka-1212
	Legal Status	Private Limited Company
	Nature of business	Crude oil manufacturing
Oriental Oil Company Limited	Address	The Alliance Building, 63 Pragati Sarani, Baridhara Dhaka-1212
	Legal Status	Private Limited Company
	Nature of business	Crude oil manufacturing
Union Accessories Limited	Address	NZ Center, Plot#5, Road#12, Sector#6, Uttara Model Town, Uttara, Dhaka-1230
	Legal Status	Private Limited Company



	Nature of business	Garment accessories and export
Union Knitting and Dyeing Limited	Address	Plot#15, Road #13, Sector #4, Uttara Model Town, Uttara, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Knit fabrics and RMG
Cashe Alliance Limited	Address	The Alliance Building, 63 Pragati Sarani, Baridhara Dhaka-1212
	Legal Status	Private Limited Company
	Nature of business	FinTech
Ispahani Summit Alliance Terminals Limited	Address	185/260, Dhaka Trunk Road, North Kattali, Pahartali, Chattogram
	Legal Status	Private Limited Company
	Nature of business	Off-dock services
Fountain Garments Manufacturing Limited	Address	61-62, Gazirchat, DEPZ Road, Ashulia, Savar, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Garments manufacturing

2. Sohana Rouf Chowdhury, Director

Name of the Company	Description of Business	
Rangs Motors Limited	Address	117/A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Automobile
Rangs Commercial Vehicle Limited	Address	117/A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Automobile
Rangs Motors Workshop Limited	Address	117/A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Automotive repairs
Rangs Interiors Limited	Address	117/A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Interior design
Rangs Food & Beverage Limited	Address	117/A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	F&B
Rangs Real Estate Limited	Address	117/A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215



	Legal Status	Private Limited Company
	Nature of business	Real estate
Ranks Motorbikes Limited	Address	119/A Tejkuni Para, Bijoy Sharani, Tejgaon, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Automobile
Ranks Electrode & Electronics Ind.Limited	Address	117/A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Electric welding & manufacturing
Ranks Agro Boiteq Limited	Address	117/A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Biopharmaceuticals and biochemical manufacturing
Zhen Natural Limited	Address	117/A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	F&B
Ranks Power Tech Limited	Address	117/A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Power & material handling solutions
Ranks Construction Limited	Address	117/A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Commercial & Industrial Equipment Supplier
Sash Limited	Address	117/A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Jewelry manufacturing
SRK Limited	Address	117/A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Consultancy
Ranks Autos Limited	Address	117/A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Automobile
M/s. The Largest Equipment Rental Network	Address	117/A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Consultancy



SASH International	Address	117/ A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Consultancy
Metro Foils Limited	Address	117/ A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Foil
Zest Polymers Limited	Address	117/ A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Polymer
Rancon Autos Limited	Address	117/ A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Automobile
Rangs Pharmaceuticals Ltd	Address	117/ A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Pharmaceutical company
Shield Security Service Limited	Address	Rangs Workshop, 387, Tejgaon Industrial Area, Dhaka-1208
	Legal Status	Private Limited Company
	Nature of business	Private security services
Rancon Engineering Limited	Address	117/ A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Solar power solutions
Agro Foods Services Limited	Address	117/ A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Agro
Ranks Appliances Limited	Address	117/ A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Appliance manufacturing
Ranks Dolonchapa Express Limited	Address	117/ A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Bus and coach services
Streat Limited	Address	117/ A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company



	Nature of business	Consultancy
Ranks Alliance Limited	Address	117/ A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Consultancy
Ranks-Agro Industries Limited	Address	117/ A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Agrobusiness
Sea Resources Ltd.	Address	117/ A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Fisheries
Sea Fishers Ltd.	Address	117/ A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Fisheries
Deep Sea Fishers Ltd	Address	117/ A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Fisheries
Rangs Limited	Address	117/ A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Conglomerate
Ranqs Properties Limited	Address	117/ A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Real Estate
Ranqs Workshop Limited	Address	Rangs Workshop, 387, Tejgaon Industrial Area, Dhaka-1208
	Legal Status	Private Limited Company
	Nature of business	Automotive repairs
Rangs ITT Limited	Address	117/ A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Internet service
Ranks Telecom Limited	Address	117/ A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Telecommunication
Softex Communication Limited	Address	117/ A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215



	Legal Status	Private Limited Company
	Nature of business	IT solutions
Rancon Motors Limited	Address	117/A, Rangs Bhaban, Old Airport Road, Bijoy Sharani, Tejgaon, Dhaka-1215
	Legal Status	Private Limited Company
	Nature of business	Automobile

3. Lutfе Mawla Ayub, Director

Name of the Company	Description of Business	
Green Care Agro Ltd	Address	House#28 (2nd Floor), Road#28, Block#K, Banani, Dhaka-1213
	Legal Status	Private Limited Company
	Nature of business	Tea manufacturing
Cashe Alliance Limited	Address	The Alliance Building, 63 Pragati Sarani, Baridhara Dhaka-1212
	Legal Status	Private Limited Company
	Nature of business	FinTech
Fountain Garments Manufacturing Limited	Address	61-62, Gazirchat, DEPZ Road, Ashulia, Savar, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Garments manufacturing

4. Azeeza Aziz Khan, Nominated Director (Representative of Summit Holdings Limited)

Name of the Company	Description of Business	
Summit Assets Limited	Address	Summit Centre, 18, Karwan Bazar C/A, Dhaka-1215, Bangladesh
	Legal Status	Private Limited Company
	Nature of business	Asset management
Summit Investment Limited	Address	Summit Centre, 18, Karwan Bazar C/A, Dhaka-1215, Bangladesh
	Legal Status	Private Limited Company
	Nature of business	Merchant bank
Summit Equities Limited	Address	Summit Centre, 18, Karwan Bazar C/A, Dhaka-1215, Bangladesh
	Legal Status	Private Limited Company
	Nature of business	Brokerage
Cosmopolitan Finance Limited	Address	Summit Centre, 18, Karwan Bazar C/A, Dhaka-1215, Bangladesh
	Legal Status	Private Limited Company



	Nature of business	Financial Institute
--	--------------------	---------------------

5. Farzanah Chowdhury, Nominated Director
(Representative of Green Delta Insurance Company Limited)

Name of the Company	Description of Business	
Green Delta Securities Limited (GDSDL)	Address	Green Delta AIMS Tower, 51-52 Mohakhali C/A, Dhaka-1213
	Legal Status	Private Limited Company
	Nature of business	Brokerage
Green Delta Capital Limited (GDCL)	Address	Green Delta AIMS Tower, 51-52 Mohakhali C/A, Dhaka-1213
	Legal Status	Private Limited Company
	Nature of business	Merchant Bank
Green Delta Dragon Asset Management Company Limited (GDDAMC)	Address	Tower of Aakash (18th Floor), 54 Gulshan Avenue, Dhaka-1212
	Legal Status	Private Limited Company
	Nature of business	Asset Management

6. Fahima Akhter, Nominated Director
(Representative of Concept Knitting Limited)

Name of the Company	Description of Business	
MPL Wear Limited	Address	House -06, Road -01, Sector -03, Jashimuddin Ave, Dhaka 1230
	Legal Status	Private Limited Company
	Nature of business	Export-oriented garments manufacturing
Masco Exports Limited	Address	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Export-oriented garments manufacturing
Masco Overseas Limited	Address	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Export-oriented garments manufacturing
Masminu International Limited	Address	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Consultancy
Masminu Systems Limited	Address	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka
	Legal Status	Private Limited Company
	Nature of business	IT solutions



Masco Trims Limited	Address	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Export-oriented garments manufacturing
Masco Industries Limited	Address	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Export-oriented garments manufacturing
Masco Cottons Limited	Address	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Knitwear manufacturing & export
Mascotex Limited	Address	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Export-oriented garments manufacturing
Shanta Expression Limited	Address	Kakil, Sataish, Mudafa, Vadam Road, Tongi, Gazipur 1712
	Legal Status	Private Limited Company
	Nature of business	Export-oriented garments manufacturing
Tasniah Fabrice Limited	Address	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Knitwear manufacturing & export
Masco Printing and Embroidery Limited	Address	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Export-oriented garments manufacturing
Masco Picasso Limited	Address	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Export-oriented garments manufacturing
Masco Yarn Dyeing and	Address	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Export-oriented garments manufacturing
Masco Poultry Limited	Address	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Hatcheries
Masco Services Limited	Address	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka
	Legal Status	Private Limited Company



	Nature of business	Consultancy
Masco Linens Limited	Address	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Export-oriented garments manufacturing
Masminu Energy Limited	Address	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Energy
Masminu Footspree Limited	Address	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Footwear
Masco Superknits Limited	Address	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Knitwear manufacturing & export
Masco Shakib Cricket Academy Ltd.	Address	Masco Shakib Cricket Academy, Kanchan, Rupganj, Narayanganj- 1461
	Legal Status	Private Limited Company
	Nature of business	Cricket academy
Masco Cotspin Limited	Address	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Export-oriented garments manufacturing
Masco Properties Limited	Address	House 11 (3rd Floor), Paradise Tower, Road-2, Dhaka 1230
	Legal Status	Private Limited Company
	Nature of business	Real Estate
Masco Bazar Limited	Address	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka
	Legal Status	Private Limited Company
	Nature of business	E-commerce
Masco Shares & Securities Limited	Address	Masco Center, House#6, Road#1, Sector#3, Jashimuddin Avenue, Uttara, Dhaka-1230
	Legal Status	Private Limited Company
	Nature of business	Brokerage



7. Mohamed Azzam Ali Ahamat, Nominated Director
(Representative of People’s Leasing & Finance PLC)

Name of the Company	Description of Business	
People’s Insurance PLC	Address	No 07 Havelock Rd, Colombo 00500, Sri Lanka
	Legal Status	Public Limited Company
	Nature of business	Insurance
People’s Bank (Sri Lanka)	Address	No.75, Sir Chittampalam A. Gardiner Mawatha, Colombo 2, Sri Lanka.
	Legal Status	Banking Company
	Nature of business	Central Bank

8. Rohan Pathirage, Nominated Director
(Representative of People’s Leasing & Finance PLC)

Name of the Company	Description of Business	
People’s Leasing & Finance PLC	Address	No.1161, Maradana Road, Borella, Sri Lanka
	Legal Status	Public Limited Company
	Nature of business	Financial Institute
People’s Leasing Havelock Properties Limited	Address	1161 Maradana Road, Colombo – 08, Sri Lanka.
	Legal Status	Private Limited Company
	Nature of business	Real Estate Management
People’s Leasing Fleet Management Ltd.	Address	Address. 67, Sir Chittampalam A Gardiner Mawatha, Colombo 02, Sri Lanka
	Legal Status	Private Limited Company
	Nature of business	Fleet Management
People’s Micro Commerce Ltd	Address	No. 290 High Level Rd, Nugegoda 10250, Sri Lanka
	Legal Status	Private Limited Company
	Nature of business	Financial Institute
People’s Travels (Pvt) Ltd.	Address	59 McCallum Rd, Colombo, Sri Lanka
	Legal Status	Private Limited Company
	Nature of business	Travel Agency
Institute of Bankers of Sri Lanka	Address	80A Elvitigala Mawatha, Colombo 00800, Sri Lanka
	Legal Status	Association
	Nature of business	Association



9. Rajapaksa Pathirana Udesh Priyadarshana Gunawardena, Nominated Director
(Representative of People’s Leasing & Finance PLC)

Businesses	Description of Business
Nil	Nil

10. Shamindra Joseph Marcus Marcelline, Nominated Director
(Representative of People’s Leasing & Finance PLC)

Name of the Company	Description of Business	
People’s Insurance PLC	Address	No 07 Havelock Rd, Colombo 00500, Sri Lanka
	Legal Status	Public Limited Company
	Nature of business	Insurance
People’s Leasing Fleet Management Limited	Address	Address. 67, Sir Chittampalam A Gardiner Mawatha, Colombo 02, Sri Lanka
	Legal Status	Private Limited Company
	Nature of business	Fleet Management
People’s Leasing Property Development Limited	Address	#67, Sir Chittampalam A. Gardiner Mawatha, Colombo – 00200, Western Province, Sri Lanka.
	Legal Status	Private Limited Company
	Nature of business	Real Estate
People’s Leasing Havelock Properties Limited	Address	1161 Maradana Road, Colombo – 08, Sri Lanka.
	Legal Status	Private Limited Company
	Nature of business	Real Estate Management
People’s Micro-Commerce Ltd	Address	No. 290 High Level Rd, Nugegoda 10250, Sri Lanka
	Legal Status	Private Limited Company
	Nature of business	Financial Institute
Financial Houses Association of Sri Lanka	Address	3 Ward Pl, Colombo 00700, Sri Lanka
	Legal Status	Private Limited Company
	Nature of business	Finance Company



11. Michael Pradeep Amirthanayagam, Nominated Director

(Representative of People's Leasing & Finance PLC)

Name of the Company	Description of Business	
Homes, Pollard & Stott	Address	4 Manthri Pl, Colombo 00500, Sri Lanka
	Legal Status	Private Limited Company
	Nature of business	Advertising agency
People's Micro-commerce Ltd	Address	No. 290 High Level Rd, Nugegoda 10250, Sri Lanka
	Legal Status	Private Limited Company
	Nature of business	Financial Institute
Society for the Uplift and Rehabilitation of Leprosy Affected Persons (SUROL)	Address	Society for the Uplift and Rehabilitation of Leprosy Affected Persons (SUROL)
	Legal Status	Society
	Nature of business	Welfare
Anura Bandaranaike Foundation	Address	Sri Lanka
	Legal Status	Foundation
	Nature of business	Welfare

12. Don Nayanapriya Laksanda Gunawardena, Nominated Director

(Representative of People's Leasing & Finance PLC)

Businesses	Description of Business
Nil	Nil

13. Abdur R. Chowdhury

Businesses	Description of Business
Nil	Nil

14. Anita Ghazi Rahman

Name of the Company	Description of Business	
Bangladesh Angels Network	Address	Level: 3, House: 27, Road: 12, Niketon Housing Society, Gulshan 1, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Association
Chittagong Stock Exchange PLC	Address	C & F Tower (9th Floor), 1222 Sk. Mujib Road, Agrabad, Chattogram-4100. Bangladesh
	Legal Status	Private Limited Company
	Nature of business	Stock Exchange
National Advisory Board for Impact Investment	Address	Build Bangladesh. Evergreen Plaza (1st Floor) 260/B, Tejgaon I/A, Dhaka



	Legal Status	Association
	Nature of business	Association
Startup Bangladesh Ltd.	Address	8th Floor, Concord Silvy Heights, 73A Gulshan Ave, Dhaka 1212
	Legal Status	Association
	Nature of business	Association
iSocial	Address	House: 1/B (Ground Floor), Road: 126, Gulshan 1, Dhaka
	Legal Status	Private Limited Company
	Nature of business	Social impact company
Jaago Foundation	Address	House #57 Road #7/B Block #H Banani, 1213, Bangladesh
	Legal Status	Foundation
	Nature of business	Welfare

15. Muraheb Malik Chowdhury

Name of the Company	Description of Business	
Masih Muhith Haque & Co. Chartered Accountants	Address	Level 13, UTC Building, 8, Panthapath, Dhaka 1215
	Legal Status	Partnership
	Nature of business	Chartered Accountancy Firm

16. Neaz Ahmed

Name of the Company	Description of Business	
Bangladesh Tennis Federation	Address	Tennis Complex, Ramna Green; City, Dhaka; Post, 1000
	Legal Status	Association
	Nature of business	Sports Federation
Consular Corps in Bangladesh	Address	Felicity, 104 Rd 104, Dhaka 1212
	Legal Status	Association
	Nature of business	Association
Voluntary Association of Bangladesh (VAB)	Address	House # 806, Road # 3, Baitul Aman Housing Society Adabor, Dhaka -1207
	Legal Status	Association
	Nature of business	Association



Short bio-data of each director;

(B)(7)(g)

Syed Ali Jowher Rizvi

Chairman & Sponsor Shareholder

Mr. Rizvi started his professional career with the Bank of Credit and Commerce International (BCCI) in 1977. He was also engaged with the Institute of Business Administration (IBA), DU as a part time (Honorary) Lecturer. From 1991 to 1997, he served Union Bank Zambia Ltd., Zambia as its founder Managing Director. Within a short span of 6 years Mr. Rizvi took the new bank to the 2nd leading position (amongst local private banks) in the competitive Zambian banking sector and had his achievements recognized with the prestigious Banker of the Year award.

Returning to Bangladesh he established Alliance Holdings Limited and started his journey as an entrepreneur. In 1997, in partnership with Summit Group, he entered the Off-Dock business where Mr. Rizvi served as the Managing Director of Ocean Containers Limited (OCL). Subsequently in 2003, the two sponsors jointly made another valuable addition to the expanding Off-Dock industry of the Country by establishing Summit Alliance Port Limited, which is the only company of its kind now listed with the two major bourses of the country. OCL merged with SAPL in 2012.

Mr. Rizvi, through Alliance Holdings Limited, also has substantial investment in Textile, Prefabricated Steel Building Manufacturing, Real Estate Development, Financial Institutions, Lubricant Blending, Pharmaceutical etc. Despite his busy schedule, he still finds time to pursue his favorite passion and teaches on part time (honorary) basis at North South University (NSU), Chittagong Port Authority (CPA) Training Institute and National Defense College (NDC).

Mr. Jowher Rizvi completed his MBA degree in International Finance and Accounting from Indiana University, USA. He also earned MA in Economics with Honors from Dhaka University.

Sohana Rouf Chowdhury

Director & Sponsor Shareholder

Ms. Sohana Rouf Chowdhury is a highly accomplished business leader with excellent skills in business development and strategic planning. She has a proven track record of successfully leading and growing diversified businesses in Bangladesh. Ms. Chowdhury has extensive experience in supervising cross-functional teams and leading them to achieve targeted results. Her exceptional business acumen and strategic alliances have contributed significantly to the success of Rangs Group, where she has increased the turnover by 12% to 15% each year for different business units since 2010.



Under her leadership, the organization has become a market leader in Bangladesh, with 36% market share and growing. Ms. Chowdhury has also established the state-of-the-art Rangs-Mahindra assembly plant in Bangladesh, which is the first of its kind in the country.

Ms. Chowdhury is also a board member of several companies, including Rangs Limited, Rangs Industries Limited, Rancon Motors Limited, Rangs Powertech Limited, and Rangs Workshop Limited, among others.

She received her undergraduate degree in Economics from The State University of New York, USA.

Lutfе Mawla Ayub
Director & Shareholder

Mr. Lutfе Mawla Ayub, the Chairman of Rabab Group is an experienced person in the field of Trade, Commerce & Industry. He is one of the respected industrialists in the country, especially in the readymade garments industry. He was the immediate past Managing Director of Sunman Group and is a seasoned business leader with a track record of 42 years of proven success in Garments and Textile sector. Mr. Lutfе Mawla Ayub holds the position of an Independent Director of Summit Alliance Port Limited and Alliance Holdings Ltd.

Mr. Ayub enthusiastically takes part in social and community activities. He is a founder Director of Chittagong Metropolitan Chamber of Commerce and Industries and a Trustee to Chittagong Independent University and Independent University of Bangladesh, Dhaka.

Mr. Ayub was recognized as a Commercial Important Person (CIP) several times because of his contribution to the promotion of Exports from Bangladesh. He has completed B.A. (Hons).

Azeeza Aziz Khan
Nominated Director of Summit Holdings Limited

Ms. Azeeza Aziz Khan is a member of ACCA with a Bachelor's degree in Economics and Business from University College London. Upon graduation, Ms. Khan worked briefly in private equity and wealth management at Bank of America-Merrill Lynch before moving back to Bangladesh to join Summit group as a Director.

Ms. Khan spent her initial years gaining a deeper understanding of Summit's core business, with a strong focus on finance and internal audit controls, in line with her educational background. In order to better serve as a director of Summit Group, she has taken on and completed project finance training at IDCOL and Leadership, Innovation and Strategy (LIS) program from General Electric in Kuala Lumpur Malaysia.

Since 2011, she has also been a key contributor to the establishment of Summit's CSR charter and driver of the group's CSR activities and currently sits on the distinguished board of SEID Trust, non-government voluntary development organization working for social inclusion and



promoting rights of underprivileged children with disabilities including intellectual and multiple disabilities as well as autism since 2003.

Alongside her work responsibilities, Ms. Khan is simultaneously pursuing accreditation as a Chartered Accountant and has already completed her practical working experience with Rahman Rahman Huq KPMG Bangladesh. She currently works with the audit committee at Summit which ensures that the group adherence to corporate governance and best practices.

Her long-term goal at the Summit is to ensure that as an organization it has a strategic road map for the near, medium and long term and to spearhead its business development.

Farzanah Chowdhury

Nominated Director of Green Delta Insurance Company Limited

Ms. Farzana Chowdhury ACII (UK), Chartered Insurer, is the Managing Director & Chief Executive Officer of Green Delta Insurance Company Limited. She is the first and youngest female CEO in the industry and is recognized by UN Global Compact as a Local SDG Pioneer for Women's Economic Security for her initiatives through Nibedita which is a comprehensive insurance scheme for women. After receiving the prestigious recognition, she has driven her team more effectively which resulted in sharp rise in Nibedita policy holders in a short period of time on top of adding values through holistic approach in ensuring gender equality and women empowerment. Recently she has received awards from EO Global, Bangladesh Brand Forum and SAARC Women Association for her progressive works in this arena. She is also the Executive Committee Member of Bangladesh Insurance Association; Vice President of Bangladesh Insurance Forum; Forum Chair and President Elect in EO Bangladesh (Entrepreneurs' Organization); Member of Advisory Board in AIESEC, the largest global youth network; Board of Trustee in Global Youth Fund, JCI; Member, Advisory Board in CSR Centre.

She is one of the most prominent personalities in the Bangladesh Insurance sector for her pioneering contributions in Retail & SME insurance sector, Micro Insurance Sector, Weather Index Based Agri insurance and materializing the concept- Insurance for Everyone. She has been the driving force behind launching many insurance products in the market which is contributing greatly towards the development of the overall sector. She has initiated Digital Insurance in Bangladesh by signing with ICT division of Bangladesh Government and 'Access to Information (a2i)' program of Prime Minister's Office and is working relentlessly to bring insurance at everyone's doorstep. It was under her stewardship that Green Delta joined hands with the Ministry of Health and Family Welfare, Government of Bangladesh in the Shastho Shuroksha Karmasuchi (SSK) project. Her guiding philosophy has always been driven by the intent of adding value not just in business but in every sphere that touches her life.



Fahima Akhter

Nominated Director of Concept Knitting Limited

Ms. Fahima Akhter is a Director on the Board of Masco Group. Bangladesh is the second largest garments exporting country in the world, where Masco is playing a leading role in knit garment export since July 2001. Facility and modern machineries run by dynamic manpower to provide the best possible service.

Ms. Akhter graduated with a Master of Business Administration in 2002 and a Bachelor of Business Administration in 1999 from North South University.

Mohammed Azzam Ali Ahamat

Nominated Director of People's Leasing & Finance PLC

Mr Ahamat joined People's Bank on 3 January 2017, bringing with him a wealth of experience spanning nearly two decades in strategic financial management, alternate investments, and risk management, having served in prestigious institutions both locally and internationally. He has worked with some of the largest multinational professional service firms and Tier I service providers across a multitude of sectors and market spaces.

Mr Ahamat is a Fellow Member of the Chartered Institute of Management Accountants (UK), a Fellow Member of the Association of Chartered Certified Accountants (UK) and a Fellow Member of the Institute of Certified Management Accountants of Sri Lanka. Additionally, he is also a Certified Practicing Accountant (AUST.) and a Technical Specialist of the Institute of Risk Management (UK).

Mr Ahamat functions as a Director of People's Leasing & Finance PLC, People's Insurance PLC and Alliance Finance PLC, Bangladesh.

Rohan Pathirage

Nominated Director of People's Leasing & Finance PLC

With over 28 years of experience in Human Resources, Legal and Administration in the banking sector, Mr Rohan Pathirage is a highly qualified and accomplished professional. He holds a Master's Degree in Banking from Massey University, New Zealand, as well as a Postgraduate Diploma in Banking. In addition, he is an Attorney at-Law, holding a Law Degree from the University of Colombo. He has served as a senior member of People's Bank Corporate Management team and has been a member of key management committees.

Mr Pathirage currently holds the position of Senior Deputy General Manager – Transaction Banking and Overseas Customer Services of People's Bank. He also serves as Director of People's Leasing & Finance PLC, Chairman of People's Leasing, Havelock Properties Limited, Director of People's Leasing Fleet Management Ltd., Director of People's Micro Commerce Limited, Director of Alliance Finance PLC, Bangladesh, Director of People's Travels (Pvt) Ltd., and Alternate Director of the Institute of Bankers of Sri Lanka.



In his previous role as Senior Deputy General Manager (Human Resources and Legal) of People's Bank, Mr Pathirage successfully managed the Bank's workforce of over 10,000 employees and oversaw senior executive recruitments in line with the Bank's HR requirements. He also led the Bank's legal team of 70 members and functioned as Deputy General Manager – Secretary to the Board of Directors of People's Bank. His administrative support has been invaluable in all matters relating to the Bank's Board of Directors and its various subcommittees.

Rajapaksa Pathirana Udesh Priyadarshana Gunawardena
Nominated Director of People's Leasing & Finance PLC

Mr. Udesh Gunawardena had been working with People's Leasing & Finance PLC, the largest NBFIs of Sri Lanka, taking up many significant roles, for the last 20 years of his career. Now he is the Chief Operating Officer of the People's Leasing & Finance PLC. He carries a substantial amount of proficiency in Accounting, Finance and Treasury Management, MIS, Auditing, Strategic Investments, Company Secretarial matters etc.

He is an Associate Member of the Institute of Chartered Accountants of Sri Lanka, the Institute of Internal Auditors (UK) and the Institute of Certified Management Accountants. He completed his Diploma in Treasury, Investments and Risk Management from the Institute of Bankers of Sri Lanka. He is a world prize winner of Australian Computer Society (ACS).

Shamindra Joseph Marcus Marcelline
Nominated Director of People's Leasing & Finance PLC

Mr. Shamindra Marcelline joined People's Leasing & Finance PLC as the Chief Executive Officer/General Manager with effect from 20th November 2020.

An experienced banker with local and foreign bank exposure in addition to working overseas for the HSBC Group, Mr. Marcelline brings with him unique industry insights to contribute towards the strategic direction of the Company.

He joined DFCC Bank following a cross posting, as the Country Manager, Maldives, by the HSBC Group. At DFCC, he spearheaded the Bank's Corporate Banking strategic initiatives across the country and in overseas markets. He played a key role in securing the mandate for Sole Adviser and Structuring Bank for a Dual Tranche Bi-lateral Loan Facility for a leading Maldivian company, recognized as the largest ever loan facility given by DFCC Bank Sri Lanka. As a member of the Bank's Executive Committee, Asset and Liability Committee and Operational Risk Management Committee, Mr. Marcelline played a strategic role in harnessing the Bank's corporate initiatives. He joined DFCC Bank following a cross posting, as the Country Manager, Maldives, by the HSBC Group. He is credited with the transformation of the banking industry in Maldives, and he was responsible for the largest asset drive in the islands at the time. Under his stewardship, the development, performance and growth of the Commercial and Global Banking business consisting of corporate real estate, international subsidiary banking and public sector areas, grew into a formidable



wholesale banking initiative. It included P&L responsibility, and he successfully oversaw a team of Relationship and Product Managers, enabling the Bank to build and sustain strategic relationships with key stakeholders and business leaders.

He also headed the Financial Institutions Group and Public Sector for HSBC Sri Lanka and Maldives before joining the DFCC Bank. Among his key achievements he had been successful in managing the Sri Lanka Sovereign and Quasi-Sovereign Institutions implementing the HSBC Group Investment Banking strategy.

Mr. Marcelline has strong credentials in the banking and finance sector in Sri Lanka and has contributed towards showcasing Sri Lanka's investment potential globally. He has participated in multiple investor-road-show events held across the USA, UK, Middle East and Southeast Asia as a part of the initiatives driven by the Ministry of Finance, Central Bank of Sri Lanka and leading State and Commercial Banks.

Mr. Marcelline bestowed with the award 'CEO of the Year 2022' from Sri Lanka Best Employer Brands Award 2022, the award, certified by the World Federation of Human Resources Professionals and endorsed by CHRO Asia, recognizes leaders of organizations who have contributed towards the strategic direction of the Company.

Under his leadership, People's Leasing and Finance PLC, won The European Award for Best Practices 2022 in Brussels, Belgium. PLC was Sri Lanka's sole recipient of this award. This prestigious award has been awarded by The European Society for Quality Research (ESQR). The (ESQR) is a European society, dedicated to the recognition of organisations, companies, public administrations, universities, NGOs and individuals with best practices and results in quality management strategies.

Mr. Marcelline graduated from the Colombo International School in Sri Lanka in 1993. He holds a Degree in Economics and Accountancy (BSc.) from City University (1996), London (UK) and in Financial Advisors' International Qualification (FAIQ), Chartered Insurance Institute, UK (2008).

Michael Pradeep Amirthanayagam

Nominated Director of People's Leasing & Finance PLC

Mr. Amirthanayagam is a reputed advertising and media personality in Sri Lanka who counts over 35 years of experience in the advertising industry. He is currently the Chairman and Managing Director of the leading advertising agency Holmes Pollard & Stott, which he was instrumental in setting up over 30 years ago. Mr. Amirthanayagam is also a media icon. He was a news presenter for media networks Rupavahini, ITN and SLBC, and was also an interviewer and cricket commentator. He has the distinction of having trained at Bush House - the headquarters of the BBC in London. He was the 50th President of the Rotary Club of Colombo West and was awarded Rotarian of the Year in 2012.

He was appointed to the Board of People's Leasing & Finance PLC as an Independent Non-Executive Director on the 15th of July 2022.



On previous occasion he had served on the Board of People's Leasing as the Deputy Chairman from 2015-2019 and briefly as the Chairman in 2019/2020.

Mr. Amirthanayagam is a Fellow Member of the Chartered Institute of Marketing (UK) and an Associate Member of Trinity College of Music, UK in Speech and Drama. Mr. Amirthanayagam is also a media icon. He was a News Presenter for Rupavahini, ITN and SLBC media networks. He was also an Interviewer and a Cricket Commentator. He also had the distinction of having trained at "Bush House", the Headquarters of BBC in London.

He was the 50th President of the Rotary Club of Colombo West and he was awarded the "Rotarian of the Year" in 2012. He is the Vice President of the Society for the Uplift and Rehabilitation of Leprosy Affected Persons (SUROL) and he is a Director of the Anura Bandaranaike Foundation.

Don Nayanapriya Laksanda Gunawardena
Nominated Director of People's Leasing & Finance PLC

Mr. Don Nayanapriya Laksanda Gunawardena is the Senior Deputy General Manager-Operations of People's Leasing and Finance PLC.

Mr Don Nayanapriya Laksanda Gunawardena is an accomplished veteran of the Financial Services industry in Sri Lanka with 28 years of experience under his belt.

Before joining People's Leasing and Finance PLC, he worked for Mercantile Leasing as an Assistant Manager. He joined PLC in 2002 as the Head of Corporate Leasing, before being appointed as Chief Manager of Leasing and ultimately to his current role of Deputy General Manager of Branch Operations. In his illustrious career ranging 28 years, he has been instrumental in overseeing a multitude of projects including launching new business loan products with industry-first features, loyalty programs, website launching and revamping and improving brand awareness, and has represented PLC at forum presentations in London and Scotland.

Mr. Gunawardena has two MA in Business Administration degrees from the University of Wales, UK and American City University as well as an M. Sc. In Strategic Marketing from Asia e University Malaysia. He is also a Certified Professional Marketer (Asia) and Certified Management Accountants (CMA Australia). Besides he acquired Diploma in Credit Management from Sri Lanka Institute of Credit Management.



Abdur R. Chowdhury

Independent Director

Abdur R. Chowdhury is a Professor Emeritus at Marquette University, Milwaukee. At Marquette, Chowdhury served as the Chair of the Department of Economics during 2010-13. Prior to returning to Marquette in 2008, he worked as the Chief Economist of the United Nations in Geneva, Switzerland from 2003 through 2008.

Currently, Abdur Chowdhury is also the Chief Economist for Capital Market Consultants (CMC) in Milwaukee where he monitors the U.S. and Global economy and the financial markets. For CMC, he prepares quarterly and monthly commentaries on the U.S. and global economic issues and challenges and provides regular advice on economic trends and policies to a number of investment firms and financial institutions across the country. He also provides frequent insights to news and TV media outlets throughout the region and around the country.

Prior to joining the United Nations in 2003, Abdur Chowdhury worked for fourteen years as Professor of Economics, Marquette University. He served as the Director of the Master of Science in Applied Economics Program at Marquette from 1991 through 1995. He also held positions as a faculty member at Johns Hopkins University and Bentley College; and also worked as a Senior Researcher at the Central Bank of Finland and Senior Fulbright Scholar in Thailand. He has published extensively in international professional journals, newspapers, and other media outlets on a variety of global macro, monetary and financial issues. His specialization is in the areas of macroeconomy, international finance, and global economic policy. He has recently been appointed to the Academic Advisory Council of the Chicago Federal Reserve Bank.

In addition, Abdur Chowdhury serves as the President of the National Cricket League and manages a cricket team in the local Regal League. Chowdhury earned a PhD in Economics from the University of Kentucky and Undergraduate and Masters degrees in Economics from the University of Dhaka, Bangladesh.

Anita Ghazi Rahman

Independent Director

Anita Ghazi is the founder and partner of The Legal Circle, a renowned firm of barristers, advocates and legal consultants specializing in representing clients in Bangladesh on both domestic and international legal matters. Anita qualified as an Advocate in Bangladesh in 2004, as Advocate of the High Court Division of Bangladesh Supreme Court in 2006 and as Advocate of the apex Court, the Appellate Division of the Bangladesh Supreme Court in 2018. Moreover, she is a proud alumna of Common Purpose, a not-for-profit organization, that develops leaders through leadership programs, enabling them to cross boundaries and solve complex problems both in organizations and in cities.

Anita has been working with startups for almost a decade, having been listed amongst the “Inspiring individuals to follow in 2015 in Bangladesh” in Dhaka Tribune, Future Startup’s



“15 Under 35 For 2015: Entrepreneurs, Trailblazers, Mold-Breakers of Bangladesh” and has been featured in the book “From Stones to Castles: In conversation with 16 inspiring personalities of Bangladesh” and “Aine Tarunno”. She is a Asia 21 Young Leader for the Class of 2016 and one of the initial signatories to the Belt & Road Legal Service International Cooperation Platform.

Anita is also an Independent Director of LightCastle Partners, Chittagong Stock Exchange, previously having served as Independent Director of Golden Harvest Agro Industries Limited and is a Member of the National Advisory Board for Impact Investment in Bangladesh.

Muraheb Malik Chowdhury

Independent Director

Muraheb was trained with a London based accounting firm and passed his ICAEW finals in November 2009 at the age of 24. Prior to this, he completed his ACCA studies and earned his B.Sc. (Hons) in Applied Accounting concurrently from Oxford Brookes University, UK (2007), securing a first class. He has had a great track record earning laurels with excellent grades in his O & A Level examinations and worked for Masih Muhith Haque & Co. as Trainee Auditor before leaving for the UK in 2006 to pursue his studies. In 2010, he joined MMH as Executive Director and subsequently was admitted into Partnership in September 2012. He also served as a government nominated Director in Janata Capital Investment Ltd., a state-owned company operating in the Capital Market. Muraheb has been a part time Faculty at ICAB in various levels. In Masih Muhith Haque & Co, he looks after international referral assignments, Risk Advisory, Corporate Taxation, and audits of projects funded by local and International NGOs. Muraheb has been a part time Faculty at ICAB in various levels.

Neaz Ahmed

Independent Director

Mr. Neaz has over 35 years of experience in the banking industry with expertise in Foreign Trade, Credit, Operations, and other areas of banking and non-banking financial products and services. They have worked with ANZ Grindlays Bank, IFIC Bank Ltd., Premier Bank Ltd., Southeast Bank Ltd., and National Bank Limited. They have also worked overseas with ANZ Bank in New Zealand's financial market for 4 years.

Mr. Neaz Ahmed is highly motivated and performance-driven, with a demonstrated ability to excel in all management, business development, and revenue-generation goals in high-pressure work environments. They have proven leadership and team-building skills in highly competitive environments, with the ability to direct strong teams and motivate peers to consistently excel in performance. They have strong negotiation, problem-solving, and decision-making skills.

He is an excellent communicator, fluent in both oral and written English and Bengali. They have a participative style of management and understanding of others' needs. Additionally, they are the Honorary Consul for New Zealand in Bangladesh since November 2007.



Mr. Neaz received several awards for their excellence in banking, including the 2010 Certificate of Commendation and Gold Medal from Poet Sarojini Naidu National Memorial Council, the 2008 Gold Medal from Atish Dipankar Memorial Council, the 2007 Gold Medal from Chandraboti Academy, and the Best Banker Award from the Rotary Club of Uttara. They have also been recognized as a Reputed Banker, Social Worker, and Educationalist by Renaissance Sanskritik Parishad.

Kanti Kumar Saha

Chief Executive Officer

Kanti Kumar Saha has recently been appointed as the new Chief Executive Officer (CEO) of Alliance Finance PLC effective 12/08/2020 taking over from Romesh Elapata on completion of his successful tenure.

Chairman of Alliance Finance PLC Jowher Rizvi welcomed the new CEO stating, “Alliance is set now to deliver customized financial solutions and new products under the leadership of new CEO who is bringing in his valuable experience in corporate and investment banking and the best practices from global financial institutions.”

Before joining Alliance Finance PLC, in his 29 years of the distinguished career, he represented the Board as a Director in the capacity of Managing Director and CEO of NDB Capital Limited, an investment banking arm of National Development Bank PLC of Sri Lanka. Mr. Kumar was the Director and Head of Global Corporate Banking at Citibank N. A. Bangladesh, Senior Relationship Manager in Corporate Banking of Standard Chartered Bank and also served as Deputy Managing Director and Chief Business Officer (CBO) of Prime Bank Limited.

Mr. Kumar holds both Bachelor’s and Master’s degree in Economics from the University of Dhaka. He also holds a Postgraduate Management Degree from Nottingham Trent University, U.K. He is the current Vice-Chairman of Bangladesh Leasing & Finance Companies Association (BLFCA)

Loan status of the issuer, its directors and shareholders who hold 10% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank; (B)(7)(h)

Neither the issuer nor its any of the directors or shareholders holding 10% or more share in the paid-up capital are loan defaulters as per the knowledge of the Management.

Name with position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the Chief Executive Officer, Managing Director, Chief Financial Officer, Company Secretary, Advisers, Consultants and all Departmental Heads. If the Chairman, any director or any shareholder received any monthly salary than this information should also be included;

(B)(7)(i)

Name	Position	Educational Qualification	Age	Joining Date	Previous Employments	Overall Experience	Salary (31 st December 22)
Kanti Kumar Saha	Chief Executive Officer	MA in Economics	59	12-Aug-20	NDB Capital, Prime Bank, Citi Bank N.A., Standard Chartered Bank	31 yrs	12,400,044.00
Don Wishva Kantha Wickramarachchi	Chief Financial Officer	FCMA(UK), MBA	46	2-Jul-21	Swarnamahahal Financial Services PLC, Merchant Bank of Sri Lanka and Finance PLC	20 yrs	7,663,381.00
Shahanur Rashid	Head of Business	MBA	44	1-Feb-21	NDB Capital, IIDFC, City Bank, BRAC Bank	18 yrs	7,212,973.00
Mostofa Meer Khaled Omar	Head of CRM	MSC	46	15-Dec-21	Uttara Finance and Investments Limited	21 yrs	4,282,200.00
Mohammad Shahidul Islam Mazumder	Head of ICT	EMBA	51	5-Jan-21	Data Edge Ltd.	25 yrs	3,032,380.00
Iqbal Ahmed	Head of ICC	EMBA	55	3-Jan-21	Citi Bank N.A., BRAC Bank	19 yrs	1,516,190.00
Mohammad Ali Ashraf	Head of Accounts & Company Secretary (CC)	Masters in Taxation (MAT), CS (Part Qualified)	45	15-Mar-18	CAPM Venture Capital & Finance Ltd.	16 yrs	2,760,797.00
Md. Sayful Islam	Head of SME	MBA	46	2-Sep-19	Union Capital Ltd., BRAC Bank	19 yrs	2,715,104.00
Ali Tasben Haque Riyad	Unit Head of Corporate Finance	MBA	36	2-Nov-20	Eastern Bank Limited	12 yrs	2,624,784.00
Abu Shofian	Head of Deposit Mobilization	MBS	40	2-Sep-18	Fareast Finance & Investment Ltd.	16 yrs	1,892,566.00

Changes in the key management persons during the last three years. Any change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years prior to the date of filing the information memorandum. If the turnover of key management personnel is high compared to the industry, reasons should be discussed

(B)(7)(j)

Name	Joining Date	Retirement/Release Date	Current Position	Past Position
1. Romesh Alexander Iddamalgoda Elapata	30-Nov-17	15-Apr-20	Chief Executive Officer	Head of Corporate Banking
2. Bamunuwita Gamage Prashad Samantha	1-Mar-19	3-Nov-20	Chief Financial Officer	Group Chief Financial Officer
3. Kazi Nasim Ahmed	9-Oct-19	9-Oct-21	Chief Operating Officer	Financial & Management Consultant

Note: No other changes in the key management persons were observed during the last three years except as disclosed as above.

A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions/posts held in the past, directorship held, other ventures of each sponsor and present position

(B)(7)(k)

Name of sponsors including father's names, age, personal addresses, educational qualifications, and experiences in the business, positions/posts held in the past:

Sl.	Name, Father's Name, Age, Personal Address	Educational Qualification	Experience	Past Position	Present Position	Holding in other Venture
1.	Name: Syed Ali Jowher Rizvi Father's Name: S N H Rizvi Age: 68 Personal Address: House # 15, Road # 117, Gulshan - 1, Dhaka - 1212	MBA	46 years	Business	Chairman	All the detail regarding holding in other ventures are disclosed in pg. 107 to pg. 125
2.	Name: Sohana Rouf Chowdhury Father's Name: Abdur Rouf Chowdhury Age: 45 Personal Address: House No. CEN (H) 44, Road No. 113, Gulshan, Dhaka - 1212	B. Sc.	13 years	Business	Director	
3.	Name: Lutfe Mawla Ayub Father's Name: Mahmudul Huq Age: 70 Personal Address: House # 3, Road # 2, Zakir Hossain Road, Khulshi, Chittagong	B.A. (Hons)	42 years	Business	Director	
4.	Name: Summit Holdings Limited Represented by: Azeeza Aziz Khan Father's Name: Muhammed Aziz Khan Age: 37 Personal Address: House # 15/C, Road # 2, Dhaka Cantonment, Dhaka - 1206	ACCA, B. Sc.	12 years	Service	Nominated Director	
5.	Name: Green Delta Insurance Company Limited Represented by: Farzanah Chowdhury Father's Name: Abdur Rouf Chowdhury Age: 54	ACII	25 Years	Business	Nominated Director	

	Personal Address: House # 5, Road # 82, Gulshan - 2, Dhaka - 1212				
6.	Name: Concept Knitting Limited Represented by: Fahima Akhter Father's Name: M A Sabur Age: 47 Personal Address: Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka	MBA	20 years	Business	Nominated Director
7.	Name: People's Leasing & Finance PLC Represented by: Mohamed Azzam Ali Ahamat Father's Name: Tuan Mirza Vazeer Ahamat Age: 42 Personal Address: 420/46, Sunethradevi Road, Kohuwela	FCMA (UK), FCCA (UK), CPA (Australia)	18 years	Service	Nominated Director
8.	Name: People's Leasing & Finance PLC Represented by: Rohan Pathirage Father's Name: Pathirage Leslie Perera Age: 58 Personal Address: 127/1 VGA Jayawardena Mawatha, Kandy Road, Kadawatha	MBA	25 years	Service	Nominated Director
9.	Name: People's Leasing & Finance PLC Represented by: Rajapaksa Pathirana Udesha Priyadarshana Gunawardena Father's Name: R. P. Gunawardena Age: 52 Personal Address: 90/8, Ragama Road, Kadwatha	ACA, CIA, ACMA	25 years	Service	Nominated Director
10.	Name: People's Leasing & Finance PLC Represented by: Shamindra Joseph Marcus Marcelline Father's Name: Hillaire Marcus Marcelline Age: 49 Personal Address: 60/9, Madinnagoda Road, Rajagiriya	FAIQ (UK), B. Sc.	25 years	Service	Nominated Director
11	Name: People's Leasing & Finance PLC Represented by: Michael Pradeep Amirthanayagam	FCIM UK, CIMA Professional Stage 1	35 years	Service	Nominated Director

	<p>Father's Name: Gratien Andre Premraj Amirthanayagam Age: 60 Personal Address: 107/38, Shalawa Road, Mirihana, Nugegoda</p>				
12	<p>Name: People's Leasing & Finance PLC Represented by: Don Nayanapriya Laksanda Gunawardena Father's Name: J. Gunawardena Age: 51 Personal Address: No. 15, Sri Nagavihara Road, Pagoda, Nugegoda</p>	<p>MA Business Administration, MSc. Strategic Marketing, Certified Professional Marketer, CMA (Australia)</p>	28 years	Service	Director
13	<p>Abdur R. Chowdhury Father's Name: Abdul Halim Chowdhury Age: 70 Personal Address: House: 10, Road: 20/B, Sector: 4, Uttora, Dhaka</p>	<p>PhD in Economics, University of Kentucky, Masters in Economics, University of Dhaka</p>	40	Professor	Independent Director
14	<p>Anita Ghazi Rahman Father's Name: Mujibur Rahman Age: 43 Personal Address: Apartment: 3E, Plot no: NW (K) 12,, Road no: 50, Gulshan 2, Dhaka-1212</p>	<p>Bar Vocational Course College Of Law, London LL.B. (Honors), University College London (UCL)</p>	20	Lawyer	Independent Director
15	<p>Muraheb Malik Chowdhury Father's Name: Masih Malik Chowdhury Age: 39 Personal Address: House 32, Road 9/A, Flat 3/B,</p>	<p>FCA (BD), FCA (England & Wales), FCCA (UK)</p>	20	Chartered Accountant	Independent Director
16	<p>Neaz Ahmed Father's Name: Borhan Uddin Ahmed Age: 69 Personal Address: House: 17, Road: 65, Gulshan 2, Dhaka-1212</p>	<p>M.A (Economics, D.U.), A.C.I.B (London), D.A.I.B.B.</p>	37	Economist	Independent Director

Note: The appointment of Independent Directors is under process.



If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc. (B)(7)(l)

Except Lutfe Mawla Ayub, all the present directors are sponsor shareholders of the Company. Mr. Lutfe Ayub acquired shares of the issuer within 5 years immediately preceding the date of filing of Prospectus. Details are as follows:

Transferor	Acquirer/ Transferee	Date of Acquisition	Term of Acquisition	Consideration	Face Value (BDT)	No of Shares
Rabab Fashion Industry Ltd.	Lutfe Mawla Ayub	30/03/2021	Ordinary Share	Cash	10	2,000,000

Note: The Company has split its face value of shares from BDT 100.00 to BDT 10.00 on 18 April 2017 after passing a special resolution during the EGM held on 12 April 2017.

If the sponsors or directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out or managed (B)(7)(m)

All the directors of the issuer are knowledgeable and skilled at running the proposed line of business.

Interest of the key management persons (B)(7)(n)

There are no other interests of the key management persons other than the remuneration/salary received by them.

All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary (B)(7)(o)

Name	Designation	Interest and Facilities	Amount (31 st December 2022)
Syed Ali Jowher Rizvi	Chairman	Remuneration	-
		Meeting fee	48,000
		Dividend Paid	5,000,000
Sohana Rouf Chowdhury	Director	Remuneration	-
		Meeting fee	24,000
		Dividend Paid	5,000,000
Lutfe Mawla Ayub	Director	Remuneration	-
		Meeting fee	80,000
		Dividend Paid	1,000,000
Azeeza Aziz Khan (Representative of Summit Holdings Limited)	Nominated Director	Remuneration	-
		Meeting fee	48,000
		Dividend Paid	-



Farzanah Chowdhury (Representative of Green Delta Insurance Company Limited)	Nominated Director	Remuneration	-
		Meeting fee	-
		Dividend Paid	-
Fahima Akhter (Representative of Concept Knitting Limited)	Nominated Director	Remuneration	-
		Meeting fee	64,000
		Dividend Paid	-
Mohammed Azzam Ali Ahamat (Representative of People's Leasing & Finance PLC)	Nominated Director	Remuneration	-
		Meeting fee	64,000
		Dividend Paid	-
Rohan Pathirage (Representative of People's Leasing & Finance PLC)	Nominated Director	Remuneration	-
		Meeting fee	40,000
		Dividend Paid	-
Rajapaksa Pathirana Udesha Priyadarshana Gunawardena (Representative of People's Leasing & Finance PLC)	Nominated Director	Remuneration	-
		Meeting fee	48,000
		Dividend Paid	-
Shamindra Joseph Marcus Marcelline (Representative of People's Leasing & Finance PLC)	Nominated Director	Remuneration	-
		Meeting fee	112,000
		Dividend Paid	-
Michael Pradeep Amirthanayagam (Representative of People's Leasing & Finance PLC)	Nominated Director	Remuneration	-
		Meeting fee	-
		Dividend Paid	-
Don Nayanapriya Laksanda Gunawardena (Representative of People's Leasing & Finance PLC)	Nominated Director	Remuneration	-
		Meeting fee	-
		Dividend Paid	-
Abdur R. Chowdhury	Independent Director	Remuneration	-
		Meeting fee	-
		Dividend Paid	-
Anita Ghazi Rahman	Independent Director	Remuneration	-
		Meeting fee	-
		Dividend Paid	-
Muraheb Malik Chowdhury	Independent Director	Remuneration	-
		Meeting fee	-
		Dividend Paid	-
Neaz Ahmed	Independent Director	Remuneration	-
		Meeting fee	-
		Dividend Paid	-
Kanti Kumar Saha	Chief Executive Officer	Remuneration	12,400,044
		Meeting fee	-
		Dividend Paid	-

Note:

- *Nominated directors do not receive dividends. Shareholding companies received dividends for the year 2021. These are Summit Holdings Limited- BDT 5,000,000/-, Green Delta Insurance Company Limited - BDT 5,000,000/-, Concept Knitting Limited - BDT 2,000,000/-, People's Leasing & Finance PLC - BDT 25,500,000/-.*
- *The appointment of Independent Directors is under process.*



Number of shares held and percentage of shareholding (pre issue) (B)(7)(p)

Sl.	Name of the Shareholder	Position	No. of Shares	Pre-IPO Percentage
1	Syed Ali Jowher Rizvi	Chairman	10,500,000	10%
2	Summit Holdings Limited	Sponsor Shareholder	10,500,000	10%
3	Concept Knitting Limited	Sponsor Shareholder	4,200,000	4%
4	Green Delta Insurance Company Limited	Sponsor Shareholder	10,500,000	10%
5	Lutfе Mawla Ayub	Director	2,100,000	2%
6	Sohana Rouf Chowdhury	Director	10,500,000	10%
7	Fahmida Akter Khatun	Sponsor Shareholder	3,150,000	3%
8	People’s Leasing & Finance PLC	Sponsor Shareholder	53,550,000	51%
Total:			105,000,000	100%

Note: Considering 5% stock dividend for the year ended December 31, 2022.

Change in board of directors during last three years (B)(7)(q)

Sl.	Name of Director	2023	2022	2021
1.	Syed Ali Jowher Rizvi	Continuing	Continuing	Continuing
2.	Sohana Rouf Chowdhury	Continuing	Retired and re-elected on 27-Apr-2022	Continuing
3.	Lutfе Mawla Ayub	Continuing	Continuing	Continuing
4.	Azeeza Aziz Khan (Representative of Summit Holdings Limited)	Continuing	Continuing	Continuing
5.	Farzanah Chowdhury (Representative of Green Delta Insurance Company Limited)	Continuing	Continuing	Continuing
6.	Fahima Akhter (Representative of Concept Knitting Limited)	Continuing	Continuing	Continuing
7.	Mohammed Azzam Ali Ahamat (Representative of People’s Leasing & Finance PLC)	Continuing	Continuing	Continuing
8.	Rohan Pathirage (Representative of People’s Leasing & Finance PLC)	Continuing	Retired and re-elected on 27-Apr-2022	Continuing
9.	Rajapaksa Pathirana Udesha Priyadarshana Gunawardena (Representative of People’s Leasing & Finance PLC)	Continuing	Retired and re-elected on 27-Apr-2022	Continuing



10.	Shamindra Joseph Marcus Marcelline (Representative of People's Leasing & Finance PLC)	Continuing	Continuing	Continuing
11.	Michael Pradeep Amirthanayagam (Representative of People's Leasing & Finance PLC)	Appointed on 16-Mar-23		
12.	Don Nayanapriya Laksanda Gunawardena (Representative of People's Leasing & Finance PLC)	Appointed on 16-Mar-23		
13.	Abdur R. Chowdhury (Independent Director)	2023		
14.	Anita Ghazi Rahman (Independent Director)	2023		
15.	Muraheb Malik Chowdhury (Independent Director)	2023		
16.	Neaz Ahmed (Independent Director)	2023		
17.	Sujeewa Rajapakes (Representative of People's Leasing & Finance PLC)	-	Retired and re-elected on 27-Apr-2022 Resigned on 29-Sep-22	Continuing
18.	Ranjith Kodituwakku (Representative of People's Leasing & Finance PLC)	Resigned on 16-Mar-23	Retired and re-elected on 27-Apr-2022	Continuing
19.	K.C.J. Clive Fonseka (Representative of People's Leasing & Finance PLC)	Resigned on 16-Mar-23	Continuing	Appointed on 29-Nov-2021

Note: The appointment of Independent Directors is under process.

Director's engagement with similar business

(B)(7)(r)

Directors are not engaged in similar businesses other than the businesses disclosed in this chapter.



SECTION (IX)
(B)(8)

**CERTAIN RELATIONSHIP AND RELATED
TRANSACTIONS**

SECTION CONTENTS

(a)	Description of any transaction during the last five years, or any proposed transactions certified by the auditors
(b)	Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus
(c)	Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan, and present outstanding of such loan.



Description of any transaction during the last five years, or any proposed transactions certified by the auditors

(B)(8)(a)

(i) Certification on statement of Related Party Transaction of Alliance Finance PLC

TO WHOM IT MAY CONCERN

STATEMENT REGARDING THE DESCRIPTION OF ANY TRANSACTION DURING THE LAST FIVE YEARS, OR ANY PROPOSED TRANSACTIONS, BETWEEN THE ISSUER AND ANY OF THE FOLLOWING PERSONS, GIVING THE NAME OF THE PERSONS INVOLVED IN THE TRANSACTION, THEIR RELATIONSHIP WITH THE ISSUER, THE NATURE OF THEIR INTEREST IN THE TRANSACTION AND THE AMOUNT OF SUCH INTEREST, NAMELY: -

After due examination of the independent auditor's report along with audited financial statements of Lankan Alliance Finance Limited (the "Company") for the years ended 31 December 2018, 2019, 2020, 2021 and 2022, information provided by the Company, management representation letter and separate representation provided by the issuer, we hereby certify that the Company did not engage in any transactions with

- i) Any Director or sponsor or executive officer of the issuer;
- ii) Any person holding 5% or more of the outstanding shares of the issuer;
- iii) Any related party or connected person of any of the above persons;

This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 (as amended). It may be noted here that the statutory audit for the years 2018 & 2019 had been conducted by A. Qasem & Co., Chartered Accountants.

Dhaka, 17 April 2023

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants



Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus;

(B)(8)(b)

There was no transaction or arrangement entered by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus.

Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan, and present outstanding of such loan;

(B)(8)(c)

There are no such loans taken or given from or to any director or any person connected with the director of the company.



SECTION (X)
(B)(9)

EXECUTIVE COMPENSATION

SECTION CONTENTS	
(a)	The total amount of remuneration/salary/perquisites paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer
(b)	Aggregate amount of remuneration paid to all Directors and officers as a group during the last accounting year
(c)	If any shareholder Director received any monthly salary/perquisite/benefit it must be mentioned along with date of approval in AGM/EGM, terms thereof and payments made during the last accounting year
(d)	The board meeting attendance fees received by the director including the managing director along with date of approval in AGM/EGM
(e)	Any contract with any Director or officer providing for the payment of future compensation
(f)	If the issuer intends to substantially increase the remuneration paid to its Directors and officers in the current year, appropriate information regarding thereto
(g)	Any other benefit/facility provided to the above persons during the last accounting year



The total amount of remuneration/salary/perquisites paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer; (B)(9)(a)

Sl.	Name	Designation	Remuneration
1	Kanti Kumar Saha	Chief Executive Officer	12,400,044.00
2	Don Wishva Kantha Wickramarachchi	Chief Financial Officer	7,663,381.00
3	Shahanur Rashid	Head of Business	7,212,973.00
4	Mostofa Meer Khaled Omar	Head of CRM	4,282,200.00
5	Mohammad Shahidul Islam Mazumder	Head of ICT	3,032,380.00

Note: As per latest Audited Financial Statement for the period ended 31st December 2022

Aggregate amount of remuneration paid to all Directors and officers as a group during the last accounting year; (B)(9)(b)

Sl.	Particulars	Remuneration
1	Directors' Remuneration and meeting attendance fees	856,000
2	Salary Paid to Managing Director & CEO	12,400,044
3	Salary Paid to Executives and Employees	61,280,166

Note: As per latest Audited Financial Statement for the period ended 31st December 2022

If any shareholder Director received any monthly salary/perquisite/benefit it must be mentioned along with date of approval in AGM/EGM, terms thereof and payments made during the last accounting year; (B)(9)(c)

No shareholder Director of AFPLC has received any monthly salary/perquisite/benefit during the last accounting year.



The board meeting attendance fees received by the director including the managing director along with date of approval in AGM/EGM; (B)(2)(d)

Sl. No.	Name of Directors	Designation	Amount (Tk.)	Date of approval in AGM/EGM
1.	Syed Ali Jowher Rizvi	Chairman	8,000	Meeting fee paid to Directors as per Bangladesh Bank DFIM Circular No. 13 dated November 30, 2015
2.	Sohana Rouf Chowdhury	Director	8,000	
3.	Lutfe Mawla Ayub	Director	8,000	
4.	Azeeza Aziz Khan (Representative of Summit Holdings Limited)	Nominated Director	8,000	
5.	Farzanah Chowdhury (Representative of Green Delta Insurance Company Limited)	Nominated Director	8,000	
6.	Fahima Akhter (Representative of Concept Knitting Limited)	Nominated Director	8,000	
7.	Mohammed Azzam Ali Ahamat (Representative of People's Leasing & Finance PLC)	Nominated Director	8,000	
8.	Rohan Pathirage (Representative of People's Leasing & Finance PLC)	Nominated Director	8,000	
9.	Rajapaksa Pathiramage Udesh Priyadarshana Gunawardena (Representative of People's Leasing & Finance PLC)	Nominated Director	8,000	
10.	Shamindra Joseph Marcus Marcelline (Representative of People's Leasing & Finance PLC)	Nominated Director	8,000	
11.	Michael Pradeep Amirthanayagam (Representative of People's Leasing & Finance PLC)	Nominated Director	8,000	
12.	Don Nayanapriya Laksanda Gunawardena (Representative of People's Leasing & Finance PLC)	Nominated Director	8,000	
13.	Abdur R. Chowdhury	Independent Director	-	
14.	Anita Ghazi Rahman	Independent Director	-	
15.	Muraheb Malik Chowdhury	Independent Director	-	
16.	Neaz Ahmed	Independent Director	-	
17.	Kanti Kumar Saha	Chief Executive Officer	-	

Note: The appointment of Independent Directors is under process.



Any contract with any Director or officer providing for the payment of future compensation;

(B)(2)(e)

There are no contracts available between the company and any directors or officers to provide any future compensation.

If the issuer intends to substantially increase the remuneration paid to its Directors and officers in the current year, appropriate information regarding thereto;

(B)(2)(f)

The issuer does not have any intention to substantially increase the remuneration paid to its directors and officers in the current year, except annual increment.

Any other benefit/facility provided to the above persons during the last accounting year;

(B)(2)(g)

No other benefits or facilities were provided to any of the directors or officers during the last accounting year except the ones that were disclosed above.



SECTION (XI)
(B)(10)

OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

SECTION CONTENTS	
(1)	Information in respect of any option held by each director, the salaried officers, and all other officers as a group
(2)	If such options are held by any person other than the directors, and the officers of the issuer company, the information shall be given in the prospectus

Alliance Finance PLC did not grant any options to its director, salaried officers and all other employees as a group or any person other than directors and officers of the Company for the purpose of issuing shares.



SECTION (XII)
(B)(11)

**TRANSACTIONS WITH THE DIRECTORS AND
SUBSCRIBERS TO THE MEMORANDUM**

SECTION CONTENTS

(a)	The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last five years along with the description of assets, services or other consideration received or to be received
(b)	Any assets which were acquired or to be acquired from the aforesaid persons, the amount paid for such assets and the method used to determine the price

The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last five years along with the description of assets, services or other consideration received or to be received;

(B)(11)(a)

Monetary value received from the Company by board directors and subscriber to the memorandum during last five years:

Sl. No.	Name of directors and subscribers to the memorandum	Relationship with the issuer	Nature of value received or to be received	Amount in Taka				
				31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
1.	Syed Ali Jowher Rizvi	Chairman	Meeting Fee	48,000	56,000	40,000	32,000	32,000
			Dividend	5,000,000	-	-	-	-
2.	Sohana Rouf Chowdhury	Director	Meeting Fee	24,000	64,000	48,000	24,000	8,000
			Dividend	5,000,000	-	-	-	-
3.	Lutfe Mawla Ayub	Director	Meeting Fee	80,000	80,000	64,000	48,000	64,000
			Dividend	1,000,000	-	-	-	-
4.	Azeeza Aziz Khan (Representative of Summit Holdings Limited)	Nominated Director	Meeting Fee	48,000	24,000	48,000	24,000	8,000
			Dividend	-	-	-	-	-



5.	Farzanah Chowdhury (Representative of Green Delta Insurance Company Limited)	Nominated Director	Meeting Fee	-	8,000	32,000	-	24,000
			Dividend	-	-	-	-	-
6.	Fahima Akhter (Representative of Concept Knitting Limited)	Nominated Director	Meeting Fee	64,000	48,000	64,000	48,000	24,000
			Dividend	-	-	-	-	-
7.	Mohammed Azzam Ali Ahamat (Representative of People's Leasing & Finance PLC)	Nominated Director	Meeting Fee	64,000	80,000	48,000	-	-
			Dividend	-	-	-	-	-
8.	Rohan Pathirage (Representative of People's Leasing & Finance PLC)	Nominated Director	Meeting Fee	40,000	56,000	32,000	-	-
			Dividend	-	-	-	-	-
9.	Rajapaksa Pathirana Udesh Priyadarshana Gunawardena (Representative of People's Leasing & Finance PLC)	Nominated Director	Meeting Fee	48,000	48,000	16,000	-	8,000
			Dividend	-	-	-	-	-
10.	Shamindra Joseph Marcus Marcelline (Representative of People's Leasing & Finance PLC)	Nominated Director	Meeting Fee	112,000	112,000	-	-	-
			Dividend	-	-	-	-	-



11.	Michael Pradeep Amirthanayagam (Representative of People's Leasing & Finance PLC)	Nominated Director	Meeting Fee			-	-	8,000	40,000
			Dividend	-	-	-	-	-	
12.	Don Nayanapriya Laksanda Gunawardena (Representative of People's Leasing & Finance PLC)	Nominated Director	Meeting Fee	-	-	-	-	-	-
			Dividend	-	-	-	-	-	
13.	Abdur R. Chowdhury	Independent Director	Meeting Fee	-	-	-	-	-	-
			Dividend	-	-	-	-	-	
14.	Anita Ghazi Rahman	Independent Director	Meeting Fee	-	-	-	-	-	-
			Dividend	-	-	-	-	-	
15.	Muraheb Malik Chowdhury	Independent Director	Meeting Fee	-	-	-	-	-	-
			Dividend	-	-	-	-	-	
16.	Neaz Ahmed	Independent Director	Meeting Fee	-	-	-	-	-	-
			Dividend	-	-	-	-	-	



17.	Kanti Kumar Saha	Nominated Director	Meeting Fee	-	-	-	-	-
			Dividend	-	-	-	-	-

Note:

- *Nominated directors do not receive dividends. Shareholding companies received cash dividends for the year 2021. These are Summit Holdings Limited- BDT 5,000,000/-, Green Delta Insurance Company Limited – BDT 5,000,000/-, Concept Knitting Limited - BDT 2,000,000/-, People’s Leasing & Finance PLC – BDT 25,500,000/-.*
- *The appointment of Independent Directors is under process.*

Non-monetary value received from the Company by board directors and subscriber to the memorandum during last five years:

No non-monetary value such as assets, services or other consideration received from the Company by board directors and subscriber to the memorandum during last five years.

Any assets which were acquired or to be acquired from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within five years prior to transfer those to the issuer, the acquisition cost thereof paid by them;

(B)(11)(b)

No assets were acquired by the issuer from its director or subscribers to the memorandum.



SECTION (XIII)
(B)(12)

OWNERSHIP OF THE COMPANY'S SECURITIES

SECTION CONTENTS	
(a)	The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage of the securities represented by such ownership, in tabular form
(b)	Table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the public issue
(c)	The average cost of acquisition of equity shares by the directors certified by the auditors
(d)	A detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors/ directors
(e)	Detail of shares issued by the company at a price lower than the issue price
(f)	History of significant (5% or more) changes in ownership of securities from inception.

The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage of the securities represented by such ownership, in tabular form;

(B)(12)(a)

SL.	Name	Position	Address	BO ID No.	Number of Shares	% of Shareholding	
						Pre-IPO	Post-IPO
1.	Mr. Syed Ali Jowher Rizvi	Chairman	House # 15, Road # 117, Gulshan - 1, Dhaka - 1212	1205590008585435	10,500,000	10%	7.78%
2.	Summit Holdings Limited	Sponsor Shareholder	Summit Centre, 18 Kawran Bazar, Dhaka	1205710004923349	10,500,000	10%	7.78%
3.	Concept Knitting Limited	Sponsor Shareholder	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka	1205960063014553	4,200,000	4%	3.11%
4.	Green Delta Insurance Company Limited	Sponsor Shareholder	Green Delta Insurance Co. Ltd., Green AIMS Tower (6th floor), 51-52 Mohakhali C/A, Dhaka - 1212	1203620000042986	10,500,000	10%	7.78%
5.	Lutfе Mawla Ayub	Shareholder & Director	House # 3, Road # 2, Zakir Hossain Road, Khulshi, Chittagong	1601880067293198	2,100,000	2%	1.56%
6.	Sohana Rouf Chowdhury	Sponsor Shareholder & Director	House No. CEN (H) 44, Road No. 113, Gulshan, Dhaka - 1212	1204490014909286	10,500,000	10%	7.78%
7.	Fahmida Akter Khatun	Sponsor Shareholder	House-16, Road-63 Gulshan-2, Dhaka-1212	1606150075923751	3,150,000	3%	2.33%
8.	People's Leasing & Finance PLC	Sponsor Shareholder	No.1161, Maradana Road, Borella, Sri Lanka	1606180075923181	53,550,000	51%	39.67%
Total:					105,000,000	100%	77.78%

Note: Considering 5% stock dividend for the year ended December 31, 2022.

Table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the public issue;

(B)(12)(b)

Sl.	Name	Position	Address	Age (Years)	Experience (Years)	TIN	BO ID No.	Number of Shares	% Of Shareholding	
									Pre-IPO	Post-IPO
1.	Syed Ali Jowher Rizvi	Chairman	House # 15, Road # 117, Gulshan - 1, Dhaka - 1212	68	46	777426646261	1205590008585435	10,500,000	10%	7.78%
2.	Sohana Rouf Chowdhury	Sponsor Shareholder & Director	House No. CEN (H) 44, Road No. 113, Gulshan, Dhaka - 1212	45	13	834602628109	1204490014909286	10,500,000	10%	7.78%
3.	Lutfе Mawla Ayub	Shareholder & Director	House # 3, Road # 2, Zakir Hossain Road, Khulshi, Chittagong	70	42	435044768919	1601880067293198	2,100,000	2%	1.56%
4.	Summit Holdings Limited	Sponsor Shareholder	Summit Centre, 18 Kawran Bazar, Dhaka			8202222300968	1205710004923349	10,500,000	10%	7.78%
	Azeeza Aziz Khan (Representative of Summit Holdings Limited)	Nominated Director	House # 15/C, Road # 2, Dhaka Cantonment, Dhaka - 1206	37	12	652779516930				
5.	Green Delta Insurance Company Limited	Sponsor Shareholder	Green Delta Insurance Co. Ltd., Green AIMS Tower (6th floor), 51-52 Mohakhali C/A, Dhaka - 1212			614412656106	1203620000042986	10,500,000	10%	7.78%
	Farzanah Chowdhury (Representative of Green Delta Insurance Company Limited)	Nominated Director	House # 5, Road # 82, Gulshan - 2, Dhaka - 1212	54	25	344895598080				
6	Concept Knitting Limited	Sponsor Shareholder	Syed Grand Center, Plot 89, Road 28,			887397614951	1205960063014553	4,200,000	4%	3.11%

Sl.	Name	Position	Address	Age (Years)	Experience (Years)	TIN	BO ID No.	Number of Shares	% Of Shareholding	
									Pre-IPO	Post-IPO
			Sector 7, Uttara, Dhaka							
	Fahima Akhter (Representative of Concept Knitting Limited)	Nominated Director	Syed Grand Center, Plot 89, Road 28, Sector 7, Uttara, Dhaka	47	20	548073359645				
7	People's Leasing & Finance PLC	Sponsor Shareholder	No.1161, Maradana Road, Borella, Sri Lanka			N/A	1606180075923181	53,550,000	51%	39.67%
	Mohamed Azzam Ali Ahamat (Representative of People's Leasing & Finance PLC)	Nominated Director	420/46, Sunethradevi Road, Kohuwela	42	18	N/A				
	Rohan Pathirage (Representative of People's Leasing & Finance PLC)	Nominated Director	127/1 VGA Jayawardena Mawatha, Kandy Road, Kadawatha	58	25	N/A				
	Rajapaksa Pathiranage Udesh Priyadarshana Gunawardena (Representative of People's Leasing & Finance PLC)	Nominated Director	90/8, Ragama Road, Kadwatha	52	25	N/A				
	Shamindra Joseph Marcus Marcelline (Representative of People's Leasing & Finance PLC)	Nominated Director	60/9, Madinnagoda Road, Rajagiriya	49	25	N/A				
	Michael Pradeep Amirthanayagam	Nominated Director	107/38, Shalawa Road, Mirihana, Nugegoda	60	35	N/A				

Sl.	Name	Position	Address	Age (Years)	Experience (Years)	TIN	BO ID No.	Number of Shares	% Of Shareholding	
									Pre-IPO	Post-IPO
	(Representative of People's Leasing & Finance PLC)									
	Don Nayanapriya Laksanda Gunawardena (Representative of People's Leasing & Finance PLC)	Nominated Director	No. 15, Sri Nagavihara Road, Pagoda, Nugegoda	51	28	N/A				
8	Abdur R. Chowdhury	Independent Director	House: 10, Road: 20/B, Sector: 4, Uttora, Dhaka	70	40	194930307225				
9	Anita Ghazi Rahman	Independent Director	Apartment: 3E, Plot no: NW (K) 12, Road no: 50, Gulshan 2, Dhaka-1212	43	20	486982265810				
10	Muraheb Malik Chowdhury	Independent Director	House 32, Road 9/A, Flat 3/B, Dhanmondi, Dhaka-1207	39	20	539085223088				
11	Neaz Ahmed	Independent Director	House: 17, Road: 65, Gulshan 2, Dhaka-1212	59	37	178010409521				

Note:

- Considering 5% stock dividend for the year ended December 31, 2022.
- The appointment of Independent Directors is under process.

Position held in other companies of all the directors before the public issue:

This information is already given in directors' involvement in other organizations under the head "DIRECTORS AND OFFICERS" in Section-VII.

The average cost of acquisition of equity shares by the directors certified by the auditors;

(B)(12)(c)

TO WHOM IT MAY CONCERN

AUDITORS' CERTIFICATE REGARDING AVERAGE COST OF ACQUISITION OF EQUITY SHARES BY THE DIRECTORS OF LANKAN ALLIANCE FINANCE LIMITED

This is to certify that after due verification, and as per the information contained in the audited financial statements, share register, return of allotment, Form-117 (Instrument of Transfer of Shares) and Memorandum of Association of Lankan Alliance Finance Limited (the 'Company'), we certify that the average cost of acquisition of equity by the Directors of Lankan Alliance Finance Limited is as follows:

Sl.	Name	Position	Cash	Cash	Cash	New Allotment	Cash	Cash	Total No. of Shares held	Total cost of acquisition (in BDT)	Average cost of acquisition per Share (in BDT)	Total cost of acquisition with share premium (in BDT)	Average cost of acquisition per Share with share premium (in BDT)
			By subscription to MoA (No. of Shares)	By Transfer (No. of Shares)	By Transfer (No. of Shares)	By Allotment (No. of Shares)	By Transfer (No. of Shares)	By Transfer (No. of Shares)					
			Date	15-May-16	15-May-16	12-Apr-17	30-Mar-21	30-Mar-21					
1	Alliance Holding Limited	Sponsor	235,000	235,000	-	-	-	-	-	-	-	-	-
2	Summit Equities Limited	Sponsor	235,000	235,000	-	-	-	-	-	-	-	-	-
3	Mrs. Jahanara Islam	Sponsor	30,000	30,000	-	-	-	-	-	-	-	-	-
4	Mr. A Rouf Chowdhury	Sponsor	80,000	80,000	-	-	-	-	-	-	-	-	-
5	Mrs. Zakia Rouf Chowdhury	Sponsor	100,000	100,000	-	-	-	-	-	-	-	-	-
6	Rangs Industries Limited	Sponsor	100,000	100,000	-	-	-	-	-	-	-	-	-
7	Rangs Limited	Sponsor	100,000	100,000	-	-	-	-	-	-	-	-	-
8	Rangs Motors Ltd.	Sponsor	100,000	100,000	-	-	-	-	-	-	-	-	-
9	Mr. Golam Kabir Chowdhury	Sponsor	20,000	20,000	-	-	-	-	-	-	-	-	-
10	Syed Ali Jowher Rizvi	Chairman	-	-	235,000	-	-	-	235,000	2,350,000	10	2,350,000	10.00
11	Summit Holdings Limited	Sponsor	-	-	235,000	-	-	-	235,000	2,350,000	10	2,350,000	10.00
12	Sohana Rouf Chowdhury	Director	-	-	530,000	-	-	-	530,000	5,300,000	10	5,300,000	10.00
13	People's Leasing & Finance PLC	Sponsor	-	-	-	51,000,000	-	-	51,000,000	510,000,000	10	604,200,000	11.85
14	Summit Holdings Limited	Sponsor	-	-	-	9,765,000	-	-	9,765,000	97,650,000	10	120,000,000	12.29
15	Concept Knitting Ltd.	Sponsor	-	-	-	4,000,000	-	-	4,000,000	40,000,000	10	48,000,000	12.00
16	Green Delta Insurance Company	Sponsor	-	-	-	10,000,000	-	-	10,000,000	100,000,000	10	120,000,000	12.00
17	Rabab Fashion Industry Ltd.	Sponsor	-	-	-	2,000,000	2,000,000	-	-	-	10	-	-
18	Syed Ali Jowher Rizvi	Chairman	-	-	-	9,765,000	-	-	9,765,000	97,650,000	10	100,000,000	10.24
19	Sohana Rouf Chowdhury	Sponsor & Director	-	-	-	9,470,000	-	-	9,470,000	94,700,000	10	120,000,000	12.67
20	Fahmida Akter Khatun	Sponsor & Director	-	-	-	3,000,000	-	-	3,000,000	30,000,000	10	30,000,000	10.00
21	Lutfe Mawla Ayub	Sponsor & Director	-	-	-	-	-	2,000,000	2,000,000	20,000,000	10	20,000,000	10.00
	Total		1,000,000	1,000,000	1,000,000	99,000,000	2,000,000	2,000,000	100,000,000	1,000,000,000		1,172,200,000	

* 10,000,000 Ordinary share of TK 100.00 each on which TK 100.00 per share is paid up have been sub- divided into 10,00,00,000 shares of Tk 10.00 (of similar amount than the sub-divided) on which Tk 10.00 per share is paid up (which must be proportionate to the reduced nominal value of each share) dated 25.04. 2017

This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 (as amended).It may be noted here that the statutory audit for the years 2018 & 2019 had been conducted by A.Qasem & Co., Chartered Accountants

Dhaka, 17 April 2023

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants

A detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors/ directors; (B)(12)(d)

Name & Position	Date of Allotment	Consideration	Nature of Issue	No. of Shares	Cumulative No. of Equity Share	Face Value & Issue Price	Pre-IPO (%)	Post IPO (%)	Sources of fund
Syed Ali Jowher Rizvi (Sponsor Shareholder & Chairman)	27 th Sept 2003	Cash	Ordinary Share	235,000	10,500,000	10	10%	7.78%	Own Sources
	12 th Apr 2017	Cash		9,765,000					
	16 th March 2023	Bonus		500,000					
Summit Holdings Limited (Sponsor Shareholder)	27 th Sept 2003	Cash	Ordinary Share	235,000	10,500,000	10	10%	7.78%	Own Sources
	12 th Apr 2017	Cash		9,765,000					
	16 th March 2023	Bonus		500,000					
Concept Knitting Limited (Sponsor Shareholder)	12 th Apr 2017	Cash	Ordinary Share	4,000,000	4,200,000	10	4%	3.11%	Own Sources
	16 th March 2023	Bonus		200,000					
Green Delta Insurance Company Limited (Sponsor Shareholder)	12 th Apr 2017	Cash	Ordinary Share	10,000,000	10,500,000	10	10%	7.78%	Own Sources
	16 th March 2023	Bonus		500,000					
Lutfе Mawla Ayub (Shareholder & Director)	12 th Apr 2017	Cash	Ordinary Share	2,000,000	2,100,000	10	2%	1.56%	Own Sources
	16 th March 2023	Bonus		100,000					
Sohana Rouf Chowdhury (Sponsor Shareholder & Director)	27 th Sept 2003	Cash	Ordinary Share	530,000	10,500,000	10	10%	7.78%	Own Sources
	12 th Apr 2017	Cash		9,470,000					
	16 th March 2023	Bonus		500,000					
Fahmida Akter Khatun (Sponsor Shareholder)	12 th Apr 2017	Cash	Ordinary Share	3,000,000	3,150,000	10	3%	2.33%	Own Sources
	16 th March 2023	Bonus		150,000					
People's Leasing & Finance PLC (Sponsor Shareholder)	12 th Apr 2017	Cash	Ordinary Share	51,000,000	53,550,000	10	51%	39.67%	Own Sources
	16 th March 2023	Bonus		2,550,000					

Note: Considering 5% stock dividend for the year ended December 31, 2022.



Detail of shares issued by the company at a price lower than the issue price; (B)(12)(e)

All the shares of the company are issued at face value of Tk. 10.00 before this issue.

History of significant (5% or more) changes in ownership of securities from inception; (B)(12)(f)

There have been significant (51%) changes in ownership of securities from inception of AFPLC.

People's Leasing & Finance PLC made an investment and acquired 51% of new shares if AFPLC. Details are as follows:

New Allotment	Date of Allotment	Face Value (BDT)	No of Shares
People's Leasing & Finance PLC	12/04/2017	100	5,100,000

Note: The Company has split its face value of shares from BDT 100.00 to BDT 10.00 on 18 April 2017 after passing a special resolution during the EGM held on 12 April 2017.



SECTION (XIV)
(B)(13)

CORPORATE GOVERNANCE

SECTION CONTENTS

(a)	A disclosure to the effect that the issuer has complied with the requirements of Corporate Governance Guidelines of the Commission
(b)	A compliance report of Corporate Governance requirements certified by competent authority
(c)	Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committees operate



A disclosure to the effect that the issuer has complied with the requirements of Corporate Governance Guidelines of the Commission; (B)(13)(a)

**MANAGEMENT DISCLOSURE REGARDING COMPLIANCE WITH THE
REQUIREMENTS OF THE CORPORATE GOVERNANCE CODE OF BANGLADESH
SECURITIES AND EXCHANGE COMMISSION**

The Company declares that it has complied with the requirements of the applicable regulations of the Corporate Governance Code of Bangladesh Securities and Exchange Commission including the constitution of the Board and several committees thereof. A certificate of compliance from a competent authority has been incorporated accordingly.

Sd/-

Kanti Kumar Saha

Chief Executive Officer

Place: Dhaka

Date: 16th March 2023



A compliance report of Corporate Governance requirements certified by competent authority; (B)(13)(b)

[Certificate as per condition No.1(5)(xxvii)]

**Certificate on Compliance Report of Corporate Governance Requirements
of
Alliance Finance PLC**

We have examined the Report on Corporate Governance of Alliance Finance PLC [“the Company”] as well as the Status of Compliance with the Corporate Governance Code by the Company for the year ended on 31 December 2022 and till the date of this Certificate.

The Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission (BSEC). Compliance with this Code is the responsibility of each Company listed with the Stock Exchanges in Bangladesh as stipulated in the above mentioned notification. Since the Company is getting prepared to be listed with the Stock Exchanges in Bangladesh and intends to be compliant with the said Code and good corporate governance practices, this review has been made.

Such compliance or preparation statement on compliance status or preparation of report on corporate governance is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management of the Company in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of the said Code. However, this Certification being special one, not being made on yearly basis, review of compliances with some conditions of the Code has been to be excluded from the scope of review/certification.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions as stipulated in the Corporate Governance Code issued by BSEC, including the conditions related to Board Size, Selection of Chairperson, Appointments of Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS) and Head of Internal Audit & Compliance (HIAC), Laying Down Code of Conduct for Board Members, Defining Roles, Duties and Responsibilities of Chairperson, CEO, CFO, CS, HIAC and Audit Committee, and, except as stated in the remarks column of the Statement on Status of Compliance prepared / approved by the Directors of the Company;
- (b) The Management of the Company has given declaration that the Company shall be complied with the provisions of the relevant Bangladesh Secretarial Standards as adopted by ICSB as required by the Corporate Governance Code;
- (c) The Management of the Company has given declaration that the Company shall ensure keeping proper books and records as required under the Companies Act 1994, the securities laws and other relevant laws;
and
- (d) The Governance of the Company is satisfactory.

For

SA Rashid & Associates
Sd/-

S. Abdur Rashid FCS
Chartered Secretary in Practice

Place : Dhaka
Dated: 24th April 2023



Alliance Finance PLC

Status of Compliance with the Corporate Governance Code (CGC) for the year ended 31st December 2022 and until the date of signing

Status of compliance with the conditions imposed by the commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors (BOD)			
1(1)	Board size (number of Board members: minimum 5 and maximum 20)	√		
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors			Appointment of Independent Directors is under Process
1(2)(b)	Independent Director means a Director			
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company			Will be complied with
1(2)(b)(ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries, and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company based on family relationship and his or her family members also shall not hold above-mentioned shares in the company			-do-
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years			-do-
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies			-do-
1(2)(b)(v)	Who is not a member, director, or officer of any stock exchange			-do-
1(2)(b)(vi)	Who is not a shareholder, director, or officer of any member of the stock			-do-



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	exchange or an intermediary of the capital market			
1(2)(b)(vii)	Who is not a partner or executive or was not a partner or an executive during the preceding 3 (three) years of the company's statutory audit firm			-do-
1(2)(b)(viii)	Who shall not be an independent director in more than 5 (five) listed companies			-do-
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI)			-do-
1(2)(b)(x)	Who has not been convicted for a criminal offense involving moral turpitude			-do-
1(2)(c)	Independent Director(s) shall be appointed by the Board of Directors approved by the shareholders in the Annual General Meeting (AGM)			-do-
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days			-do-
1(2)(e)	The tenure of office of an independent director shall be for 3 (three) years, which may be extended for 1 (one) term only			-do-
1(3)	Independent Directors shall have the following Qualification			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who can ensure compliance with financial, regulatory, and corporate laws and can make a meaningful contribution to business			-do-
1(3)(b)(i)	Independent director should be a Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. (100) million or any listed company or a member of any national or international chamber of commerce or business association; or			-do-
1(3)(b)(ii)	Independent director should be a Corporate Leader who is or was a top-level executive not lower than Chief			-do-



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with an equivalent position of an unlisted company having minimum paid-up capital of Tk100 million or of a listed company; or			
1(3)(b)(iii)	Independent director should be a Former official of government or statutory or autonomous or regulatory Board of Directors in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or			-do-
1(3)(b)(iv)	Independent director should be a University Teacher who has an educational background in Economics or Commerce or Business Studies or Law			-do-
1(3)(b)(v)	Independent director should be a professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification.			-do-
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)			-do-
1(3)(d)	In some special cases, the above qualifications may be relaxed subject to prior approval of the Commission			-do-
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason for the absence of the regular Chairperson shall be duly recorded in the minutes			Not Applicable
1(5)	The Directors' Report shall include the following additional statements			
1(5)(i)	Industry outlook and possible future developments in the industry			Will be complied with
1(5)(ii)	Segment-wise or product-wise performance			-do-
1(5)(iii)	Risks and concerns including internal and external risk factors, a threat to sustainability, and negative impact on the environment, if any			-do-
1(5)(iv)	A discussion on Cost of Goods Sold, Gross Profit Margin, and Net Profit Margin (Where applicable)			-do-
1(5)(v)	Discussion on continuity of any Extra-Ordinary gain or loss			-do-
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing the amount, nature of the related party, nature of transactions, and basis of transactions of all related party transactions			-do-



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(vii)	Utilization of proceeds from public issues, rights issues, and/or through any other instrument.			-do-
1(5)(viii)	An explanation of the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.			-do-
1(5)(ix)	If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements, the management shall explain the variance			-do-
1(5)(x)	Remuneration to directors including independent directors			-do-
1(5)(xi)	The financial statements present fairly its state of affairs, the result of its operations, cash flows, and changes in equity			-do-
1(5)(xii)	A statement that proper books of accounts have been maintained			-do-
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment			-do-
1(5)(xiv)	A statement that International Accounting Standards (IAS)/ International Financial Reporting Standard (IFRS), as applicable in Bangladesh, have been followed in the preparation of the financial statements and any departure there- from has been adequately disclosed			-do-
1(5)(xv)	The system of Internal control is sound in design and has been effectively implemented and monitored			-do-
1(5)(xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress			-do-
1(5)(xvii)	Going Concern (ability to continue as going concern)			-do-



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xviii)	Highlight and explain significant deviations from the last year's operating results			-do-
1(5)(xix)	Key operating and financial data of at least preceding 5(five) years shall be summarized			-do-
1(5)(xx)	Reason for non-declaration of Dividend			-do-
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend			-do-
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director			-do-
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties			Will be complied with
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children			-do-
1(5)(xxiii)(c)	Executives Explanation: For the purpose of this clause, the expression "Executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, and Head of Internal Audit and Compliance			-do-
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);			-do-
1(5) (xxiv)	The appointment or reappointment of a director, a disclosure on the following information to the shareholders			
1(5)(xxiv)(a)	A brief resume of the director			Will be complied with
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas			-do-
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board			-do-
1(5)(xxv)	A Management's Discussion and Analysis signed by the MD or CEO presenting a detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxv)(a)	Accounting policies and estimation for the preparation of financial statements			Will be complied with
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in the absolute figure for such changes			-do-
1(5)(xxv)(c)	Comparative analysis (including the effect of inflation) of financial performances or results and financial position as well as cash flows for the current financial year with immediately preceding five years explaining reasons thereof			-do-
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario			-do-
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe			-do-
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company			-do-
1(5)(xxv)(g)	Future plan or projection or forecast for the company's operations, performance, and financial position, with justification thereof, i. e., the actual position shall be explained to the shareholders in the next AGM			-do-
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) disclosed as per Annexure-A			-do-
1(5)(xxvii)	The report as well as certificate regarding the compliance of conditions of this Code as required under condition No. 9 shall be disclosed			-do-
1(6)	The company conducted its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions			-do-



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code			
1(7)	Code of Conduct for the Chairperson, other Board members, and Chief Executive Officer			
1(7)(a)	The Board laid down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. (6), for the Chairperson of the Board, other board members, and Chief Executive Officer of the company			The Board has laid down a code of conduct
1(7)(b)	The code of conduct as determined by the NRC posted on the website of the company including, among others, prudent conduct and behavior, confidentiality, conflict of interest, compliance with laws, rules and regulations, prohibition of insider trading, relationship with the environment, employees, customers and suppliers, and independency			Will be complied with
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions regarding the composition of the Board of the holding company made applicable to the composition of the Board of the subsidiary company			Not Applicable
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company			Not Applicable
2(c)	The minutes of the Board meeting of the subsidiary company placed for review at the following Board meeting of the holding company			Not Applicable
2(d)	The minutes of the respective Board meeting of the holding company stated that they have reviewed the affairs of the subsidiary company also			Not Applicable
2(e)	The Audit Committee of the holding company also reviewed the financial statements, and in particular, the			Not Applicable



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	investments made by the subsidiary company			
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC), and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board appointed a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO), and a Head of Internal Audit and Compliance (HIAC)	√		Appointment of CS is under process
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), and Head of Internal Audit and Compliance (HIAC) filled by different individuals	√		
3(1)(c)	The MD or CEO, CS, CFO, and HIAC of a listed company did not hold any executive position in any other company at the same time	√		
3(1)(d)	The Board clearly defined respective roles, responsibilities, and duties of the CFO, the HIAC, and the CS	√		
3(1)(e)	The MD or CEO, CS, CFO, and HIAC not removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)			Will be complied with
3(2)	The requirement to attend Board of directors Meetings			
	The MD or CEO, CS, CFO, and HIAC of the company attended the meetings of the Board			Will be complied with
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)(i)	The MD or CEO and CFO certified to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading			Will be complied with



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(3) (a)(ii)	These statements together presented a true and fair view of the company's affairs and comply with existing accounting standards and applicable laws			Will be complied with
3(3)(b)	The MD or CEO and CFO also certified that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal, or in violation of the code of conduct for the company's Board or its members			Will be complied with
3(3) (c)	The certification of the MD or CEO and CFO disclosed in the Annual Report			Will be complied with
4	Board of Directors Committee			
	For ensuring good governance in the company, the Board shall have at least the following sub-committee			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee			As per Bangladesh Bank letter no. DFIM(P)1052/27/2021-2436 dated, 04 November 2021, there is no scope for forming Nomination and Remuneration committee for any Financial Institutes.
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee is a sub-committee of the Board of Directors	√		
5(1)(b)	The Audit Committee assisted the Board of Directors in ensuring that the financial statements reflected a true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		
5(1)(c)	The Audit Committee is responsible to the Board of Directors (The duties of the Audit Committee are outlined in writing)	√		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee is composed of at least 3 members	√		



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(2)(b)	The Board of Directors appointed members of the Audit Committee who is the directors of the company and included at least 1 (one) Independent Director			Will be complied with
5(2)(c)	All members of the audit committee are "financially literate" and at least 1 (one) member has accounting or "related financial management experience"	√		
5(2)(d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before the expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee			Not Applicable
5(2)(e)	The Company Secretary acted as the secretary of the Audit Committee			Will be complied with
5(2)(f)	The quorum of the Audit Committee meeting is not constituted without at least 1(one) independent director			Will be complied with
5(3)	Chairman of the Audit Committee			
5(3)(a)	The Board of Directors selected the Chairman of the Audit Committee, who is an Independent Director			Will be complied with
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case, there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes			Will be complied with
5(3)(c)	The Chairman of the audit committee remained present in the AGM			Will be complied with



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee conducted at least its four meetings in a financial year	√		
5(4)(b)	The quorum of the meeting of the Audit Committee is constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where the presence of an independent director is a must			Will be complied with
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process	√		
5(5)(b)	Monitor the choice of accounting policies and principles	√		
5(5)(c)	Monitor Internal Control Risk Management process	√		
5(5)(d)	Oversee hiring and performance of external auditors	√		
5(5)(e)	Hold a meeting with the external or statutory auditors	√		
5(5)(f)	Review the annual financial statements before submission to the board for approval	√		
5(5)(g)	Review the quarterly and half-yearly financial statements before submission to the board for approval	√		
5(5)(h)	Review the adequacy of internal audit function	√		
5(5)(l)	Review the Management's Discussion and Analysis before disclosing in the Annual Report			Will be complied with
5(5)(j)	Review statement of significantly related party transactions submitted by the management	√		
5(5)(k)	Review Management Letters/Letter of Internal Control Weakness issued by statutory auditors	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed, and time required for effective audit and evaluate the performance of external auditors	√		
5(5)(m)	Disclosure to the Audit Committee about the uses/applications of IPO funds by major category (capital expenditure, sales, and marketing			Not Applicable



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	expenses, working capital, etc.), every quarter, as a part of their quarterly declaration of financial results (Further, on an annual basis, shall prepare a statement of funds utilized for the purposes other than those stated in the prospectus			
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	Reporting to Board of Directors on the activities of the Audit Committee			Will be complied with
5(6)(a)(ii)(a)	Reporting to Board of Directors on conflicts of interests			-do-
5(6)(a)(ii)(b)	Reporting to Board of Directors on any fraud or irregularity or material defect in the internal control system			-do-
5(6)(a)(ii)(c)	Reporting to Board of Directors on suspected infringement of laws			-do-
5(6)(a)(ii)(d)	Reporting to Board of Directors on any other matter			-do-
5(6)(b)	Reporting to BSEC (if any material impact on the financial condition & results of operation, unreasonably ignored by the management)			-do-
5(7)	Reporting to the Shareholders of Audit Committee activities, which shall be signed by the Chairman and disclosed in the Annual Report			-do-
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board			As stated against Condition No. 4(ii)
6(1)(b)	The NRC shall assist the Board in the formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences, and independence of directors and top-level executive as well as a policy for the formal process of considering remuneration of directors, top-level executive			-do-
6(1)(c)	The Terms of Reference (TOR) of the NRC shall be clearly outlined in writing			-do-



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	covering the areas stated in condition No. 6 (5)(b)			
6 (2)	Constitution of the NRC			
6 (2)(a)	The Committee shall comprise of at least three members including an independent director			As stated against Condition No. 4(ii)
6 (2)(b)	All members of the Committee shall be non-executive directors			-do-
6 (2)(c)	Members of the Committee shall be nominated and appointed by the Board			-do-
6 (2)(d)	The Board shall have authority to remove and appoint any member of the Committee			-do-
6 (2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee			-do-
6 (2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as an advisor who shall be a non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee	-		-do-
6 (2)(g)	The company secretary shall act as the secretary of the Committee			-do-
6 (2)(h)	The quorum of the NRC meeting shall not constitute without the attendance of at least an independent director;			-do-
6 (2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company			-do-
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director			As stated against Condition No. 4(ii)



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason for the absence of the regular Chairperson shall be duly recorded in the minutes			-do-
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders			-do-
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year			As stated against Condition No. 4(ii)
6(4)(b)	The Chairperson of the NRC may convene an emergency meeting upon request by any member of the NRC;			-do-
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two-third of the members of the Committee, whichever is higher, where the presence of an independent director is must as required under condition No. 6(2)(h)			-do-
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC			-do-
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the board and the shareholders			As stated against Condition No. 4(ii)
6(5)(b)	NRC shall oversee, among others, the following matters and make a report with a recommendation to the Board			-do-
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes, and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top-level executive, considering the following			-do-



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully			-do-
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmark			-do-
6(5)(b)(i)(c)	Remuneration to directors, top-level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals			-do-
6(5)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background, and nationality			-do-
6(5)(iii)	Identifying persons who are qualified to become directors and who may be appointed in a top-level executive position following the criteria laid down, and re-commend their appointment and removal to the Board			-do-
6(5)(iv)	Formulating the criteria for evaluation of the performance of independent directors and the Board			-do-
6(5)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria			-do-
6(5)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies			-do-
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			-do-
7	External/ Statutory Auditors			
7(1)(i)	Non-engagement in appraisal or valuation services or fairness opinions	√		
7(1)(ii)	Non-engagement in designing and implementation of Financial Information System	√		



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7(1)(iii)	Non-engagement in Book Keeping or other services related to the accounting records or financial statements	√		
7(1)(iv)	Non-engagement in Broker-dealer services	√		
7(1)(v)	Non-engagement in actuarial services	√		
7(1)(vi)	Non-engagement in internal audit services	√		
7(1)(vii)	Non-engagement in any other services that the Audit Committee determines	√		
7(1)(viii)	Non-engagement in audit or certification services on compliance of corporate governance as required under condition No (9(1); and	√		
7(1)(ix)	Non-engagement in any other service that creates a conflict of interest	√		
7(2)	No partner or employees of the external audit firms possesses any share of the company during the tenure of their assignment	√		
7(3)	Representative of external/statutory auditors remained present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	√		
8	Maintaining a website by the Company			
8(1)	The company has an official website linked with the website of the stock exchange			Will be complied with
8(2)	The company kept the website functional from the date of listing			Will be complied with
8(3)	The company made available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)			Will be complied with
9	Reporting and Compliance of Corporate Governance			
9(1)	Obtaining a certificate from a practicing Professional Accountant /Secretary regarding the compliance of the conditions of the Corporate Governance Guidelines of the BSEC and include in the Annual Report			Will be complied with
9(2)	The professional will provide the certificate on compliance with this			Will be complied with



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	Corporate Governance Code shall be appointed by the shareholders in the annual general meeting			
9(3)	Directors statement in the directors' report whether the company has complied with these conditions			Will be complied with

Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committees operate; (B)(13)(c)

Details relating to the AFPLC's Audit Committee:

AUDIT COMMITTEE		
Name of the Members	Designation	Position in the Committee
Mr. Shamindra Joseph Marcus Marcelline	Director	Chairman (Acting)
Mr. Mohamed Azzam Ali Ahamat	Director	Member
Ms. Azeeza Aziz Khan	Director	Member
Ms. Sohana Rouf Chowdhury	Director	Member

The terms of reference of the Audit Committee:

- i. The integrity of the financial reporting of the Company and the compliance with financial reporting requirements, information requirements of the Company's Act and other related financial reporting regulations.
- ii. The effectiveness of the internal control system and the Company's Risk Management function.
- iii. Assessing the company's ability to continue as a going concern in the foreseeable future.
- iv. Independence and performance of the company's external auditors.
- v. Performance of the company's internal audit function.
- vi. The Company's compliance with legal and regulatory requirements including the performance of the Company's compliance function.

Details relating to the AFPLC's Remuneration Committee

As per Bangladesh Bank letter no. DFIM(P)1052/27/2021-2436 dated, 04 November 2021, there is no scope for forming Nomination and Remuneration committee for any Financial Institutes. Thus, it is not applicable for AFPLC.



SECTION (XV)
(B)(14)

VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGER

SECTION CONTENTS	
(a)	The valuation report of securities to be offered shall be prepared and justified by the issue manager on the basis of the financial and all other information pertinent to the issue
(b)	To prepare the valuation report, the issue manager may consider all qualitative and quantitative factors which shall be explained in details with rationale to consider such factors, the valuation methods used, sources of information and authenticity of such information
(c)	While preparing the valuation report, the issue manager shall avoid exaggeration and biasness and shall exercise independence and due diligence
(d)	The issue manager(s) shall, among others, consider the following methods for valuation of the securities



The valuation report of securities to be offered shall be prepared and justified by the issue manager on the basis of the financial and all other information pertinent to the issue; (B)(14)(a)

The valuation report of securities to be offered by Alliance Finance PLC is prepared and justified based on the Audited Financial Statement for the period ended December 31, 2022, and all other information pertinent to the issue. The company declared a 5% stock dividend and 5% cash dividend for the year 2022. The dilution is considered in NAV based valuation.

To prepare the valuation report, the issue manager may consider all qualitative and quantitative factors which shall be explained in details with rationale to consider such factors, the valuation methods used, sources of information and authenticity of such information; (B)(14)(b)

While preparing the valuation report, several qualitative factors are measured to ensure the optimum fair value of the securities. Apart from that, the probable impact of these mentioned qualitative factors is reflected in the valuation.

Qualitative Factors:

- (1) The majority stakeholder of Alliance Finance PLC is People's Leasing & Finance PLC, a subsidiary of Peoples' Bank, Sri Lanka's largest state-owned bank.
- (2) The local sponsors include large corporates and individuals with impeccable records and proven goodwill and include companies such as Summit Group, Rangs Group, Alliance Holdings Limited, Green Delta Insurance Company Limited, and Concept Knitting Limited.
- (3) The expert team of AFPLC, consisting of professionals from various disciplines, are seasoned and experienced enough to head and operate each of the branches for optimal service to fulfill the demand of target customers.
- (4) The company has the latest tools and technologies to support business activities and is constantly in the process of implementing new technologies that will add value to existing services and customers.
- (5) The Company has a diverse portfolio of modern financial products and services to meet the needs of all its different clients.
- (6) The company is committed to maintaining the highest level of ethical standards. With steady focus on increasing profitability, inclusive growth, and capital strength, AFPLC has become known as one of the leading new generation Banks.
- (7) The company has been committed to carrying out Corporate Social Responsibility (CSR). This has created tangible value for the bank through a positive image in society.

Quantitative Valuation:

In valuation of AFPLC we have followed the guiding principles of clause no. (B)(14)(d) of Annexure- E of Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015. The following table represents a summary of the quantitative valuation.



Reference	Valuation Method	Calculated Fair Value (BDT)
Method - 1 (A)	Net Asset Value (NAV) Per Share	11.66
Method - 2 (A)	Earning Based Value Per Share (Considering Market P/E)	6.90
Method - 2 (B)	Earning Based Value Per Share (Considering Sector P/E)	9.51
Method - 3	Average market price of similar stock-based valuation	38.48

Based on Audited Financial Statement for the period ended December 31, 2022

While preparing the valuation report, the issue manager shall avoid exaggeration and biasness and shall exercise independence and due diligence; (B)(14)(c)

The valuation report is prepared solely based on the qualitative and quantitative information of the company and is free from exaggeration and biasness. Also, reasonable independence and due diligence were excused during the valuation.

The issue manager(s) shall, among others, consider the following methods for valuation of the securities: (B)(14)(d)

Method - 1: Net Asset Value (NAV) Per Share without Revaluation Reserve

The Net Asset Value (NAV) is calculated using the information from the most recently published audited financial statements on December 31, 2022. We considered the effect of 5% stock dividend declared for the year 2022. To calculate the NAV the total equity (net assets) of the company is divided by the total number of outstanding shares. Therefore, the NAV of the company is found 11.66 Taka per share. Detailed calculation of the valuation is given in the following table:

Particulars	Note	Amount (BDT)
Paid-up Capital	A	1,050,000,000
Add: Additional Paid-in Capital (Premium)		122,200,000
Add: Retained Earnings	B	5,766,621
Add: Non-controlling (Minority) Interest	C	
Add: Reserves-	D	
Statutory Reserve		46,807,935
Total Equity	E	1,224,774,556
Number of Shares Outstanding	F	105,000,000
Net Asset Value (NAV) per share with revaluation	E/F	11.66

Note:

- Considering 5% stock dividend and 5% cash dividend for the year ended December 31, 2022.
- The company has not conducted any revaluation to date.



Method - 2 (A): Earning Based Value Per Share considering Market P/E

To calculate the fair value per share, the profit of five years (2018 to 2022), especially the historical net income after tax was used along with the number of outstanding shares of the company in the respective year. Using the cumulative shares, a weighted average earning per year is calculated, which is then used to calculate the weighted average net profit after tax. The weighted average EPS is calculated to be 0.47 Taka. Monthly Market P/E from February 2022 to January 2023 are sourced from DSE Monthly review. After calculating the 12-months average of market P/E, weighted average EPS of 0.47 Taka is being multiplied by the market P/E average, namely the Market P/E of 14.74x and derived the fair value of 6.90 Taka per share. Details are given in the following table:

Sl	Year	No. of Shares	Net Profit after Tax (BDT)	Weight on Total Number of Shares	Weighted Average Net Profit after Tax (BDT)
A	31 Dec, 2022	100,000,000	51,823,592	0.20	10,364,718
B	31 Dec, 2021	100,000,000	58,553,922	0.20	11,710,784
C	31 Dec, 2020	100,000,000	56,782,065	0.20	11,356,413
D	31 Dec, 2019	100,000,000	37,174,976	0.20	7,434,995
E	31 Dec, 2018	100,000,000	29,705,125	0.20	5,941,025
F	Total	500,000,000	234,039,680	1.00	46,807,936
G	Number of Shares before IPO				100,000,000
H	Weighted Average Earning Per Share			F/G	0.47
I	Market P/E Multiple (12 Months Average)				14.74
	Historical Earning Based Value Per Share			H*I	6.90

Market P/E Calculation:

Alliance Finance PLC is categorized as a “NBFI Company” company based on the nature of the business. The monthly market P/E for the last 12 months (February 2022 to January 2023) were collected from the monthly reviews of DSE, and then the average market P/E was calculated. The details of the market P/E calculation are given in the following table:

Month	P/E Multiple
Jan-23	14.40
Dec-22	14.11
Nov-22	14.50
Oct-22	14.69
Sep-22	14.91
Aug-22	14.42
Jul-22	13.83
Jun-22	14.44
May-22	14.45
Apr-22	15.40
Mar-22	15.63
Feb-22	16.15
Average	14.74

Source: DSE Monthly Review from February 2022 to January 2023



Method - 2 (A): Earning Based Value Per Share considering Market P/E

To calculate the fair value per share, the profit of five years (2018 to 2022), especially the historical net income after tax was used along with the number of outstanding shares of the company in the respective year. Using the cumulative shares, a weighted average earning per year is calculated, which is then used to calculate the weighted average net profit after tax. The weighted average EPS is calculated to be 0.47 Taka. Monthly Sector P/E (Financial Institutions) from February 2022 to January 2023 are sourced from DSE Monthly review. After calculating the 12-months average of market P/E, weighted average EPS of 0.47 Taka is being multiplied by the Sector P/E average, namely the Sector P/E of 20.32x and derived the fair value of 9.51 Taka per share. Details are given in the following table:

Sl	Year	No. of Shares	Net Profit after Tax (BDT)	Weight on Total Number of Shares	Weighted Average Net Profit after Tax (BDT)
A	31 Dec, 2022	100,000,000	51,823,592	0.20	10,364,718
B	31 Dec, 2021	100,000,000	58,553,922	0.20	11,710,784
C	31 Dec, 2020	100,000,000	56,782,065	0.20	11,356,413
D	31 Dec, 2019	100,000,000	37,174,976	0.20	7,434,995
E	31 Dec, 2018	100,000,000	29,705,125	0.20	5,941,025
F	Total	500,000,000	234,039,680	1.00	46,807,936
G	Number of Shares before IPO				100,000,000
H	Weighted Average Earning Per Share			F/G	0.47
I	Sector P/E Multiple (12 Months Average)				20.32
	Historical Earning Based Value Per Share			H*I	9.51

Market P/E Calculation:

Alliance Finance PLC is categorized as a “NBFI Company” company based on the nature of the business. The monthly Sector P/E for the last 12 months (February 2022 to January 2023) were collected from the monthly reviews of DSE, and then the average Sector P/E was calculated. The details of the Sector P/E calculation are given in the following table:

Month	P/E Multiple
Jan-23	18.89
Dec-22	18.89
Nov-22	19.37
Oct-22	19.40
Sep-22	20.33
Aug-22	21.24
Jul-22	19.59
Jun-22	20.36
May-22	20.37
Apr-22	21.43
Mar-22	21.94
Feb-22	21.99
Average	20.32

Source: DSE Monthly Review from February 2022 to January 2023



Method – 3: Average market price of similar stock-based valuation

For similar stocks, closing daily price data of the following 04 close competitors of AFPLC from February 2022 to January 2023 are taken to compute average market price of similar stocks. After computing the average of respective companies, average of their calculated market price, 38.48 Taka is considered as fair value.

Monthly Closing Price in BDT

Month	IPDC Finance Limited	Bangladesh Finance Limited	Lanka Bangla Finance Limited	Bay Leasing & Investment Limited
Jan 2023	57.60	44.10	26.00	23.90
Dec 2022	57.60	44.10	26.00	23.90
Nov 2022	57.60	44.10	26.00	23.90
Oct 2022	57.60	44.10	26.00	23.90
Sep 2022	66.50	44.10	26.00	23.90
Aug 2022	68.40	44.10	29.10	27.30
Jul 2022	57.70	45.70	26.00	24.10
Jun 2022	52.70	49.10	28.50	26.30
May 2022	52.60	47.30	30.10	27.20
Apr 2022	56.90	38.80	31.50	27.70
Mar 2022	41.33	41.10	32.30	28.10
Feb 2022	36.40	46.00	34.90	29.00
Average	55.24	44.38	28.53	25.77
Cumulative Average Price of Similar Stocks				38.48

Remarks:

From the above analysis, we can state that the fair value of AFPLC under different methods seem to be reasonable and fair. Considering all qualitative and quantitative factors along with industry and market of FI sector, past track record of performance and future growth prospective of the Issuer, we assume that the valuation of share price of AFPLC is justified. Since AFPLC is issuing IPO at Face Value of 10 Taka, it shall be reasonable to the investors.



SECTION (XVI)
(B)(15)

DEBT SECURITIES

SECTION CONTENTS	
(a)	The terms and conditions of any debt securities that the issuer company may have issued or is planning to issue within next six months, including their date of redemption or conversion, conversion or redemption features and sinking fund requirements, rate of interest payable, Yield to Maturity, encumbrance of any assets of the issuer against such securities and any other rights the holders of such securities may have
(b)	All other material provisions giving or limiting the rights of holders of each class of debt securities outstanding or being offered, for example subordination provisions, limitations on the declaration of dividends, restrictions on the issuance of additional debt or maintenance of asset ratios
(c)	Name of the trustee(s) designated by the indenture for each class of debt securities outstanding or being offered and describe the circumstances under which the trustee must act on behalf of the debt holders
(d)	Repayment/redemption/conversion status of such securities

Alliance Finance PLC did not issue any debt securities, and the company does not have any plan to issue any debt securities in the forthcoming six months of the publication of this prospectus.



SECTION (XVII)
(B)(16)

**PARTIES INVOLVED AND THEIR
RESPONSIBILITIES**

SECTION CONTENTS	
(a)	Issue manager(s)
(b)	Underwriters
(c)	Auditors
(d)	Cost and Management Accountants
(e)	Valuer
(f)	Credit rating Company



Sl	Parties Involved with Alliance Finance PLC		Responsibilities
(a)	Issue Managers	UCB Investment Limited	The issue manager will manage the public issue of AFPLC securities complying with the Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015.
(b)	Underwriters	UCB Investment Limited	The underwriters are responsible for underwriting the mentioned amount of stocks of AFPLC. Furthermore, the underwriters shall carry out all the activities specified in the Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015.
		Prime Finance Capital Management Limited	
(c)	Statutory Auditors	Hoda Vasi Chowdhury & Co.	To express an opinion on the financial statements based on their audit. Auditor will conduct the audit in accordance with International Standards on Auditing (ISA).
(d)	Cost Auditor	N/A	N/A
(e)	Valuers	N/A	N/A
(f)	Credit Rating Company	Credit Rating Information & Services Limited	Credit rating Company is responsible for- <ul style="list-style-type: none"> • Examination, preparation, finalization, and issuance of credit rating report without compromising with the matters of their conflict of interest and • Compliance with all the requirements, policy and procedures of the rules as prescribed by BSEC.



SECTION (XVIII)
(B)(17)

MATERIAL CONTRACTS

SECTION CONTENTS	
(a)	Major agreements entered into by the issuer
(b)	Material parts of the agreements
(c)	Fees payable to different parties



Major agreements entered into by the issuer; **(B)(17)(a)**

- i. Issue Management Agreement between the Company and the Manager to the Issue, namely- UCB Investment Limited.
- ii. Underwriting Agreement between the Company and the Underwriters, namely- UCB Investment Limited, Prime Finance Capital Management Limited

Material parts of the agreements; **(B)(17)(b)**

Agreement	Material Parts of the Agreements	
1. Issue Management Agreement with: - UCB Investment Limited	Signing Date:	28 th February 2023
	Tenure:	This Agreement shall automatically stand invalid upon completion of IPO Procedure and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement.
	Major Terms & Conditions	<p><u>SCOPE OF SERVICES:</u></p> <p>The Issue Manager shall have the following duties and responsibilities with respect to the Public Issue of the company on a best endeavor basis and subject to prevailing legal conditions:</p> <p>2.1. DUE DILIGENCE</p> <p>2.1.1. The Issue Manager shall, in compliance with the regulatory requirements, conduct due diligence appraisal of the company’s affairs for ensuring proper disclosure of all material facts;</p> <p>2.1.2. The Issue Manager shall, as part of its due diligence appraisal, examine and independently verify all relevant documents and materials, as furnished by the company, and discuss with the Directors, Officers, and other agencies of the company to ensure true, fair, and adequate material disclosure in the prospectus;</p> <p>2.1.3. The Issue Manager shall, as part of its due diligence appraisal, verify the compliance of all legal requirements relating to the public issue;</p> <p>2.1.4. The Issue Manager shall, as part of its due diligence ensure that the fund to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus.</p> <p>2.1.5. The Issue Manager shall issue a Due Diligence Certificate in favour of the Company to execute the public issue in compliance with the BSEC (Public Issue) Rules, 2015 & any amendment thereof.</p>



2.2. FINANCIAL ANALYSIS

2.2.1. The Issue Manager shall advise the Issuer on the appropriate size and structure of the issue and other incidental matters connected with or arising out of the issue;

2.2.2. The Issue Manager shall advise Issuer on feasible capital structure and strategy for Public Offer;

2.2.3. The Issue Manager shall analyse the business of the company, industry cycle, and the future growth potential of the company based on information provided by the company, market, and related sources.

2.3. REGULATORY GUIDANCE

2.3.1. The Issue Manager shall conduct the Public Issue application process under the fixed price method.

2.3.2. The whole process of Public Issue shall be in compliance with the BSEC (Public Issue) Rules, 2015 & any amendment thereof.

2.3.3. The Issue Manager shall assist and prepare Public Offer related documents;

2.3.4. Issue Manager shall deal and assist in dealing with BSEC and Stock Exchanges;

2.3.5. The Issue Manager shall ensure compliance of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015; Corporate Governance Code, 2018; DSE/CSE Listing Regulations, 2015; Companies Act, 1994; Securities and Exchange Ordinance, 1969 and other relevant rules, regulations, practices, directives, guidelines etc. or any, which may time to time be introduced by Bangladesh Securities and Exchange Commission.

2.4. SUBMISSION OF APPLICATION

2.4.1. The Issue Manager shall submit the application of public issue to the BSEC and Stock Exchanges;

2.4.2. The Issue Manager shall prepare the prospectus for the Public Issue and file the same to the BSEC for approval. The Issue Manager shall follow up and complete all BSEC and Stock Exchanges' formalities for obtaining approval, and the company will provide all-out assistance and support as and when required;

2.4.3. Preparation of all necessary papers and deeds, agreements, declarations, certificates for making the Public Issue effective;



2.5. UNDERWRITING ARRANGEMENT

2.5.1. The Issue Manager shall prepare Underwriting Agreement and related papers for the underwriters;

2.5.2. The Issue Manager shall recommend the Issuer a list of prospective underwriters and, at the advice of the Issuer, shall approach and negotiate with them;

2.5.3. The Issue Manager shall place proposals for underwriting.

2.6. NECESSARY APPOINTMENTS

2.6.1. The Issue Manager shall recommend the Issuer a Credit Rating Agency for appointing if it is required;

2.6.2. The Issue Manager shall, in consultation with the Issuer, select the Bankers to the issue;

2.6.3. The Issue Manager shall, in consultation with the Issuer, select the post issue manager;

2.6.4. The Issue Manager shall, at the request of the issuer, assist the company in the identification and appointment of such other experts as may be required to implement the issue.

2.7. LISTING

The Issuer shall with assistance from the Issue Manager, arrange filing of the application to the stock exchanges for listing in due time.

2.8. POST ISSUE SUPERVISION

2.8.1. The Issue Manager shall advise for publication of Prospectus in national daily as prescribed by Bangladesh Securities and Exchange Commission;

2.8.2. The Issue Manager shall advise in distribution of prospectus to DSE, CSE and BSEC;

2.8.3. The Issue Manager shall monitor distribution mechanism and subscription procedure of securities.

2.9. PROFESSIONAL SERVICES

With the consent of the Issuer, the Issue Manager shall be able to seek professional services e.g. services from lawyers, Chartered Accountants etc., in order to provide their services to the Issuer as and when required at the expense of the Issuer.

Notwithstanding the above, if there is any service required but not listed herein above for the effective



		Public Issue, the Issue Manager shall perform the same.
2. Underwriting Agreements with: - UCB Investment Limited - Prime Finance Capital Management Limited	Signing Date:	16 March 2023
	Tenure:	This Agreement shall be valid until the completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement.
	Major Terms & Conditions	<p>The Company has decided to issue 30,000,000 Ordinary Shares of BDT 10 each at par totalling BDT 300,000,000 as IPO (Initial Public Offering) under fixed price method (hereinafter called the Public Offer).</p> <p>As per guideline of Bangladesh Securities and Exchanges Commission (Public Issue) Rules, 2015 and subsequent amendments, thirty-five percent (35%) of the issue shall have to be underwritten on a firm commitment basis by the underwriter(s) i.e., BDT 105,000,000 shall have to be underwritten on a firm commitment basis by the underwriters, subject to the terms stated below:</p> <p>The IPO shall stand cancelled, and the application money shall be refunded immediately (but not later than 10 (ten) working days after receiving verification report from CDBL and the information from exchanges to the effect) if any of the following events occur:</p> <ul style="list-style-type: none"> - The IPO shall stand cancelled in case of under-subscription in any categories above 35%. <p style="text-align: center;">ARTICLE - I UNDERWRITING</p> <p>1.01 The Company shall make the public offer of BDT 300,000,000 through Initial Public Offering (IPO) as provided in this Agreement.</p> <p>1.02 The Underwriter shall underwrite BDT 105,000,000 out of the total amount to be raised on a firm commitment basis. This commitment is irrevocable and unequivocal.</p> <p>1.03 In case of under-subscription in any category by up to 35% in the Initial Public Offer, the undersubscribed portion of securities shall be taken up by the underwriter.</p>



ARTICLE - II

THE PUBLIC OFFER

- 2.01 The Company shall raise **BDT 300,000,000** from through Public Offer in accordance with the consent of the Bangladesh Securities and Exchange Commission (BSEC) and the provision of this Agreement.
- 2.02 Prior to the publication of the Prospectus, the Company shall obtain a consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and provide for payment of initial underwriting commission not exceeding **1.00%** on the amount underwritten.
- 2.03 The Company shall make media campaign and publicity of the offer for subscription to the extent as may be reasonably requested by the Manager to the Issue prior to opening and during offer period of subscription list with publicity material as approved by the BSEC.
- 2.04 The Company shall comply with any other formalities required under law of the land, for raising fund publicly.
- 2.05 If and to the extent that the shares offered to the public by a prospectus authorised hereunder shall not have been subscribed and paid for in cash in full by the Closing Date of subscription, the Company shall within **10 (Ten) days** of closure of subscription call upon the underwriter in writing with a copy of the said writing to the Bangladesh Securities and Exchange Commission, to subscribe the shares not subscribed by the closing date and to pay for in cash in full, for such unsubscribed shares within **15 (Fifteen) days** after being called upon to do so. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under this Agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's account is credited. In any case within **7 (seven) days** after the expiry of the aforesaid **15 (fifteen) days**, the Company



shall send proof of subscription and deposit of money by the underwriter to the Commission.

In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under this Agreement and also other penalties as may be determined by the Commission may be imposed.

In the case of failure by the underwriter to pay for the shares within the stipulated time, the Company/issuer will be under no obligation to pay any underwriting commission under this Agreement.

In the case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequences and/or penalties as determined by the Bangladesh Securities and Exchange Commission under the law.

2.06 The signatories to this Agreement have duly been authorised by the Board of Directors of both the Company and the underwriter to execute and give effect to this Agreement from the date written herein above.

2.07 The liability of the underwriter under this clause shall be in proportion to but not exceeding the shares agreed to be underwritten by it; provided that the aforementioned request of the Company shall be supported by official certificates and other documents of subscription obtained from the Bankers to the Issue and a declaration of the Company as to the final result of the public subscription.

2.08 The Company shall pay to the underwriter an underwriting commission at the rate of 1.00% of the value of the shares hereby agreed to be underwritten by it.



Fees payable to different parties.

(B)(17)(c)

Name of Parties	Role	Fees payable
UCB Investment Limited	Issue Manager	Issue Management fee as BDT 2,800,000 (Twenty-Eight Lac) only excluding VAT for Services for Services to be rendered by the Issue Manager.
UCB Investment Limited	Underwriter	Total underwriter fee at 1.00% of 1,050,000/- excluding VAT for Services to be rendered by the Underwriters
Prime Finance Capital Management Limited		



SECTION (XIX)
(B)(18)

LITIGATIONS, FINE OR PENALTY

SECTION CONTENTS	
(a)	The outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority
(b)	Outstanding cases filed by the Company or any of its directors



The outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority;

(B)(18)(a)

The issuer or directors of AFPLC were not involved in any of the following types of legal proceedings except as disclosed below:

(i) Litigation involving Civil Laws;

There are no such litigations against the Company and any of its directors, except the following:

- a. Alleged claim by the seller of the apartment for the release of the home loan mortgage document, which is currently in the custody of AFPLC as per the terms and conditions of the home loan agreement. The mortgage document was submitted to AFPLC as collateral for the loan along with other papers related to loan disbursement.

(ii) Litigation involving Criminal Laws;

There are no such litigations against the Company and any of its directors.

(iii) Litigation involving Securities, Finance and Economic Laws;

There are no such litigations against the Company and any of its directors.

(iv) Litigation involving Labor Laws;

There are no such litigations against the Company and any of its directors.

(v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties);

There is no conviction of the Issuer or any of its director(s) in connection to taxation (Income tax, VAT, Customs Duty and any other taxes/duties) except disclosed as below:

VAT: The VAT registration number of the Company is BIN No. 000654286-0101 under area Dhaka (North). There are no VAT liabilities of the Company till now.

Income Tax: The TIN number of the Company is 8137 8130 2183. Year wise income tax status of the Company is depicted below as per the audited accounts of December 31, 2022:

Assessment Year	Income Year	Income Tax Paid	Current Status
2022-2023	2021	34,358,907	Assessment completed
2021-2022	2020	33,164,930	Assessment completed
2020-2021	2019	31,654,282	Assessment completed
2019-2020	2018	4,499,327	Assessment completed
2018-2019	2017	243,249	Assessment completed



Note: For assessment year 2023-2024 and income year 2022 the Income Tax return is yet to be submitted.

Customs Duty or Other Tax Liability: There are no customs or other tax liabilities of the Company.

(vi) Litigation involving any other Laws.

There are no such litigations against the Company and any of its directors.

Outstanding cases filed by the Company or any of its directors.

(B)(18)(b)

There are no outstanding cases filed by the issuer or any of its directors to any of the following types of legal proceedings except as disclosed below:

(i) Litigation involving Civil Laws;

There are no such litigations filed by the Company and any of its directors.

(ii) Litigation involving Criminal Laws;

There are no such litigations filed by the Company and any of its directors, except the following:

- a. A case under the Negotiable Instrument Act has been filed against an Auto Loan client to recover an amount of BDT 2,410,714/-

(iii) Litigation involving Securities, Finance and Economic Laws;

There are no such litigations filed by the Company and any of its directors.

(iv) Litigation involving Labor Laws;

There are no such litigations filed by the Company and any of its directors.

(v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties);

There are no such litigations filed by the Company and any of its directors.

(vi) Litigation involving any other Laws;

There are no such litigations filed by the Company and any of its directors.



SECTION (XX)
(B)(19)

**RISK FACTORS AND MANAGEMENT
PERCEPTIONS ABOUT THE RISKS**

SECTION CONTENTS

(a)	All risk factors and management's perception about how to address the risks are to be clearly stated
(b)	Risk factors shall be disclosed in descending order of materiality
(c)	Perceptions to address risks shall not contain any speculative statement on the positive outcome of any litigation, etc.
(d)	The disclosures of Risk factor



All risk factors and management's perception about how to address the risks are to be clearly stated. All risk factors which are specific to the project and internal to the issuer and those which are external and beyond the control of the issuer and all qualitative or quantitative risks those may not be material at present but may have a material impact in future shall be included;

(B)(19)(a)

All risk factors and management's perception of AFPLC clearly stated along with internal and external risks which may not be material at present but may have a material impact in future.

Risk factors shall be disclosed in descending order of materiality. Wherever risks about material impact are stated, the financial and other implications of the same shall be disclosed. If it cannot be quantified, a statement shall be furnished about the fact that the implications cannot be quantified;

(B)(19)(b)

All risk factors are disclosed in descending order of materiality along with material impacts, financial and other implications wherever applicable.

Perceptions to address risks shall not contain any speculative statement on the positive outcome of any litigation, etc. and shall not be given for any matter that is sub-judice before any Court or Tribunal;

(B)(19)(c)

No management perceptions of the disclosed risks contain any speculative statement on the positive outcome of any litigation, etc. nor does it give for any matter that is sub-judice before any Court or Tribunal.



The disclosures of Risk factors shall include, where applicable, the following: (B)(19)(d)

Any investment always associates with both internal and external risk factors having both direct and indirect effect on the investments made by the investor. Among those risks some can be averted, others are beyond control, which may cause loss. Before making any investment decision, investors need to consider the associated risk factors, the risk premium and management perception. If any of the following risks happen in the business, operational results and financial conditions could suffer and investors could lose their investments partly or fully. The management of Alliance Finance PLC perceives the following risk factors, both external and internal, which are enumerated hereunder:

- (i) Internal risk factors;
- (i) External risk factors.

(i) Internal risk factors may include, among others:

(a) Credit Risk;

Credit risk refers to the potential for a borrower to default on a debt obligation, which may arise if the borrower fails to make timely payments on a loan. Credit risk is an inherent part of any business that involves lending and borrowing money or goods between parties. Managing credit risk is an important aspect of operating a successful business, as it helps to minimize the potential for financial losses resulting from defaults on loans and other credit arrangements.

Management Perception:

To manage and mitigate credit risk, the company has implemented a multi-layered approval process for setting maximum exposure limits for specific sectors or customer groups. Additionally, the company has established policies for setting maximum exposure limits based on customers' assets, as well as a mandatory requirement to obtain credit reports from Credit Information Bureau (CIB) prior to financing. The company also closely evaluates the payment performance of customers before extending credit, conducts frequent reviews of clients, takes collateral to secure loans, seeks external legal opinion, when necessary, maintains neutrality in politics, follows an arm's length approach in related party transactions, and regularly reviews market conditions and industry exposure.

(b) Liquidity Risk;

The risk that a company may be unable to meet short-term financial demands. This usually occurs due to the inability to convert its current assets to cash without a loss of capital or income. Liquidity risk is a common phenomenon of business.

Management Perception:

Liquidity requirements are managed on a day-to-day basis by the Treasury Division which is responsible for ensuring sufficient funds are available to meet short term obligations, even in a



crisis scenario, and for maintaining diverse sources of funding. To manage liquidity effectively, the Treasury Division considers a range of factors, including historical liquidity requirements, anticipated funding requirements for operations, the company's current liquidity position, collections from financing activities, available sources of funds, and risks and returns associated with various funding options.

(c) Risk associated with the issuer's interest in subsidiaries, joint ventures and associates;

If the subsidiaries make a loss, it affects parent company's balance sheet. In the case of associates, there is a chance of decline in value of investment in associate company. A joint venture (JV) is a business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task. This task can be a new project or any other business activity. In a joint venture (JV), each of the participants is responsible for profits, losses and costs associated with it.

Management Perception:

Alliance Finance PLC is a Joint Venture between Alliance Finance PLC and Peoples Leasing and Finance PLC of Sri Lanka, which is a renowned state-owned entity of the country. Collaboration is beneficial rather than posing any such risk.

(d) Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer;

There is risk involved in having limited number of customers and losing said customers has negative impact on company's sales and cash flow as well.

Management Perception:

The Company is not dependent on any particular or limited number of customers to operate the business and the management is always keen to find new customers. AFPLC maintains good relationships with customers and take feedback about their services. There is little chance of losing customers, and, since AFPLC maintains a diversified portfolio of customers, losing anyone will not affect the company's profitability for its demand, high quality, and competitive services.

(e) Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely;

There is also risk involved in having limited number of suppliers as well. Single or few suppliers may exploit the company by price hike, untimely delivery, and low quality of product.

Management Perception:

By the nature of business, Alliance Finance PLC has no such type of risk.

(f) More than 20% revenue of the issuer comes from sister concern or associate or subsidiary;



Having 20% revenue generation from sister concern or associate or subsidiary makes issuer dependent on other companies. Hence, there is dependency risk.

Management Perception:

There is no such risk for AFPLC since it has no sister concern, associate or subsidiary company.

(g) Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any;

Negative earning and negative operating cash flow are risk under the going concern risk for the entity.

Management Perception:

Challenging business conditions, rising capital and provision requirements, change in interest rate policies; all these factors have squeezed the profit margins of the bank in recent years. However, AFPLC managed to mitigate these problems by becoming more stringent and efficient with their operations to reduce costs. The bank has focused on sustainable growth through improving their credit quality, deposit base, lending portfolio and improving their liquidity.

(h) Loss making associate or subsidiary or group companies of the issuer;

When associate, subsidiary, group companies of the issuer are loss making, it affects the issuer and there is negative impact on cash flow and the balance sheet of the issuer as well.

Management Perception:

There is no such risk for AFPLC since it has no associate or subsidiary company or is a group of companies.

(i) Financial weakness and poor performance of the issuer or any of its subsidiary or associates;

Financial weakness and poor performance of the issuer have a negative impact on the company. As a result, it will be tough to pay interest, debt service and dividends. Future growth will be hampered.

Management Perception:

The Company is financially sound and has been operating with good performance. Furthermore, the company does not have any subsidiary or associate company. Therefore, such risks do not apply to AFPLC.

(j) Decline in value of any investment;

If investment value declines, it will reduce the profit and assets as well.

Management Perception:

AFPLC has invested in Government Treasury bills and bonds, corporate bonds and capital market instruments. Apart from investment in shares, the above investments are held to maturity at a fixed rate. Thus, the value shall not decline. However, the value of investment in



the capital market may fluctuate due to normal market trends. AFPLC manages the investment with caution to avoid any significant decrease in portfolio value. Besides, the funds allocated in capital markets are marginal compared to investment in other segments.

(k) Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned;

There is obsolescence risk relating to plant and machinery. If the machinery is purchased second hand or reconditioned, there is a high risk of repair and maintenance which has an impact on the profitability of the company.

Management Perception:

By the nature of business, Alliance Finance PLC has no such type of risk.

(l) Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recall;

It is a loan given and taken from related parties and directors as well. If a company gives such loan without interest to related party, there is interest burden for the company if the money was taken as loan. On the other hand, if such a loan is taken from directors, it will have an impact on the cash flow to pay off the loan to the Directors.

Management Perception:

There is no such interest free loan given to related party or loan taken from directors.

(m) Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors;

In these cases, there is a high chance of compromise among the related companies because of conflict of Interest.

Management Perception:

Sponsors or directors of AFPLC are not involved with any venture which is in the same line of activity or business.

(n) Related party transactions entered into by the company those may adversely affect competitive edge;

Related party transactions of the issuer create conflict of interest which reduces the competitive advantage of the issuer.

Management Perception:

AFPLC does not have significant related party transactions and hence the management thinks that the related party transaction will not affect the competitive edge of the company.



- (o) Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan or credit limit and other banking facilities;**

All information must be known to the potential investor so that investor's interest may not be hampered in future. So, any restrictive covenants if it goes against potential investors, will put investors in jeopardy.

Management Perception:

The company has no debt or preference shares that may contain such restrictive covenants in its shareholders' agreement, sponsors' agreement. Also, AFPLC has not taken any loan or credit limit and other banking facilities which might contain such restrictive covenants.

- (p) Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees;**

In such a case, the company's business operation will be hampered.

Management Perception:

Alliance Finance PLC has always strived to achieve excellent corporate culture and maintain good relationships with their employees. AFPLC values its employees and offers a competitive salary structure including benefits to employees for their job satisfaction.

- (q) Seasonality of the business of the issuer;**

It is the risk involving the company's inability to do business throughout the year.

Management Perception:

By the nature of business, Alliance Finance PLC has no such type of risk.

- (r) Expiry of any revenue generating contract that may adversely affect the business;**

This is the risk of losing customers affecting future sales.

Management Perception:

AFPLC has no such revenue-generating contracts that may adversely affect the business.

- (s) Excessive dependence on debt financing which may adversely affect the cash flow;**

Excessive dependence on debt causes a huge interest burden on the company and high risk of insolvency that may result in bankruptcy.

Management Perception:

AFPLC is not dependent on any debt financing. Therefore, there is no possibility of risk in this respect.

- (t) Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance;**



Excessive dependence on key management affects the business if the management is changed in future, which will create a vacuum. Besides, if the key management personnel are of bad intention, excessive dependence will also affect the business.

Management Perception:

HR and Corporate Governance policies are well practiced at AFPLC. The company has a well-structured organogram. Hence, any change in the key management can be replaced with suitable personnel.

(u) Enforcement of contingent liabilities which may adversely affect financial condition;

It is the future burden of liabilities that the investors will take on their shoulders. Contingent liabilities reduce the assets or create an obligation to pay the liabilities.

Management Perception:

AFPLC does not have any contingent liabilities which may adversely affect financial condition.

(v) Insurance coverage not adequately protect against certain risks of damages;

Insurance ensures and protects us from dealing with the uncertainty of future material loss or damage. So, insurance coverage is important for the business.

Management Perception:

AFPLC has adequate insurance coverage for different risky issues of business operations.

(w) Absence of assurance that directors will continue its engagement with Company after expiry of lock in period;

Directors run the company with the accumulated funds from the public and other financing sources. If directors discontinue running the business, there will be negative impact on business and share price as well.

Management Perception:

There are 12 directors on the board of AFPLC who are subject to change if their nomination changes. All the directors have been involved in the business for a long time and plan to continue after the expiry of the lock-in period. AFPLC has a robust corporate governance structure, so any future change in the board structure will not adversely impact the business.

(x) Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure;

Dividend payment is highly dependent on the company's ability to generate profit. If the company cannot earn a good amount of profit from operation, it is unlikely to pay dividends.

Management Perception:

AFPLC is a financially stable company and generates sound profit annually. The management believes that AFPLC will be able to pay dividends regularly from future earnings considering financial condition, cash flows, working capital requirements, capital expenditure etc.



(y) History of non-operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors;

If there is any history of non-operation of the company, it creates a negative impression. Apart from this, a short operation history indicates the company is gathering knowledge and expertise to be competitive in the market.

Management Perception:

There is no such case that has occurred in the history of AFPLC.

(z) Risks related to engagement in new type of business, if any;

If it is a new business, there is a risk of viability of the new business.

Management Perception:

AFPLC started its FI operation since 2017. Hence there is no such risk of viability of the new business.

(aa) Risk in investing the securities being offered with comparison to other available investment options;

If the issue price goes down after floating, there is investment risk for the potential investors.

Management Perception:

AFPLC is a profitable entity, and its business growth will continue in future. Moreover, the company is issuing shares at par to the investors. Thus, it is less risky to invest in securities of this company compared to other available investment options. However, like other securities, the share price of AFPLC may be affected by macro-economic factors like inflation, business cycles, capital market etc.

(bb) Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law;

A company may be exposed to the risk of losing brand value and substantial cash flow due to a penalty or action taken by regulatory authorities.

Management Perception:

AFPLC has never been penalized for non-compliance with any provisions of any law. The management of AFPLC is also committed to adhering to all the applicable rules and regulations to avoid any operational risks.

(cc) Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case;

Any litigation in terms of unsettled tax, VAT or any other Government claim may hamper the business operation of the company and may create future potential financial losses.



Management Perception:

There is no conviction of the Issuer or any of its director(s) in connection to taxation (Income tax, VAT, Customs Duty and any other taxes/duties) except disclosed as below:

VAT: *The VAT registration number of the Company is BIN No. 000654286-0101 under area Dhaka (North). There are no VAT liabilities of the Company till now.*

Income Tax: *The TIN number of the Company is 8137 8130 2183. Year wise income tax status of the Company is depicted below as per the audited accounts of December 31, 2022:*

Assessment Year	Income Year	Income Tax Paid	Current Status
2022-2023	2021	34,358,907	Assessment completed
2021-2022	2020	33,164,930	Assessment completed
2020-2021	2019	31,654,282	Assessment completed
2019-2020	2018	4,499,327	Assessment completed
2018-2019	2017	243,249	Assessment completed

Note: For assessment year 2023-2024 and income year 2022 the Income Tax return is yet to be submitted.

(dd) Registered office or factory building or place of operation is not owned by the issuer;

Factory buildings should be owned by the company. Otherwise, there is risk of hike in factory rent in the years to come and threat of shifting the factory as well.

Management Perception:

AFPLC has been operating its business through corporate head office and branch office on a rental basis since its inception. There was no history of hampering operation in this premise. It is also mentionable that there is a reasonable time allowed to AFPLC to vacate the place. So, there is no scope of arising of any risk in this respect.

(ee) Lack of renewal of existing regulatory permissions or licenses;

Risk related to whether the company is following the law in renewing all its licenses or not.

Management Perception:

All licenses of AFPLC are valid and up to date. The management of the Company always takes timely steps to renew all its regulatory licenses. So, the scope of any risk arising in this respect is minimal.

(ff) Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates;

Failure to hold an AGM or declaring dividend indicates the lack of compliance with the regulatory rules. Failure of payment of interest indicates the poor cash generation



of the company to pay interest and debt service. The overall impression will be negative for the company.

Management Perception:

There is no incident of failure in holding AGM or declaring dividend or payment of interest by the issuers.

(gg) Issuances of securities at lower than the IPO offer price within one year;

If the Issuer has issued shares at a price lower than the IPO offer price within one year, there will arise the possibility of misperception about IPO price.

Management Perception:

The company has not issued any securities at a price lower than the IPO offer price within the last one year or before.

(hh) Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission.

If any refusal happened in the above cases, it would create a negative impression of the issuer.

Management Perception:

AFPLC has first applied for raising of Capital through IPO in the year of 2023. So, there is no material impact of past application.



(ii) External risk factors may include among others:

Investment in capital markets involves exposure to several types of risks. Alliance Finance PLC operates in an industry that is exposed to several external risk factors over which the Company has little or no control. The following includes some of the significant risk factors that may affect the value of the Company's shares. Hence, a rational investor should carefully consider all the information contained in this prospectus including the risk factors elaborated below.

(a) Interest rate risks;

Interest rate risk is associated with the fluctuations in market interest rates which cause a company's cost of debt to increase. Changes in the Government's monetary policy also tend to increase the interest rates. High rate of interest may adversely affect the operating results and financial performance of the Company with additional financial charges and squeezes the profit of the company.

Management Perception:

Financial market of Bangladesh has experienced volatile interest rates during recent years. Pressure from regulators to reduce the lending rate forced the FIs to rearrange their interest rate of financing agreements in many cases, which ultimately squeezed the margin of FIs. Subsequent interest rate adjustment capability of the company plays a vital role in minimizing interest rate risks. AFPLC has a clause in all its credit agreements for necessary interest rate adjustment in accordance with market pressure, which provides flexibility to the company to adjust the interest rate. ALCO of the Company holds regular meetings to assess changes in interest rates and considers various ratios and parameters to take effective measures to monitor and control interest rate risk.

(b) Exchange rate risks;

Unfavorable volatility or fluctuations of foreign currency to BDT exchange rate may have an impact on the cost structure and profitability of the company.

Management Perception:

The Company's nature of business means it is always facing transaction exposure in foreign currency. However, the exposure to these transactions is always hedged.

To control currency risks, the Bank utilizes the following tools:

- *The bank computes VaR (Value at Risk) on its foreign exchange position arising from customer driven foreign exchange transactions on a daily basis.*
- *Establishing and controlling the observance of limits on currency risks: stop-loss limits, limits on the volume of open positions, limits on the volume of potential bank losses.*
- *System indicators for early warnings about potential financial market crises.*
- *Maintaining various nostro accounts to conduct operations in different currencies.*

The position maintained by the company at the end of the day is within the stipulated limit prescribed by the Bangladesh Bank.



(c) Industry risks;

Industry risk arises due to risk associated with business and macro-economic factors of the industry such as labor unrest, shortage of power, rising of raw material cost or shortage of raw material supply etc. If the risk factor pertaining to industry is high, the growth of the industry shall be lower or may erode the entire potential of that industry.

Management perception:

AFPLC has no exposure to several industry risks, i.e.- production, power, raw material etc. However, the company is operating in a highly competitive industry. As such, AFPLC faces stiff competition arising from the existing NBFIs. Despite the extreme competition, AFPLC's business operations show satisfactory performance.

(d) Economic and political risks;

Economic risks:

The growth and profitability of The Company could be eroded by various factors such as political or regulatory action, including adverse impacts of globalization, liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, commodity and energy prices and various other factors. Any significant changes may adversely affect our business and financials.

Management perception:

Bangladesh economy has been booming for the last few years. Consistent industrial growth has made the per capita income higher than that of recent years. Even considering the recent Covid-19 pandemic, the Economy and businesses in Bangladesh has performed far better compared to other nations. In addition, favorable government policies and industry friendly policies by other regulatory bodies have proved to be congenial to the economy of the country. While inflationary pressures have resulted in an increase in commodity and energy prices, the management is aware of the risks and has adequate strategies in place to reduce the effect of such risks.

Political risks:

The risk that an investment returns could suffer due to political changes or instability in a country. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers, or military control etc.

Management perception:

After the independence, Bangladesh has gone through a variety of political situations. But since the last decade, a stable political atmosphere has prevailed in the country. Both the ruling and opposition parties are committed to the betterment of the country. Political parties are thinking about the growth of the country. Thus, the management assumes minimal risk in this regard.

(e) Market and technology-related risks;

Market risks;

Market risk relates to the volatility of the market price of assets. It involves exposure to movements in the level of financial variables, such as stock prices, interest rates, exchange rates or commodity prices.



Management perception:

The Asset Liability Committee (ALCO) of the Company regularly meets to assess market risks. They consider changes in interest rates, market conditions, carry out asset liability maturity gap analysis, re-pricing of products and thereby take effective measures to monitor and control all market-related risks.

Technology-related risks;

Technology always plays a vital role for every business. Financial information is mostly processed and delivered through technological platforms. Inherently, such platforms contain the risk of security breach, disaster, and data contamination. Continuity of Company's operation and service completely depends on strong, reliable and secured technology.

Management perception:

Alliance Finance PLC, with the approval of the Board, has adopted an ICT policy in compliance with ICT security guidelines of Bangladesh Bank covering various aspect of ICT risk management. The Company has established an ICT Steering Committee and ICT Security Committee

Alliance Finance PLC follows a robust, effective and efficient Information Technology policy with its Core Software, In-House developed systems and other applications. Moreover, the Software team is working to minimize each risk element without hampering daily operational activities. The implantation of each new patch is scrutinized through a precise testing and debugging method with own in-house team.

(f) Potential or existing government regulations;

The Company operates under primary regulator Bangladesh Bank. Besides, it is incorporated under the Registrar of Joint Stock Companies & Firms (RJSC). Thus, AFPLC must comply with all applicable rules and regulation of the above regulators along with compliances adopted by National Board of Revenue (NBR), Bangladesh Securities and Exchange Commission (BSEC) and other regulatory bodies. Any abrupt changes of the policies formed by those bodies will impact the business of The Company adversely.

Management perception:

Economy of Bangladesh has been developing over the decades because of business-friendly rules and regulations adopted by the various regulatory bodies of the country. Unless any adverse policies are taken, which may materially affect the whole industry, the business of AFPLC will not be affected.

(g) Potential or existing changes in global or national policies;

Changes in the existing global or national policies can have either positive or negative impacts for the company. Any scarcity or price hike or global or national policy change may hamper profitability.

Management perception:

Political turmoil and disturbances are bad for both the economy and company. The Company can prosper in a situation of political stability and a congenial business environment. The



management of AFPLC is always concerned about the prevailing and upcoming future changes in the global or national policy and shall respond appropriately and timely to safeguard its interest.

(h) Statutory clearances and approvals those are yet to be received by the issuer;

Statutory clearance and approval are imperative for any business to start off. There are many statutory clearances and approvals needed by the regulatory authority to be monitored, controlled, and guided.

Management Perception:

AFPLC has been in the business over 5 years. The company has collected all the statutory clearances necessary to operate our business. A list of licenses of the Company is disclosed on page 65. Hence, there are no such risks for the Company.

(i) Competitive condition of the business;

As Bangladesh has a free market economy, the Company might have to face hard competition from its competitors. There are currently 35 Non-Banking Financial Institutions operating in Bangladesh.

Management perception:

Unhealthy competition in the NBFBI sector makes it risky to face the challenge to meet the required ROI. However, AFPLC has managed to operate successfully in such competitive conditions and managed to generate sound profits through its strong leadership and management and ability to meet customers' expectations through value-added services.

(j) Complementary and supplementary products or services which may have an impact on business of the issuer

Complementary goods are paired goods. Two goods (A and B) are complementary when using more of goods A requires the use of more of goods B. For example, the demand for one item (printers) generates demand for the other (ink cartridges). Supplementary goods are two goods that are used together. For example, if we have a car, we also need petrol to run the car. Supplementary goods have a negative cross elasticity of demand. For instance, when the price of petrol goes up, demand for petrol and cars goes down.

Management Perception:

Due to the nature of business, the Company has not faced any challenges relating to supplementary and complementary products.



SECTION (XXI)
(B)(20)

DESCRIPTION OF THE ISSUE



(a) Issue Size;

Total fund to be raised	:	300,000,000 (BDT Thirty Crore)
--------------------------------	---	--------------------------------

(b) Number of securities to be issued;

Public Issue of ordinary shares	:	30,000,000 (Three Crore)
--	---	--------------------------

(c) Authorized capital and paid-up capital;

Authorized Capital of AFPLC	:	BDT 2,000,000,000/- (BDT Two Hundred Crore)
Paid-up Capital of AFPLC	:	BDT 1,050,000,000/- (BDT One Hundred Five Crore)

Note:

- The company has decided to increase its authorized capital from BDT 1,000,000,000/- to BDT 2,000,000,000/- in its Board Meeting, held on 16th March 2023.
- The company has declared a 5% stock dividend for the year 2022, which was approved in the Annual General Meeting, held on 16th March 2023. The post-dividend paid-up capital shall stand at BDT 1,050,000,000/-

(d) Face value, premium and offer price per unit of securities;

Face Value	:	10.00 (BDT Ten)
Premium	:	0.00 (BDT Zero)
Offer Price per unit of securities for EI	:	10.00 (BDT Ten)
Offer Price per unit of securities GP & NRB	:	10.00 (BDT Ten)

(e) Number of securities to be entitled for each category of applicants;

Eligible Investor (EI) – 21.25% <i>(After allocation to Employees or any other persons)</i>			
EI excluding mutual funds and CISs		Mutual Funds and CISs	
Percentage	Number of securities	Percentage	Number of securities
17.00%	5,100,000	4.25%	1,275,000
General Public (GP) – 63.75% <i>(After allocation to Employees or any other persons)</i>			
NRB		Others	
Percentage	Number of securities	Percentage	Number of securities
4.25%	1,275,000	59.50%	17,850,000
Employees or any other persons – 15%			
Percentage		Number of securities	
15%		4,500,000	

Note: The issuer shall make private offer to its employees or any other persons maximum 15% (fifteen percent) of its initial public offer (IPO) at par value, subject to the approval of the commission.



(f) Holding structure of different classes of securities before and after the issue;

Category of Shareholders		Before Present Issue		After Present Issue	
		Ordinary Shares	Percentage	Ordinary shares	Percentage
Directors & Sponsors		105,000,000	100.00%	105,000,000	77.78%
Shareholders other than Directors & Sponsors		-	-	-	-
Eligible Investor (EI)	EI excluding mutual funds and CISs	-	-	5,100,000	3.78%
	Mutual Funds and CISs	-	-	1,275,000	0.94%
General Public (GP)	NRB	-	-	1,275,000	0.94%
	Others	-	-	17,850,000	13.22%
Employees or any other persons				4,500,000	3.33%
Total		105,000,000	100.00%	135,000,000	100.00%

Note: Considering 5% stock dividend for the year ended December 31, 2022.

(g) Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital.

Objective of the issue:

The Proceeds from IPO through issuance of 30,000,000 number of ordinary shares at an issue price of Tk. 10.00 each at par totaling Tk. 300,000,000 will be used as disclosed below:

Sl.	Area of Utilization of IPO Fund	Amount in BDT	Implementation Schedule
1.	Investment in core business activities: Loans & advances, etc.	280,000,000	Within 1 year of receiving IPO fund
2.	IPO Expense*	20,000,000	As & when required
	Total:	300,000,000	

*Amount will be finalized after calculation of IPO expenses at actual

Feasibility:

As AFPLC is not planning to expand its business or acquire any assets from IPO proceeds hence, feasibility study is not applicable.



SECTION (XXII)
(B)(21)

USE OF PROCEEDS

SECTION CONTENTS	
(a)	Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up
(b)	Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the issuer at the time of submission of prospectus, in details with indication of use of such funds in the financial statements
(c)	If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture
(d)	If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned
(e)	A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer
(f)	If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus
(g)	If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item-wise break-up of last three years working capital and next two years projection
(h)	Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project-wise, as the case may be
(i)	Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented
(j)	The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies
(k)	Summary of the project appraisal or feasibility report by the relevant professionals not connected with the issuer, issue manager and registrar to the issue with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report



Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up (B)(21)(a)

Use of net proceeds:

Sl.	Area of Utilization of IPO Fund	Amount in BDT	Implementation Schedule
1.	Investment in core business activities: Loans & advances, etc.	280,000,000	Within 1 year of receiving IPO fund
2.	IPO Expense*	20,000,000	As & when required
	Total:	300,000,000	

*Amount will be finalized after calculation of IPO expenses at actual.

Head-wise break-up:

1. Investment in core business activities- 93% of total IPO proceed.

Loans & advances, etc.	280,000,000 BDT	Within 1 year of receiving IPO fund
------------------------	-----------------	-------------------------------------

2. IPO Expense - 7% of total IPO proceed.

IPO Expense*	20,000,000 BDT	As & when required
--------------	----------------	--------------------

Breakdown of IPO Expenses:

Particulars	Amount	Remarks
A. Bangladesh Securities & Exchange Commission (BSEC) Fees: (Subject to BSEC IPO Rules)		
Application Fee	BDT 50,000	50,000 At actual
Consent Fee	0.40% on the IPO amount	1,200,000 At actual
B. Fees related to listing with each Stock Exchanges (DSE & CSE): (Subject to Listing Regulations)		
Prospectus Scrutiny Fee	BDT 50,000	100,000
Initial Listing Fee	0.25% up to BDT 10 crore Paid-up Capital	500,000
	0.15% on the rest of Paid-up Capital	3,600,000
Annual Listing Fee	0.05% on BDT 100 Crore; 0.02% on the rest of Paid-up Capital	1,120,000
C. CDBL Fees and Expenses: (Subject to CDBL Regulations)		
Security Fee	BDT 500,000	500,000 At actual
Documentation Fee	BDT 2,500	2,500 At actual
Annual Fee	BDT 100,000	100,000 At actual
Connection Fee (1 year)	BDT 500 Per Month	6,000 At actual
Initial Public Offering Fee	0.015% of Issue size	45,000 At actual
D. Manager to the Issue Fees:		



Issue Management Fee	Maximum 2% of the IPO	2,800,000	0.93% of Issue Size
VAT on Issue Management Fee	15% on the total Issue Management Fee	420,000	At actual
E. IPO related Fees:			
Underwriting Commission	Maximum 1% of 35% of the IPO	1,050,000	1% of 35% of Issue Size
VAT on Underwriting Commission	15% on the total Underwriting Commission	157,500	At actual
Auditor Certification & Auditor Fee		1,250,000	At actual
VAT on Auditor Certification & Auditor Fee	15% of the total fee	187,500	At actual
F. Printing & Post-IPO Expenses:			
Publication of Prospectus	(Estimated 2,500 Copies)	700,000	(To be paid at actual)
Publication of Abridged Version of prospectus and notice in 4 National dailies		650,000	
Notice for prospectus, Subscription, Refund etc. in 4 National dailies		300,000	
Post Issue Manager fee, Data Processing and Share Software Charge		2,500,000	
Courier, Stationery and Other Expenses		2,761,500	
Total:		20,000,000	



Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the issuer at the time of submission of prospectus, in details with indication of use of such funds in the financial statements

(B)(21)(b)

TO WHOM IT MAY CONCERN

**AUDITOR'S CERTIFICATE ON UTILIZATION OF THE FUND RAISED THROUGH
ISSUE OF CAPITAL EARLIER**

After due verification of the information contained in the audited financial statements, return of allotment, bank statement and statutory report of Lankan Alliance Finance Limited (herein after referred to as the "Company"), we certify that the Company kept its paid up capital as lien in different scheduled Banks of Bangladesh, which was subsequently transferred to the Bank's SND account with Bank Asia Limited, Pragati Sarani Branch, Dhaka (A/C: 61536000010). After due permission of Bangladesh Bank, the Company utilized this fund therefrom. Below is the event-wise list of paid up capital raised and item-wise utilization of the fund by the Company:

Particulars of allotment	Date of Allotment	In Consideration	Amount in BDT	Utilization of fund in Financial statements
1 st (Subscriber to the Memorandum & Articles of Association at the time of incorporation)	27.09.2003	Cash	1,00,00,000	Investment in fixed asset & loans & advances.
2 nd	12.04.2017	Cash	99,00,00,000	Investment in fixed asset & loans & advances.
Total			1,00,00,00,000	

This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 (as amended). It may be noted here that the statutory audit for the years 2018 & 2019 had been conducted by A. Qasem & Co., Chartered Accountants.

Dhaka, 17 April 2023

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants



If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture (B)(21)(c)

The Company has no objective to invest in such types of ventures by using the IPO proceeds.

If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned (B)(21)(d)

Not applicable for AFPLC.

A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer (B)(21)(e)

USE OF PROCEEDS FROM IPO AND IMPLEMENTATION SCHEDULE

The Initial Public Offering (IPO) through the issuance of 30,000,000 nos. of ordinary shares at an issue price of Tk. 10.00 each at par totaling BDT 300,000,000 will be utilized as disclosed below:

Sl.	Area of Utilization of IPO Fund	Amount in BDT	Implementation Schedule
1.	Investment in core business activities: Loans & advances, etc.	280,000,000	Within 1 year of receiving IPO fund
2.	IPO Expense*	20,000,000	As & when required
	Total:	300,000,000	

*Amount will be finalized after calculation of IPO expenses at actual.

Sd/-
Syed Ali Jowher Rizvi
Chairman

Sd/-
Kanti Kumar Saha
Chief Executive Officer

Sd/-
Don Wishva Kantha
Wickramarachchi
Chief Financial Officer

Place: Dhaka

Date: 16th March 2023



If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus (B)(21)(f)

The Company has not made any type of such contract.

If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item-wise break-up of last three years working capital and next two years projection (B)(21)(g)

There are no objectives of the issue to utilize the proceeds for working capital.

Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project-wise, as the case may be (B)(21)(h)

The issuer does not propose to undertake one or more activities like diversification, modernization, expansion, etc.

Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented (B)(21)(i)

Described under the title Use of Proceeds From IPO And Implementation Schedule at page no. 229 in the prospectus.

The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies (B)(21)(j)

There are no existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies.

Summary of the project appraisal or feasibility report by the relevant professionals not connected with the issuer, issue manager and registrar to the issue with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report (B)(21)(k)

Not applicable for AFPLC.



SECTION (XXIII)
(B)(22)

LOCK-IN

SECTION CONTENTS	
-------------------------	--

- | | |
|-----|---|
| (a) | Provisions for lock in as per these Rules; |
| (b) | Whether a statement regarding lock-in on existing shares furnished in the prospectus; |
-
-



Provisions for lock in as per these Rules

(B)(22)(a)

Ordinary shares of the issuer, at the time of according consent to the public issue, shall be subject to lock-in, from the first trading day at the exchange in the following manner:

- (a) Shares held by sponsors, directors and shareholders holding 10% (ten percent) or more, for 03 (three) years;
- (b) In case, any existing sponsor or director of the issuer transfers any share to any person, those transferred shares, for 03 (three) years;
- (c) Shares allotted to any person, before 4 (four) years or more of according consent to the public issue, other than the persons mentioned in clause (a) and (b), for 01 (one) year;
- (d) Shares held by alternative investment funds, for 01 (one) year;
- (e) Shares held by any person, other than the shares mentioned in clause (a), (b), (c) and (d) above, for 02 (two) years:

Provided that ordinary shares converted from any other type of securities shall also be subject to lock-in as mentioned above.

Statement of securities to be locked in for each shareholder along with BO account number, lock-in period and number of securities to be locked in

(B)(22)(b)

SL.	Name of Shareholder	Position	BO ID	No. of Shares	Pre IPO Shareholding (%)	Post IPO Shareholding (%)	Lock-in Period (Year)
1.	Syed Ali Jowher Rizvi	Chairman	1205590008585435	10,500,000	10.00%	7.78%	3 Years
2.	Summit Holdings Limited	Sponsor Shareholder	1205710004923349	10,500,000	10.00%	7.78%	3 Years
3.	Concept Knitting Limited	Sponsor Shareholder	1205960063014553	4,200,000	4.00%	3.11%	3 Years
4.	Green Delta Insurance Company Limited	Sponsor Shareholder	1203620000042986	10,500,000	10.00%	7.78%	3 Years
5.	Lutfе Mawla Ayub	Shareholder & Director	1601880067293198	2,100,000	2.00%	1.56%	3 Years
6.	Sohana Rouf Chowdhury	Sponsor Shareholder & Director	1204490014909286	10,500,000	10.00%	7.78%	3 Years
7.	Fahmida Akter Khatun	Sponsor Shareholder	1606150075923751	3,150,000	3.00%	2.33%	3 Years
8.	People's Leasing & Finance PLC	Sponsor Shareholder	1606180075923181	53,550,000	51.00%	39.67%	3 Years
Total:				105,000,000	100.00%	77.78%	

Note: Considering 5% stock dividend for the year ended December 31, 2022.



SECTION (XXIV)
(B)(23)

**MARKETS FOR THE SECURITIES BEING OFFERED
INCLUDED**



Stock Exchanges:

The issuer shall apply to the following bourses for listing shares within 7 (seven) working days from the date of consent accorded by the Commission to issue the prospectus:



Dhaka Stock Exchange Limited (DSE)

DSE Tower, Road: 21, House: 46
Nikunja, Dhaka-1229



Chittagong Stock Exchange PLC (CSE)

CSE Building, 1080 Sk. Mojib Road,
Agrabad, Chittagong

Declaration about Listing of Shares with Stock Exchanges:

None of the stock exchange(s), if for any reason, grants listing within 20 (twenty) working days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within 15 (Fifteen) days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 20 (twenty) working days, as the case may be.

In case of non-refund of the subscription money within the aforesaid 15 (Fifteen) days, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above-mentioned conditions and shall submit compliance report thereon to the Commission within 7 (Seven) days of expiry of the aforesaid 15 (Fifteen) days' time period allowed for refund of the subscription money."

The stock exchanges shall complete the listing procedure and start of trading of securities within 20 (Twenty) working days from the closure of subscription.

Trading and Settlement:

Trading and Settlement Regulation of the stock exchanges will apply in respect of trading and settlement of the shares of the Company.

THE ISSUE SHALL BE PLACED IN "N" CATEGORY



SECTION (XXV)
(B)(24)

**DESCRIPTION OF SECURITIES OUTSTANDING
OR BEING OFFERED**

SECTION CONTENTS	
(a)	Dividend, voting and preemption rights
(b)	Conversion and liquidation rights
(c)	Dividend policy
(d)	Other rights of the securities holders



Dividend, voting and preemption rights

(B)(24)(a)

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividends in terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting rights in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra-ordinary. On a show of hand, every shareholder presents in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital, the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the BSEC from time to time.

Conversion and liquidation rights

(B)(24)(b)

In terms of the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering the transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

Dividend policy

(B)(24)(c)

- i. The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- ii. No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
- iii. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- iv. The Directors may from time to time pay the members such interim dividends as in their judgment the financial position of the Company may justify.
- v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- vi. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.



Other rights of the securities holders

(B)(24)(d)

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statements and reports, audited as well as unaudited, published by the company from time to time.

The shareholder holding a minimum of 10% shares of paid-up capital of the company shall have the right to requisition extra ordinary General Meeting of the company as provided for the section 84 of the Companies Act, 1994.



SECTION (XXVI)
(B)(25)

FINANCIAL STATEMENTS

SECTION CONTENTS

(a)	The latest financial statements prepared and audited by any of the Commission's panel of auditors in adherence to the provisions of the Securities and Exchange Rules, 1987, the Companies Act, 1994, International Financial Reporting and Auditing Standards as adopted in Bangladesh from time to time and any other law as applicable
(b)	Information as is required under section 186 of the Companies Act, 1994 relating to holding company
(c)	Selected ratios as specified in Annexure-D
(d)	Comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer as per Auditors report under Section 135(1), Para 24(1) of Part II of Schedule III of the Companies Act, 1994
(e)	Financial spread sheet analysis for the latest audited financial statements
(f)	Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS
(g)	All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share included
(h)	Quarterly or Half yearly EPS should not be annualized while calculating the EPS
(i)	Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position
(j)	The Commission may require the issuer to re-audit the audited financial statements, if any deficiency/anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer
(k)	Statements for the last five years or any shorter period of commercial operation certified by the auditors



The latest financial statements prepared and audited by any of the Commission's panel of auditors in adherence to the provisions of the Securities and Exchange Rules, 1987, the Companies Act, 1994, International Financial Reporting and Auditing Standards as adopted in Bangladesh from time to time and any other law as applicable (B)(25)(a)

Independent Auditor's Report

To the Shareholders of Lankan Alliance Finance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lankan Alliance Finance Limited (the "Company"), which comprise balance sheet as at 31 December 2022, and the profit and loss account, statement of changes in equity and cash flows statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans, advances and leases	
<p>The process for estimating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provisions calculation considers the estimates of future business</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> Credit appraisal, loan disbursement procedures, monitoring and provisioning process;



performance and the market value of collateral provided for credit transactions.

For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.

As at 31 December 2022, the Company reported total gross loans, advances and leases of BDT 3,142,978,598 (31 December 2021: BDT 2,324,620,040) and provision for loans and advances of BDT 30,355,239 (31 December 2021: BDT 19,395,245).

We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias:

- Completeness and timing of recognition of loss events in accordance with criteria set out in DFIM Circular no 04 dated 26 July 2021;
- For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows;

Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.

- Identification of loss events, including early warning and default warning indicators;

- Reviewed quarterly Classification of Loans (CL);

Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:

- Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines;
- Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information;
- Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; and
- Finally compared the amount of loan provision and loan classification disclosed in the financial statements with the quick summary report prepared by Bangladesh Bank.

Considering the adverse impact on Bangladesh economy due to increase in COVID 19 infection and flood in many areas of the country. Bangladesh Bank vide DFIM circular letter no. 27 dated 21 December 2022 has instructed NBFIs not to further downgrade any loan/lease/advance from its existing classification applicable as at 01 January 2022 if the concerned client has paid at least 50% of total outstanding amount for the month of October to December 2022 and interest income may be recognized considering the actual recovery.

No penal interest or additional fee/charge/commission shall be imposed on these deferred instalments.

We have selected samples to check compliance of above Bangladesh Bank instructions. However, due to the current uncertainty of the overall economic situation both in Bangladesh and Globally there are inherent risk that the judgment applied by



	Management in assessing recoverability of interest income may be different than the actual situation in future.
See note no 7 and 12 to the financial statements	

Measurement of deferred tax assets	
At year end of 2022, the Company reported total deferred tax assets of BDT 9,434,646 (2021: BDT 7,149,681) and deferred tax income of BDT 2,284,965 (2021: deferred tax income BDT 2,704,364). Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Company's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. The Company has sufficient taxable profit to recover the deferred tax assets in foreseeable future.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax including deduction of DTA on specific provision from regulatory capital.</p>
See notes no 9.01 to the financial statements	

IT systems and controls	
Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT-dependent manual controls.	<p>We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Company's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configurations and other</p>



	<p>application layer controls identified as key to our audit.</p>
--	---

<p>Legal and regulatory matters</p>	
<p>We focused on this area because the Company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities. Overall, the legal provision represents the Company's best estimate for existing legal matters that have a probable and estimable impact on the Company's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the legal provision and contingencies process. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We inquired of the Company's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information. We also assessed the Company's provisions and contingent liabilities disclosure.</p>

Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Financial Institutions Act, 1993 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;



- (iii) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditures incurred were for the purpose of the Company's business for the year;
- (v) the financial statements of the Group and the Company have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- (vi) adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- (vii) the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (viii) the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- (ix) statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- (x) taxes and other duties were collect to be and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;
- (xi) nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- (xii) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- (xiii) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- (xiv) the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;
- (xv) we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 1,500 person hours for the audit of the books and accounts of the Company;



- (xvi) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- (xvii) the Company has complied with the 'First Schedule' of the Financial Institutions Act, 1993 in preparing these financial statements; and
- (xviii) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Dhaka, 30 March,2023
DVC: 2303301512AS881606

Sd/-
Shaikh Hasibur Rahman FCA
Enrollment No: 1512
Hoda Vasi Chowdhury & Co.
Chartered Accountants



Lankan Alliance Finance Limited
Balance Sheet
As at 31 December 2022

<u>Particulars</u>	<u>Notes</u>	<u>Amounts in BDT</u>	
		<u>31 December 2022</u>	<u>31 December 2021</u>
ASSETS			
Cash	3		
In hand	3.01	11,310	27,737
Balance with Bangladesh Bank and its agents	3.02	32,572,091	30,852,074
		32,583,401	30,879,811
Balance with other banks and financial institutions	4		
Inside Bangladesh	4.01	323,102,636	567,096,812
Outside Bangladesh		-	-
		323,102,636	567,096,812
Money at call and short notice	5	340,000,000	100,000,000
Investments	6		
Government	6.01	-	-
Others	6.02	250,151,033	305,790,409
		250,151,033	305,790,409
Loans and advances	7		
Loans, cash credit, overdraft etc.		3,142,978,598	2,324,620,040
Bills purchased and discounted		-	-
		3,142,978,598	2,324,620,040
Fixed assets including land, building, furniture and fixtures	8	58,020,820	54,188,298
Other assets	9	72,500,303	81,722,410
Non-banking assets		-	-
Total Assets		4,219,336,791	3,464,297,779
LIABILITIES AND SHAREHOLDER'S EQUITY			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	204,353,683	7,750,000
Deposits and other accounts			
Current accounts and other accounts etc.	11	-	-
Bills payable		-	-
Savings bank deposits		-	-
Scheme deposits		9,708,221	13,092,655
Term deposits		2,501,827,761	1,985,123,197
Bearer certificate of deposits		-	-
Other deposits		2,184,527	2,226,878
		2,513,720,509	2,000,442,730
Other liabilities	12	226,488,043	183,154,085
Total Liabilities		2,944,562,235	2,191,346,815
Shareholders' equity			
Paid-up capital	13	1,000,000,000	1,000,000,000
Share premium		172,200,000	172,200,000
Statutory reserves	14	46,807,935	36,443,217
General reserves		-	-
Retained earnings	15	55,766,621	64,307,747
		1,274,774,556	1,272,950,964
Total Equity		1,274,774,556	1,272,950,964
Total Liabilities and Shareholders' equity		4,219,336,791	3,464,297,779



<u>Particulars</u>	<u>Notes</u>	<u>Amounts in BDT</u>	
		<u>31 December 2022</u>	<u>31 December 2021</u>
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Total contingent liabilities		-	-
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines		-	-
Un-disbursed contracted loans, advances and leases		-	-
Total other commitments		-	-
Total off-balance sheet items including contingent liabilities		-	-
Net asset value per share- (NAV)		12.75	12.79
Restated Net asset value per share- (NAV)		-	12.73

The annexed notes form an integral part of these financial statements.

Sd/- Chairman	Sd/- Director	Sd/- Chief Executive Officer	Sd/- Chief Financial Officer
------------------	------------------	---------------------------------	---------------------------------

Signed in terms of our separate report of even date annexed.

Dhaka, 16 March 2023
DVC No: 2303301512AS881606

Sd/-
Shaikh Hasibur Rahman FCA
Partner
Enrollment No: 1512
Hoda Vasi Chowdhury & Co.
Chartered Accountants



Lankan Alliance Finance Limited
Profit and Loss Account
For the year ended 31 December 2022

Particulars	Note	Amounts in BDT	
		31 December 2022	31 December 2021
Interest income	16	346,744,598	252,821,725
Less : Interest on deposits and borrowings etc.	17	183,910,407	118,416,351
Net interest income		162,834,191	134,405,374
Investment income	18	28,481,234	36,438,469
Commission, exchange and brokerage		-	-
Other operating income	19	28,078,176	16,742,312
Total operating income		219,393,601	187,586,154
Salaries, allowances and benefits	20	61,280,166	48,597,015
Rent, taxes, insurance, electricity etc.	21	6,695,946	4,377,016
Legal & Professional fees	22	391,338	665,207
Postage, stamp, telecommunication etc.	23	678,954	425,216
Stationery, printing, advertisements etc.	24	2,641,707	967,943
CEO's salary and benefits	25	12,400,044	12,899,998
Directors' fees	26	856,000	800,000
Auditors' fees		391,000	345,000
Charges on loan losses		-	-
Depreciation and repair of Company's assets		18,441,149	13,481,545
Other administration and maintenance	27	11,622,697	6,126,196
Total operating expenses		115,399,001	88,685,136
Profit before provisions		103,994,601	98,901,019
Provision for loans and investments			
General provision		9,895,996	(363,085)
2% Special Provision		(75,533)	4,216,106
Specific provision		1,139,531	-
Provision for diminution in value of investments		5,168,936	3,501,864
Other provision		-	-
Total provision		16,128,930	7,354,885
Total profit before taxation		87,865,671	91,546,134
Provision for taxation			
Current tax expense		38,327,044	35,696,576
Deferred tax expenses/(income)		(2,284,965)	(2,704,364)
Net profit after taxation		51,823,592	58,553,922
Appropriations to:			
Statutory reserves		10,364,718	11,710,784
Dividend etc.		-	-
		10,364,718	11,710,784
Retained surplus		41,458,874	46,843,138
Earnings per share	30	0.52	0.59

The annexed notes form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Director

Sd/-
Chief Executive Officer

Sd/-
Chief Financial Officer

Signed in terms of our separate report of even date annexed.

Dhaka, 16 March 2023
DVC No: 2303301512AS881606

Sd/-
Shaikh Hasibur Rahman FCA
Partner
Enrollment No: 1512
Hoda Vasi Chowdhury & Co.
Chartered Accountants



Lankan Alliance Finance Limited
Statement of Changes in Equity
For the year ended 31 December 2022

Amounts in BDT

Particulars	Paid-up capital	Share premium	Statutory reserves	Retained earnings	Total
Balance at 01 January 2022	1,000,000,000	172,200,000	36,443,217	64,307,747	1,272,950,964
Net profit for the year 2022	-	-	-	51,823,592	51,823,592
Appropriation to reserve	-	-	10,364,718	(10,364,718)	-
5% Cash dividend (for 2021)	-	-	-	(50,000,000)	(50,000,000)
Balance as at 31 December 2022	1,000,000,000	172,200,000	46,807,935	55,766,621	1,274,774,555

Lankan Alliance Finance Limited
Statement of Changes in Equity
For the year ended 31 December 2021

Amounts in BDT

Particulars	Paid-up capital	Share premium	Statutory reserves	Retained earnings	Total
Balance at 01 January 2021	1,000,000,000	172,200,000	24,732,433	23,922,299	1,220,854,732
Net profit for the year 2021	-	-	-	58,553,922	58,553,922
Appropriation to reserve	-	-	11,710,784	(11,710,784)	-
Prior year adjustment	-	-	-	(6,457,689)	(6,457,689)
Balance at 31 December 2021	1,000,000,000	172,200,000	36,443,217	64,307,747	1,272,950,965

Sd/-
Chairman

Sd/-
Director

Sd/-
Chief Executive Officer

Sd/-
Chief Financial Officer



Lankan Alliance Finance Limited
Cash Flow Statement
For the period ended 31 Dec 2022

Particulars	Amount in BDT	
	31 Dec 2022	31 Dec 2021
A) Cash flows from operating activities		
Interest received	337,101,081	270,789,424
Interest paid	(169,700,806)	(110,193,436)
Dividend received	29,636,053	34,132,600
Fees and commission received	-	-
Paid to employees and suppliers	(82,439,783)	(98,978,752)
Payment of income tax	(34,358,907)	(36,918,842)
Received from other operating activities	20,935,283	13,204,498
Cash generated from operating activities before changes in operating assets and liabilities	101,172,921	72,035,492
Increase/(decrease) in operating assets and liabilities		
Loans & Advance	(810,679,957)	(649,220,372)
Sale of shares	-	-
Investment in share	-	(7,288,545)
Term and other deposits	513,277,778	876,603,099
	(297,402,178)	220,094,182
Net cash flows from/(used in) operating activities	(196,229,257)	292,129,675
B) Cash flows from investing activities		
Purchase of fixed assets	(8,304,389)	(7,354,436)
Investment in shares	55,639,376	-
Net cash used in investing activities	47,334,987	(7,354,436)
C) Cash flows from financing activities		
Drawdown of term loans / Treasury Line	196,603,683	3,000,000
Dividend Payment	(50,000,000)	-
Net cash flow from financing activities	146,603,683	3,000,000
D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)	(2,290,586)	287,775,239
E) Effects of exchange rate changes on cash and cash equivalents	-	-
F) Cash and cash equivalents at beginning of the year	697,976,623	410,201,384
G) Cash and cash equivalents at end of the year (D+E+F)	695,686,037	697,976,623
Cash and cash equivalents at end of the year		
Cash in hand (including foreign currencies)	11,310	27,737
Balance with Bangladesh Bank and its agent bank(s)	32,572,091	30,852,074
Balance with other banks and financial institutions	323,102,636	567,096,812
Money at call and short notice	340,000,000	100,000,000
	695,686,037	697,976,623
Net operating cash flow per share (NOCFPS)	(1.96)	2.92

Sd/-
Chairman

Sd/-
Director

Sd/-
Chief Executive Officer

Sd/-
Chief Financial Officer

Lankan Alliance Finance Limited
Liquidity statement
As at 31 December 2022

Amounts in BDT

Particulars	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	Above 5 years term	Total
Assets						
Cash in hand (including balance with Bangladesh Bank)	32,583,401	-	-	-	-	32,583,401
Balance with other banks and financial institutions	173,102,636	-	150,000,000	-	-	323,102,636
Money at call and short notice	340,000,000	-	-	-	-	340,000,000
Investments	55,151,033	-	35,000,000	120,000,000	40,000,000	250,151,033
Loans & advances	114,403,589	424,016,372	1,064,144,528	1,463,317,209	77,096,900	3,142,978,598
Fixed assets including land, building, furniture and fixtures	-	-	-	53,684,883	4,335,937	58,020,820
Other assets	-	341,000	60,306,140	11,853,163	-	72,500,303
Non-banking assets	-	-	-	-	-	-
Total assets	715,240,659	424,357,372	1,309,450,668	1,648,855,255	121,432,837	4,219,336,791
Liabilities						
Borrowing from Bangladesh Bank, other banks and financial institutions & its agents	12,509,917	3,250,001	48,376,464	140,217,301	-	204,353,683
Deposits	224,286,074	1,213,071,675	1,031,130,377	37,355,030	5,692,825	2,511,535,982
Other accounts	-	-	-	2,184,527	-	2,184,527
Provision and other liabilities	15,951,586	9,788,434	112,143,263	87,860,150	744,610	226,488,043
Total liabilities	252,747,577	1,226,110,110	1,191,650,104	267,617,008	6,437,435	2,944,562,235
Net Liquidity Gap	462,493,082	(801,752,738)	117,800,564	1,381,238,247	114,995,402	1,274,774,556



Lankan Alliance Finance Limited
Notes to the financial statements
As at and for the year ended 31 December 2022

1. Company and its activities

1.1 Legal status and nature of the Company

Lankan Alliance Finance Limited (The Company "Lankan Alliance Finance Limited") was incorporated in Bangladesh as a Public limited company on September 27, 2003 under the Companies Act, in its earlier name of Alliance Leasing & Finance Company Limited. The Company changed its name in December 2017. The registered office of the company is situated at The Alliance Building, 63 Pragati Sarani, Baridhara, Dhaka-1212. However, corporate address is at Laila Tower, 8 South Gulshan Ave, Dhaka 1212. The Company is registered as a Financial Institution under the Financial Institutions Act, 1993.

2. Basis of preparation and significant accounting policies

2.1 Statement of compliance

The financial statements of the Company have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement and investment in marketable securities which are stated at market value in accordance with International Financial Reporting Standards (IFRS) except the circumstances where local regulations differ, and the Companies Act, 1994, the Financial Institutions Act, 1993 and other applicable laws and regulations.

The presentation of the financial statements has been made as per the requirements of DFIM Circular No: 11, dated December 23, 2009 issued by the Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank. The activities and accounting heads mentioned in the prescribed form, which are not applicable for the financial institutions, have been kept blank in the financial statements.

The requirements of accounting standards as per IFRS that have been departed to comply with Bangladesh Bank requirements have been disclosed in detail in Note-2.3.

However, this departure with IFRS has been made by following all of the relevant provisions of IAS-1 and the details disclosures are given in Note-2.3 by following the provision of Para 20 of IAS 1 Presentation of Financial Statements.

2.2 Basis of measurement

This financial statements have been prepared based on International Financial Reporting Standards (IFRS) and no adjustment has been made for inflationary factors affecting the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

2.3 Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance

Bangladesh Bank (the local Central Bank) is the prime regulatory body for Financial Institution in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with those of financial instruments and general provision standards of IFRS. As such the company has departed from those contradictory requirements of IFRS in order to comply with the rules and regulations of Bangladesh Bank, which are disclosed below along with financial impact where applicable:

2.4 Components of the financial statements

The financial statements comprise of (As per DFIM Circular No. 11, Dated December 23, 2009):

- a) Balance Sheet as at 31 December 2022;
- b) Profit and Loss Account for the year ended 31 December 2022;
- c) Statement of Cash Flows for the year ended 31 December 2022;
- d) Statement of Changes in Equity for the year ended 31 December 2022;
- e) Liquidity Statement for the year ended 31 December 2022;
- f) Notes to the Financial Statements for the year ended 31 December 2022.



2.5 Directors' responsibility statement

The Board of Directors' takes the responsibility for the preparation and presentation of these financial statements.

2.6 Date of authorization

The Board of directors has authorized this financial statements on 16 March 2023.

2.7 Presentation and functional currency and level of precision

The financial statements are presented in Bangladesh Taka (BDT) currency, which is the Company's functional currency. All financial information presented in Taka has been rounded off to the nearest Taka.

2.8 Use of estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

The most critical estimates and judgments are applied to the following:

- Provision for impairment of loans, leases and investments
- Gratuity
- Useful life of depreciable assets

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised. In accordance with the guidelines as prescribed by IAS 37 Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

Provisions

Provisions are liabilities that are uncertain in timing or amount. Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Contingent Liability :

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or the Group has a present obligation as a result of past events but is not recognized because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise legal claims under arbitration or court process in respect of which a liability is not likely to occur.

Contingent Assets:

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are never recognized, rather they are disclosed in the financial statements when they arise.



2.9 Accounting for term finance & other finances

Books of accounts for term finance operation are maintained based on the accrual method of accounting. Outstanding loans, along with the accrued interest thereon, for short-term finance, and unrealized principal for long-term finance are accounted for as term finance assets of the Company. Interest earnings are recognized as operational revenue periodically.

2.10 Branch accounting

The Company has one branch, with no overseas branch as on December 31, 2022. Accounts of the branch is maintained at the head office from which these accounts are drawn up.

2.10.1 Investment in securities

Investment in marketable ordinary shares has been shown at cost or market price, whichever is lower, on an aggregate portfolio basis. Investment in non-marketable shares has been valued at cost or intrinsic value whichever is lower. Full provision for diminution in value of shares as on closing of the year on an aggregate portfolio basis is made in the financial statements as required by Bangladesh Bank DFIM circular No. 02 dated 31 January 2012.

2.11 Property and equipment

i) Recognition and measurement

Own assets

Items of own fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to its working condition for its intended use as per International Accounting Standard (IAS) 16 Property, Plant and Equipment.

ii) Subsequent expenditure on Fixed assets

Subsequent expenditure is capitalized only when it increases the future economic benefit from the assets and that cost can be measured reliably. All other expenditures are recognized as an expense as and when they are incurred.

iii) Depreciation

Depreciation is charged to amortize the cost of assets, over their estimated useful lives, using the straight-line method in accordance with BAS-16: "Property, Plant and Equipment". Full depreciation is charged on additions irrespective of date when the related assets are put into use and no depreciation is charged from the month of disposal. Asset category wise depreciation rates are as follows:

<u>Particulars of Property, Plant & Equipment</u>	<u>Rates</u>
Furniture and fixtures	20%
Office equipment	20%
Office decoration	10%
Furniture and fixtures	10%
Motor vehicles	13%
ICT Equipment	20%
Software (Office Operation)	33.33%
Software (Business Operation)	20.00%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the profit and loss account.

Depreciation methods, useful lives and residual values, if any are reviewed at the balance sheet date.



2.12 Intangible assets and amortization of intangible assets

Recognition & Measurement

Intangible assets comprise the value of computer software. Intangible assets acquired separately are measured on initial recognition at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Amortization

Amortization is calculated using the straight line method to write down the cost of intangible assets to their residual values over their estimated useful lives based on the management best estimates of 3 years.

Subsequent expenditure

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits in the specifications to which it relates. All other expenditure is expensed as incurred.

2.13 Revenue recognition

Revenue is recognized only when it is measurable and probable that the economic benefits associated with the transaction will follow to the company and in accordance with IFRS 15 Revenue from contract with customers unless otherwise mentioned or otherwise guided by the separate IFRS.

Interest on term loans and short term finance

Interest on term loan and short term finance are recognized as revenue on an accrual basis and interest income on term loan is not recognized where any portion of interest is in arrear for more than three months.

Fee based revenues

Fees on services rendered by the company are recognized as and when services are rendered.

2.14 Interest suspense account

Interest on term finance overdue beyond three months period and interest on short term finance overdue beyond permitted credit term plus ninety days period are not recognized as revenue and credited to interest suspense account.

2.15 Accounts receivable

Accounts receivable at the balance sheet date is stated at amounts which are considered realizable. Specific allowance is made for receivable considered to be doubtful for recovery.

2.16 Borrowing cost

Borrowing cost is capitalized for the period from the dates of respective disbursements to the date of execution of lease. On execution of lease, advance including capitalized borrowing cost is transferred to the gross lease receivables.

Borrowing costs are recognized as expense in the year in which they are incurred unless capitalization is permitted under Bangladesh Accounting Standard (BAS) 23: "Borrowing Costs".

2.17 Cash flow statements

The cash flow statement is prepared using the direct method as stipulated in International Accounting Standard (IAS) 7: "Cash Flow Statements", and in accordance with the instruction of Bangladesh Bank.

2.18 Conversion of foreign currency transactions

Foreign currency transactions are translated into Taka at rates prevailing at the respective dates of transactions, while foreign currency monetary assets at the end of the year are reported at the rates prevailing on the balance sheet date. Exchange gains or losses arising out of the said conversions are recognized as income or expense for the year after netting off.



2.19 Provision for doubtful accounts and future losses

Provision has been made as per the Bangladesh Bank Provisioning policy. A general provision has been made by the company to cover unforeseen losses on all loans and investments.

2.20 Employees' benefit obligation

2.21.1 Defined contribution plan

The Company has a contributory provident fund scheme for its permanent employees. Provident fund administered by a Board of Trustees, funded by equal contributions both by the employees and the Company at a 10% of basic salary rate. The contributions has been managed separately from the Company's asset. Employees' provident fund will be mature 100% after 2 (two) years continuous service from the date of enrolment as a member of contributory provident fund.

2.21.2 Defined benefit plan (Gratuity scheme)

The Company also introduced a funded gratuity scheme. Employees are entitled to gratuity benefit after completion of five years of service with the Company. The gratuity is calculated on the last basic pay and is payable at the rate of one month's basic pay for every completed year of service.

2.21.3 Workers Profit Participation Fund and Welfare Fund

SRO-336-AIN/2010 dated 5-10-2010 issued by the 'Ministry of Labour and Employment' declares the status of business of certain institutions and companies along with Bank & insurance companies as "Industrial Undertakings" for the purposes of Chapter-XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) which deals with the workers' participation in company's profit by way of 'Workers Participation Fund' and 'Welfare Fund'. This Act requires the "Industrial Undertakings" to maintain provision for workers' profit participation fund @ 5% on net profit. Since this requirement contradicts with the 'Section 11' of the 'Bank Company Act 1991 (as amended up to 2018)', Banks in Bangladesh took up the issue collectively and sought opinion from 'Association of Bankers Bangladesh Limited (ABB)' on the same. ABB wrote a letter to the 'Ministry of Finance' of Government of People's Republic of Bangladesh on 09.03.2016 to draw attention of the honorable Finance Minister regarding relevance and applicability of Chapter XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) for Bank Companies and to obtain a direction on the issue. The 'Ministry of Finance' revealed their opinion that WPPF should not be relevant for Bank Companies and therefore, it should not be applied there. They also sought for an opinion on this issue from Bangladesh Bank. Subsequently, Bangladesh Bank agreed on all the logics and legal opinion collected by the ABB and expressed their consensus with them on 29.11.2016. In this backdrop, the 'Ministry of Finance' has given their instruction, vide letter no. 53.00.0000.311.22.002.17.130 dated 14.02.2017, for not applying Chapter XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) in Bank Companies. Therefore, no provision in this regard has been made in the financial statements for the year ended on December 31, 2022.

2.21.4 Other employees benefit obligation

The Company operates a health insurance scheme for its permanent employees.

2.22 Taxation

Tax expense comprises current and deferred tax.

2.22.1 Deferred tax

The Company accounts for deferred tax as per International Accounting Standard (IAS) 12 Income Taxes. Deferred tax is provided using the balance sheet method for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purposes. Tax rate prevailing at the balance sheet date is used to determine deferred tax.

Deferred tax may results in a liability or an asset being recognized within the Statement of Financial Position. IAS 12 defines a deferred tax liability as being the amount of income tax payable in future periods. Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method.



2.22.2 Current tax

Provision for current tax is made on the basis of the profit for the year as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereto from time to time.

2.23 Impairment of long-lived assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recovered. Accordingly, the Company estimates the recoverable amount of the assets. Impairment losses, if any, is recognized in the profit and loss account when the estimated recoverable amount of an asset is less than its carrying amount.

2.24 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank, term deposits and investment in call loan that are readily convertible to a known amount of cash (with less than three months maturity) and that are subject to an insignificant risk of change in value.

2.25 Bank loans

Bank loans are recorded at the proceeds received. Interest on bank loans is accounted for on accrual basis and charged to profit and loss account.

2.26 Related party disclosure

As per International Accounting Standards (IAS) 24 Related Party Disclosures, parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties.

2.27 Statutory reserves

As per Financial Institutions Regulation 1994, every Non Banking Financial Institution (NBFI) is required to transfer at least 20% of its current year's profit to the fund until such reserve fund equals to its paid up share capital and share premium (if any). In conformity with the above requirement, the Company transfers 20% of net profit to statutory reserve before declaration of dividend.

2.28 Events after the balance sheet date

All material events occurring after the balance sheet date has been considered and where necessary, adjusted for or disclosed.

2.29 Contingent liabilities and contingent assets

The Company does not recognize contingent liability and contingent asset but discloses the existence of contingent liability in the financial statements.

A contingent liability is a probable obligation that arises from past events whose existence will be confirmed by occurrence or non-occurrence of uncertain future events not within the control of the Company or a present obligation that is not recognized because outflow of resources is not likely or obligation cannot be measured reliably.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.



2.30 Liquidity statement

The liquidity statement has been prepared in accordance with remaining maturity grouping of Assets and Liabilities as of the close of the year as per following bases:

- a) Balances with other bank and financial institutions are on the basis of their maturity term.
- b) Investments are on the basis of their expected liquidation and residual maturity term.
- b) Loans, advances and leases are on the basis of their repayment/maturity schedule
- c) Fixed assets are on the basis of their useful lives.
- d) Other assets are on the basis of their adjustment terms.
- e) Borrowings from other banks and financial institutions as per their maturity/repayment terms
- f) Deposits and other accounts are on the basis of their maturity term and behavioral past trends
- g) Other long term liabilities are on the basis of their maturity terms.
- h) Other liabilities are on the basis of their settlement terms.

2.31 Status of compliance of International Financial Reporting Standards

In addition to compliance with local regulatory requirements, in preparing the Financial Statements, LAFL applied following IAS and IFRS:

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	Applied *
Inventories	2	N/A
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	N/A
Investment in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyperinflationary Economics	29	N/A
Interests in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Applied *
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied *
Investment Property	40	N/A
Agriculture	41	N/A
Share Based payment	2	N/A
Business combination	3	N/A
Insurance Contracts	4	N/A
Non-current assets held for sale and discontinued operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied *
Operating Segments	8	Applied
Financial Instruments	9	Applied
Consolidated Financial Statements	10	N/A
Joint Arrangement	11	N/A
Disclosure of Interest in Other Entities	12	N/A
Fair Value Measurement	13	Applied *
Revenue from Contract with Customers	15	Applied
Leases	16	Applied



N/A= Not Applicable

* As the regulatory requirements differ with the standards, relevant disclosures have been made in accordance with Bangladesh Bank's requirements.

** Superseded by IFRS 16 as of 1 January 2019

2.32 BASEL II & its implementation

To cope with the international best practices and to make the capital more risks sensitive as well as more shock resilient, guidelines on 'Basel Accord for Financial Institutions (BAFI)' have been introduced from January 01, 2011 on test basis by the Bangladesh Bank. At the end of test run period, Basel Accord regime has started and the guidelines namely "Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions (CAMD)" have come fully into force from January 01, 2012 with its subsequent supplements/revisions. Instructions regarding Minimum Capital Requirement (MCR), Adequate Capital, and Disclosure requirement as stated in these guidelines have to be followed by all FIs for the purpose of statutory compliance. As per CAMD guidelines, Financial Institutions should maintain a Capital Adequacy Ratio (CAR) of minimum 10%. In line with CAMD guideline's requirement, the company is in the process of introducing necessary initiatives to ensure implementation of BASEL II accord.

2.33 Financial risk management

LAFI always concentrates on delivering high value to its stakeholders through appropriate trade-off between risk and return. A well structured and proactive risk management system is in place within the Company to address risks relating to credit, market, liquidity, operations and anti money laundering. In addition to the industry best practices for assessing, identifying and measuring risks, LAFI also considers guidelines for managing core risks of financial institutions issued by the Country's Central Bank, Bangladesh Bank, vide FID Circular No. 10 dated September 18, 2005 for management of risks and, more recently, DFIM Circular No. 03 dated January 24, 2016.

Credit Risk

To encounter and mitigate credit risk the company employed multilayer approval process, policy for maximum exposure limit of sector or groups, policy for customers' assets maximum exposure limit, mandatory search for credit report from Credit Information Bureau, looking into payment performance of customer before financing, frequent review of clients, taking collateral, seeking external legal opinion, maintaining neutrality in politics and following arm's length approach in related party transactions, regular review of market situation and industry exposure etc.

Market Risk

The Asset Liability Committee (ALCO) of the Company regularly meets to assess the changes in interest rate, market conditions, carry out asset liability maturity gap analysis, re-pricing of products and thereby takes effective measures to monitor and control interest rate risk.

Liquidity Risk

Liquidity requirements are managed on a day-to-day basis by the Treasury Division which is responsible for ensuring that sufficient funds are available to meet short term obligations, even in a crisis scenario, and for maintaining a diversity of funding sources. Treasury Division maintains liquidity based on historical requirements, anticipated funding requirements from operation, current liquidity position, collections from financing, available sources of funds and risks and returns.

Operational Risk

Appropriate internal control measures are in place, at LAFI, to address operational risks. LAFI has also established internal control & compliance department (ICC) to address operational risk and to frame and implement policies to encounter such risks.



Compliance Risk

Compliance risk is defined as the current or prospective risk of legal sanction and/or material financial loss that an organization may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of the best practice as well as from the possibility of incorrect interpretation of laws or regulations. In general, compliance risk management is embedded in the day to day to business processes and practices of the company.

Money Laundering and Terrorist Financing Risk

In The Company, money laundering and terrorist financing risk takes two broad dimensions:

- a) Business risk i.e. the risk that The Company may be used for money laundering or terrorism financing and
- b) Regulatory risk i.e. the risk that The Company fails to meet regulatory obligations under the Money Laundering Prevention Act 2012 and Anti-Terrorism Act 2009 (amended in 2013).

To mitigate the risks, The Company, while adhering to various guidelines and circulars issued by the Bangladesh Financial Intelligence Unit (BFIU), put in place a strict compliance program consisting of the following components:

- a) Development and implementation of internal policies, procedures and controls to identify and report instances of money laundering and terrorism financing;
- b) Creation of structure and sub-structure within the organization, headed by a Central Compliance Unit (CCU), for AML and CFT compliance;
- c) Appointment of an AML/CFT Compliance Officer, known as the Chief Anti Money Laundering Officer (CAMLCO), to lead the CCU;
- d) Independent audit function including internal and external audit function to test the programs;
- e) Ongoing employee training programs.

Additional risks required to be addressed under regulatory requirements

DFIM Circular No.03 of 2016, introduced the Integrated Risk Management Guidelines for Financial Institutions ("the guidelines"). These guidelines supplement, and do not replace, existing risk management guidelines.

Strategic Risk Management

Strategic risk has been demarcated as the risk of possible losses that might arise from unfavorable business decisions, improper execution, and delay in responding to fluctuations in the business environment. The guidelines set out the respective roles of the Board of Directors, Senior Management, and business units in managing strategic risks, identify the steps to be followed in the strategic risk management processes, and suggest mitigating actions for risk control.

LAFI has been managing strategic risks from its inception. This is evident from the constantly evolving business model of the company over the years. The company has a transparent strategic vision on the way forward with a mission statement that states what it will do to achieve its vision. Strategic issues are discussed at a variety of forums including meetings of the Management Committee and of the LAFI Board. LAFI is driven by the vision of its leaders with an annual preparation of the budgets and strategic plans which will be reviewed on a quarterly basis.

Compliance Risk

Compliance risk is an organization's potential exposure to legal penalties, financial forfeiture, and material loss, resulting from its failure to act in accordance with industry laws and regulations, internal policies, or prescribed best practices. Compliance risk is also known as integrity risk. LAFI strives to achieve all the regulatory compliance requirements set forth by all regulators including Bangladesh Bank, the Office of the Registrar of Joint Stock Companies & Firms, and the National Board of Revenue with a follow-up mechanism regularly with the respective regulators.



Historically, LAFL has always fostered a compliance-oriented culture. In general, compliance risk management is embedded in the day to day to business processes and practices of the company. ICC department looks after the compliance-related work including, internal audit & internal control framework. ICC department works administratively with the other functional departments while reporting to Board Audit Committee on a quarterly basis.

Reputation Risk

Reputational risk is the damage that can occur to a business when it fails to meet the expectations of its stakeholders and is thus negatively perceived. The guidelines set out the respective roles of the Board and senior management in managing reputation risk and require financial institutions to implement a sound and comprehensive risk management process to identify, monitor, control, and report all reputational risks.

LAFL has already with its conduct in the manner to put in place a process to monitor and avoid any other matters that might give rise to potential reputational risk issues. To date, no material reputational risk issue involving the company has been identified.

Environmental & Social Risk

LAFL, being a responsible and inclusive financial service provider understands our true corporate responsibility towards fulfilling national priorities for the nation's sustainable development and safeguarding the natural environment in which we operate.

LAFL is currently adopting all the regulatory compliances of the Bangladesh Bank SFD guidelines and circulars regarding the implementation of the sustainable finance policy including Guidelines on Environmental & Social Risk Management (ESRM) for Banks and Financial Institutions in Bangladesh.

LAFL has adopted the Environmental & Social Risk Management System (ESMS) as one of its integral parts of Credit Risk Assessment to compute environmental & social risks from its financial footprints. LAFL is one of the front runners to practice ESMS within its framework, a global standard to minimize environmental & social risks from organizational activities.

From the year 2022, with the support and guidance of Bangladesh Bank, LAFL is strictly following the Environmental and Social Risk Due Diligence (ESDD) process. The current ESDD process covers three sections - i) General Risks, ii) Environmental & Health Risks, and iii) Social Risks. Moreover, it contains specific notes on ten (10) different vulnerable sectors of Bangladesh. In addition to all these, with the help of an exclusion list.

The core objective of LAFL's ESRM System is to realize to integrate Environment & Social (E&S) risks and incorporate appropriate risk mitigation measures in overall credit management to be able for expanding the credit/investment portfolio rather than avoid investing in high E&S risks.

The ESRM Guideline that we adopted from Bangladesh bank provides a robust, auto-generated, quantitative risk rating system to reduce the subjectivity of a qualitative risk assessment.

All national regulations pertaining to E&S governance are taken into cognizance while carrying out E&S due diligence of a particular transaction. International frameworks such as ISO 14001 for environmental management, OHSAS 18001 for occupational health and safety, and SA8000 for socially acceptable practices in the workplace, adherence to IFC Performance Standards is considered in case of large project financing as a good practice and optional requirement.

The organizational roles and responsibilities (Board and Management) defined in the ESRM Guidelines are built upon the principles of integration of E&S risks into LAFL's overall credit policy. It clearly delineates the responsibility of different functions of LAFL in terms of E&S risk assessment and the decision-making process based upon E&S risk rating.

A dedicated Sustainable Finance Unit (SFU) and a Sustainable Finance Committee comprising all departments with defined terms of reference are working collaboratively to ensure Environmental & Social Risk Management (ESRM) effectively across LAFL, and for capacity building of business units as well as credit risk management officials to seize the opportunities of evolving economy and society towards sustainability. LAFL envisions creating value for both society and stakeholders and remaining trustworthy as always amongst investors, customers, employees, and society. LAFL arranges regular pieces of training for employees for environmental awareness. It ensures sustainable in-house management of resources like power, utility, and papers.



2.34 Credit rating

Credit Rating Information and Services Limited rated the Company on 08 June 2022 with “AA-” (Pronounced as Double A Minus) in the long term and ST-2 for the short term based on audited financial statement for the year ended 31 December, 2021 and other available information up to the date of rating declaration. The outlook on the rating is Stable. This rating will be valid till 07 June 2023.

2.35 Going concern

The Company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.36 General

- i) Figures appearing in these financial statements have been rounded off to the nearest Taka.
- ii) Figures of 2021 have been rearranged where necessary for better presentation of current years' financial statements.

2.37 Events after the reporting date

Events after the reporting date that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements. Events after the reporting date that are non adjusting events are disclosed in the notes when material.

Annexure C - Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance with Bangladesh Bank's

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
1	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS 9 "Financial Instruments"	<p>An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired.</p> <p>If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to:</p> <p>a) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or</p> <p>b) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).</p>	<p>As per FID circular No. 08, dated 03 August 2002, FID circular No. 03, dated 03 May 2006, FID circular No. 03, dated 29 April 2013 and DFIM circular No. 04, dated 26 July 2021, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans and Special Mentioned Accounts (SMA)) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances.</p> <p>Also provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.</p>	<p>In financial statements, an amount of Taka 9.90 million has been increased against general provision for leases, loans and advances for the year end 31.12.2022. Accumulated provision for leases, loans and advances as at 31.12.2022 stand at Taka 30.36 million.</p>

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
2.	Valuation of Investments in quoted and unquoted shares	IFRS 9 "Financial Instruments"	Investment in shares falls either under at "fair value through profit/loss (FVTPL)" or "fair value through other comprehensive income (FVTOCI)" where any change in the fair value in case of FVTPL at the year-end is taken to profit of loss, and any change in fair value in case of FVTOCI is taken to other comprehensive income.	As per FID circular No. 08, dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; however in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only.	During this year, total market value of investment in Quoted shares of Lankan Alliance Finance Limited is less than its cost price. As on December 31, 2022 there was BDT 8.67 million unrealized loss on investment in quoted shares.
3.	Recognition of interest income for SMA and classified lease, loans and advances	IFRS 9 "Financial Instruments"	Income from financial assets measured at amortized cost is recognized through effective interest rate method over the term of the investment. Once a financial asset is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount.	As per FID circular No. 03, dated 03 May 2006, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments are not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.	Lankan Alliance Finance Limited did not maintain any amount as interest suspense.
4.	Presentation of cash and cash equivalent	IAS 7 "Statement of Cash Flows"	Cash equivalent are short term, highly liquid investments that are readily	Bangladesh Bank has issued templates for financial statements vide DFIM	Financial Statements for 2022 and corresponding year 2021 have been prepared as per

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
			<p>convertible to known amounts of cash and only include those investments which are for a short tenure like: 3 months or less period.</p> <p>In the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is illiquid asset and not available for use in day to day operations.</p>	<p>Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs.</p> <p>The templates of financial statements provided detail presentation for statement of cash flows.</p>	<p>guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.</p>
5.	Measurement of deferred tax asset	IAS 12 "Income Tax"	A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.	As per DFIM circular No. 7, dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against the provision for lease, loans and advances.	During this year there is no impact in the financial statements due to this departure as the Company did not consider any deductible temporary difference against the provision for leases, loans and advances.
6.	Presentation and disclosure of Financial Statements and Financial Instruments	IAS 1 "Presentation of Financial Statements"	Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs.	Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.



SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
		IFRS 9 "Financial Instruments" & IFRS 7 "Financial Instruments: Disclosure"	IAS 1 requires separate line item for intangible assets on the face of statement of financial position. IFRS 9 and IFRS 7 require specific presentation and disclosure relating to all financial instruments.	<p>The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income Statement.</p> <p>Intangibles assets are not separately presented on the face of statement of financial position; rather it is presented along with the line item of fixed assets.</p> <p>As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IAS 39. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts.</p>	

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
7.	Preparation of "Statement of Cash Flows"	IAS 7 "Statement of Cash Flows"	The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per DFIM Circular No. 11, dated 23 December 2009, the Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.	Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank.
8.	Current/Non-current distinction	IAS 1 "Presentation of Financial Statement"	As per Para 60 of IAS 1 "Presentation of Financial statement" An entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position.	As per DFIM Circular No. 11, dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Institutions. In this templates there is no current and non-current segmentation of assets and liabilities	Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. Moreover, the liquidity statement shows the aging profile of all financial assets and liabilities from where current/non-current portion of assets and liabilities can be obtained.
9.	Off-balance sheet items	IAS 1 "Presentation of Financial Statements"	There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.	As per DFIM Circular No. 11, dated 23 December 2009, off-balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.	Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
					There is no financial impact for this departure but there is a disclosure in the financial statements.
10.	Impairment of Margin Loan (Loans and receivables)	IFRS 9 "Financial Instruments"	Measurement after initial recognition at amortized cost and recording of changes through profit and loss.	As per Bangladesh Securities and Exchange Commission (BSEC) Circular No. SEC/CMRRCD/2009 193/196 dated 28 December 2016, provisions for the year 2016 on impairment of principal portion of margin loan shall be kept at 20% on each quarter for the five quarters starting from December 2016.	There is no such impact for this.
11.	Complete set of financial statements	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" complete set of financial statements are i) statement of financial position, ii) statement of profit or loss and other comprehensive income, iii) statement of changes in equity, iv) statement of cash flows, v) notes, comprising significant accounting policies	As per DFIM Circular No. 11, dated 23 December 2009, complete set of financial statements are i) balance sheet, ii) profit and loss account, iii) cash flow statement, iv) statement of changes in equity, v) liquidity statement, vi) notes, comprising significant accounting policies and other explanatory information.	Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
			and other explanatory information and vi) statement of financial position at the beginning of preceding period for retrospective restatement.		
12.	Intangible asset	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" para 54: the statement of financial position shall include separate line item for intangible assets.	As per DFIM Circular No. 11, dated 23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. We present intangible asset in the balance sheet as part of fixed assets and provide details in annexure-A as separate line item.	Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
13.	Other comprehensive income	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single OCI statement.	Bangladesh Bank has issued templates for financial statements which will strictly be followed by financial institutions. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of OCI allowed to be included in a single OCI statement.	Financial Statements for 2022 and corresponding year 2021 have been prepared as per the guideline and templates issued by Bangladesh Bank. There is no financial impact for this departure in the financial statements.



SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
				As such the financial institution does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.	
14.	Disclosure of presentation of profit	N/A	There is no requirement to show appropriation of profit in the face of statement of comprehensive income.	As per DFIM circular no 11, dated 23 December 2009, an appropriation of profit should be disclosed in the face of profit and loss account	Financial Statements for 2022 and corresponding year 2021 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.



Amounts in BDT	
31-Dec-22	31-Dec-21
3 Cash	
Cash in hand (including foreign currencies) (Note 3.01)	11,310
Balance with Bangladesh Bank and its agent (including foreign currencies) (Note	32,572,091
	32,583,401
	27,737
	30,852,074
	30,879,811

Cash are hypothecated with two Banks named Commercial Bank of Ceylon & NCC bank to secure the borrowings from Bank and FI presented in note-10.

3.01 Cash in hand (including foreign currencies):

In local currency	11,310	27,737
In foreign currency	-	-
	11,310	27,737

3.02 Balance with Bangladesh Bank and its agent (including foreign currencies)

In local currency	32,572,091	30,852,074
In foreign currency	-	-
	32,572,091	30,852,074

3.03 Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR) have been calculated and maintained in accordance with Financial Institutions Act, 1993 & Financial Institutions Regulations, 1994 and FID Circular No. 06 dated November 06, 2003, FID Circular No. 02 dated November 10, 2004 and FID Circular No. 01 dated January 12, 2017.

Cash Reserve Requirement (CRR) has been calculated at the rate of 2.5% on Total Term Deposits which is preserved in current account maintained with Bangladesh Bank. Total Term Deposit means Term or Fixed Deposit, Security Deposit against Lease/Loan and other Term Deposit, received from individuals and institutions (except Bank & financial Institutions).

Statutory Liquidity Reserve (SLR) has been calculated at the rate of 5.0% on total liabilities, including CRR of 2.5% on total Term Deposit. SLR maintained in liquid assets in the form of cash in hand (notes & coin in Taka), balance with Bangladesh Bank and other banks and Financial Institutions, unencumbered treasury bill and treasury bond and any other assets approved by Government Circular issued by Gazette or Bangladesh Bank.

a) Cash Reserve Requirement (CRR)

Required reserve	15,613,083	29,815,483
Actual reserve maintained	32,583,401	30,879,811
Surplus / (deficit)	16,970,318	1,064,328

b) Statutory Liquidity Reserve (SLR)

Required reserve (including CRR)	39,827,669	107,747,729
Actual reserve maintained (including CRR)	205,603,444	597,976,623
Surplus / (deficit)	165,775,775	490,228,894

4 Balance with other banks and financial institutions

Inside of Bangladesh

4.01 Local Currency

Non interest bearing current account (Note - 4.02)	1,138,053	262,524
Interest bearing short term deposit account (Note - 4.03)	84,964,583	34,334,288
Fixed deposit account (Note - 4.04)	237,000,000	532,500,000
	323,102,636	567,096,812

The fixed and floating assets of the Company are hypothecated with Commercial Bank of Ceylon & NCC Bank Limited to secure the borrowings from Bank and FI presented in note-10.



4.02 Non interest bearing account

Commercial Bank of Ceylon PLC, Current A/C No. 1818000829, (Gulshan Br.)
Dhaka Bank Limited, Current A/C No. 2151000010692, (Gulshan Br.)
Mutual Trust Bank Limited, Current A/C No. 0220210011579 (Gulshan Br.)
Woori Bank, Current A/C No. 923934781 (Dhaka Br.)
NCC Bank, Current A/C No. 0124-0210000337 (Mohammadpur Br.)

<u>Amounts in BDT</u>	
<u>31-Dec-22</u>	<u>31-Dec-21</u>
1,076,166	6,239
5,308	111,493
45,865	46,210
3,805	89,495
6,909	9,087
1,138,053	262,524

4.03 Interest bearing short term deposit account

Midland Bank Limited, SND A/C No. 0011-1090000463 (Gulshan Br.)
Midland Bank Limited, SND A/C No. 0011-1060000260 (Gulshan Br.)
Midland Bank Limited, SND A/C No. 0011-1070000107 (Gulshan Br.)
Mutual Trust Bank Limited, SND A/C No. 0022-0320001649 (Gulshan Br.)
NRB Bank Limited, SND A/C No. 1012050145944 (Principal Br.)
Bank Asia Limited, SND A/C No. 61536000010 (Gulshan Br.)
Standard Chartered Bank, SND A/C No. 02 5968650 01 (Gulshan Br.)

9,561,676	14,067,994
1,284,748	335,749
7,364	-
140,561	126,125
73,923,196	19,804,418
38,175	2
8,863	-
84,964,583	34,334,288

4.04 Fixed deposit account

NRB Commercial Bank Limited
Dhaka Bank Limited
IFIC Bank Limited
*NCC Bank Limited
*One Bank Limited
SBAC Bank Limited
Midland Bank Limited

-	100,000,000
-	82,500,000
-	100,000,000
50,000,000	50,000,000
100,000,000	100,000,000
-	100,000,000
87,000,000	-
237,000,000	532,500,000

*These FDRs have been liened with NCC Bank Limited and One bank Limited against credit line with that Banks respectively.

4.05 Maturity grouping of balance with other banks and financial institutions

Up to 1 month
Over 1 month but not more than 3 months
Over 3 months but not more than 6 months
Over 6 months but not more than 1 year
Over 1 year but not more than 5 years
Over 5 years

205,686,037	65,476,623
-	300,000,000
-	-
150,000,000	182,500,000
-	50,000,000
-	-
355,686,037	597,976,623

5 Money at Call and short notice

Industrial And Infrastructure Development Finance Company Limited
IPDC Finance Limited
LankaBangla Finance Limited
Uttara Finance Limited
National Housing
NRB Bank Limited
Agrani Bank Limited

-	100,000,000
90,000,000	-
-	-
-	-
50,000,000	-
50,000,000	-
150,000,000	-
340,000,000	100,000,000



	<u>Amounts in BDT</u>	
	<u>31-Dec-22</u>	<u>31-Dec-21</u>
6 Investments		
6.01 Government	-	-
6.02 Other		
Investment in Un-Quoted Shares (Note 6.02.01)	195,000,000	250,000,000
Investment in Quoted Shares (Note 6.02.02)	55,151,033	55,790,409
	250,151,033	305,790,409

The above Investments are hypothecated with two Banks named Commercial Bank of Ceylon & NCC bank to secure the borrowings from Bank and FI presented in note - 10.

06.02.01 Investment in Shares

Un-Quoted Shares

Confidence Power Limited	60,000,000	80,000,000
Kushiara Power Company Limited	75,000,000	90,000,000
Karnaphuli Power Limited	60,000,000	80,000,000
	195,000,000	250,000,000

06.02.02 Investment in quoted shares

Cost price	55,151,033	55,790,409
	55,151,033	55,790,409

7 Leases, loans and advances

Loans and advances (Note 7.01)	3,142,978,598	2,324,620,040
Bills Purchased and Discounted	-	-
	3,142,978,598	2,324,620,040

130 M of leases, loans and advances are hypothecated with two Banks named Commercial Bank of Ceylon & NCC bank to secure the borrowings from Bank and FI presented in note - 10.

7.01 Loans and advances

Lease receivables (Note - 7.02)	9,260,930	13,656,246
Term loan - Corporate	1,776,904,209	1,018,450,424
Auto loan	81,468,385	97,223,857
SME loan	1,043,537,843	992,917,514
Lease receivable - SME	30,236,330	37,579,708
Home Loan	186,941,521	157,988,144
Loan against deposit	270,150	-
Interest/Installment Receivable (Note - 7.02)	14,359,231	6,804,146
	3,142,978,598	2,324,620,040

7.02 Lease receivable

Balance at January 1	13,656,246	11,657,705
Add: Addition during the year	-	5,000,000
	13,656,246	16,657,705
Less: Realisation during the year	4,395,316	3,001,459
Balance at December 31	9,260,930	13,656,246

Lease receivable

Gross lease receivable	10,509,610	16,791,180
Less: Unearned lease income	1,248,680	3,134,934
Lease receivable	9,260,930	13,656,246



Amounts in BDT	
<u>31-Dec-22</u>	<u>31-Dec-21</u>

Aging analysis of lease receivable

Up to one year	4,227,273	2,285,911
Above one year to three years	5,033,657	6,356,369
Above three years to five years	-	5,013,966
More than five years	-	-
	9,260,930	13,656,246

Net loans, advances and leases

Gross performing loans, advances and leases (Note-7)	3,142,978,598
Less:	
Non-performing loans, advances and leases (Note-7.15(x)(a))	-
Interest suspense (Note-12.3)	1,776,089
Provision for loans and advances/investments (Note-12.6 (i))	30,355,239
	32,131,328
	3,110,847,271

7.03 Interest Receivable

Auto Loan	344,912	-
Lease Finance - Corporate	43,390	-
Lease Finance - SME	80,868	106,114
Loan Against Deposit	1,853	-
Long Term Loan - Corporate	4,683,031	1,758,628
Long Term Loan-SME	2,959,203	2,955,734
Real Estate Finance	712,907	631,050
Short Term Loan - Corporate	3,378,903	-
Short Term Loan - SME	2,154,164	1,352,620
	14,359,231	6,804,146

7.04 Maturity Wise Grouping

On Demand	-	-
Not more than 3 months	538,419,961	597,847,274
More than 03 Month to 01 Years	1,064,144,528	488,578,309
More than 01 Year to 05 Years	1,463,317,209	1,101,769,273
More than 05 Years	77,096,900	136,425,184
	3,142,978,598	2,324,620,040

7.05 Classification wise leases, loans and advances/ investments

Unclassified

Standard	3,118,331,861	2,324,620,040
Special Mention Accounts (SMA)	17,143,033	-
	3,135,474,894	2,324,620,040

Classified

Sub-standard	7,503,704	-
Doubtful	-	-
Bad/loss	-	-
	7,503,704	-
	3,142,978,598	2,324,620,040



<u>Amounts in BDT</u>	
<u>31-Dec-22</u>	<u>31-Dec-21</u>

7.06 Particulars of required provision for loans, advances and leases

Status	Base for provision	Rate (%)	2022	2021
Loans and leases SME-STD (Excluding SMA)	1,198,262,070	0.25%	2,995,655	2,689,020
Loans and leases (Excluding SMA)	1,927,331,313	1.00%	19,273,313	12,490,119
Loan/lease to the Subsidiaries/Sister Concerns, Brokerage House, Merchant Banks, Stock dealers	-	2.00%	-	-
Special mention account (SMA)	8,547,330	5.00%	427,367	-
Special Reserve				
Extra provision for providing COVID related circular advantage	210,516,901	2.00%	4,210,338	4,216,106
Specific provision				
Sub-standard	5,548,222	20.00%	1,109,644	-
Doubtful	-	50.00%	-	-
Bad/ Loss	-	100.00%	-	-
Required provision for loans, advances and leases			28,016,317	19,395,245
Other provision	-	-	-	-
Off-Balance Sheet Exposure	-	1.00%	-	-
Other Asset	-	100.00%	-	-
			28,016,317	19,395,245

7.05 Loans, advances and leases on the basis of significant concentration

a) Loans, advances and leases to the institutions in which Directors have interest	-	-
b) Loans, advances and leases to Chief Executive and other senior executives	-	-
c) Loans, advances and leases to customer groups:		
i) House finance	187,654,428	157,483,928
ii) Car Loan	79,492,266	93,975,260
iii) Personal loan	-	-
iv) Loan Against deposits (LAD)	272,003	-
v) Small and medium enterprises	1,072,475,975	1,024,516,019
vi) Special program loan (BB refinancing scheme)	53,493,917	-
vii) Staff loan	-	-
viii) Industrial Loans, advances and leases	1,749,590,010	1,048,644,833
ix) Other loans and advances	-	-
	3,142,978,598	2,324,620,040

d) Details of Industrial loans, advances and leases

i) Garments and Knitwear	311,440,224	5,307,696
ii) Textile	-	-
iii) Jute and Jute -products	-	-
iv) Food Production and Processing industry	187,926,554	59,211,669
v) Plastic Industry	113,209,707	-
vi) Leather and Leather Goods	31,726,435	47,491,531
vii) Iron, Steel and Engineering	252,602,462	146,345,406
viii) Pharmaceuticals and Chemicals	146,582,931	52,065,313
ix) Cement and Allied Industry	-	-
x) Telecommunication and IT	33,866,231	44,027,784
xi) Paper, printing and Packaging	68,516,077	-
xii) Glass, Glassware and Ceramic Industry	41,311,576	53,127,442
xiii) Ship Manufacturing Industry	-	-
xiv) Electronics and Electrical Products	91,359,402	-
xv) Power, Gas, water and Sanitary Service	296,111,151	378,544,142
xvi) Transport and Aviation	130,597,744	43,572,878
xvii) Other industries	44,339,516	1,494,926,179
	1,749,590,010	2,324,620,040



		<u>Amounts in BDT</u>	
		<u>31-Dec-22</u>	<u>31-Dec-21</u>
7.06	Particulars of lease, loans and advances		
i)	Leases and loans considered good in respect of which the Company is fully secured.	526,699,277	158,619,191
ii)	Leases and loans considered good in respect of which the Company is partially secured.	1,696,349,731	1,032,396,399
iii)	Loans considered good against which the Company holds no security other than the debtors' personal guarantee.	-	-
iv)	Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors.	919,929,590	1,133,604,449
v)	Classified loans against which no provision has been made	-	-
vi)	Loans due from Directors either separately or jointly with any other persons.	-	-
vii)	Loans due from Officers either separately or jointly with any other persons.	-	-
viii)	Loans due from Companies or firms in which the Directors have interest as Directors, Partners or managing agents Companies, as members.	-	-
ix)	Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers either separately or jointly with any other person.	-	-
x)	Maximum total amount of advances, including temporary advances granted during the year to the Companies or firms in which the Directors have interest as Directors, Partners or Managing agents or in the case of private Companies, as members.	-	-
xi)	Due from banking companies and other financial institutions.	-	-
xii)	Classified lease, loans and advances	-	-
a)	Classified lease, loans and advances on which interest has not been charged.	-	-
b)	Increase/(decrease) of specific provision.	-	-
c)	Amount of loan written off .	-	-
d)	Amount realized against loan previously written off.	-	-
e)	Provision kept against loans classified as bad/loss on the date of preparing the balance sheet.	-	-
f)	Interest credited to Interest Suspense account.	-	-
		3,142,978,598	2,324,620,040
7.07	Investments allowed to each customer exceeding 15% of FI's total capital		
	Total Loans, Advances and Leases	738,435,000	703,728,446
	No. of Customers	3	4
	Classified amount thereon	-	-
	Measures taken for recovery	N/A	N/A
7.08	Geographical Location-wise break-up		
	Inside Bangladesh:		
	Dhaka Division	3,142,978,598	2,324,620,040
		3,142,978,598	2,324,620,040
	Outside Bangladesh:	-	-
		3,142,978,598	2,324,620,040
8	Fixed assets including land, building, furniture and fixtures		
	Freehold assets (Note-8.01)	13,950,373	11,055,585
	Intangible assets (Note-8.02)	1,098,445	480,748
	Lease assets (Note-8.03)	42,972,002	42,651,965
		58,020,820	54,188,298

The above Fixed assets are hypothecated with two Banks named Commercial Bank of Ceylon & NCC bank to secure the borrowings from Bank and FI presented in note - 10.
Details are given in Annexure - A



		Amounts in BDT	
		31-Dec-22	31-Dec-21
8.01	Freehold assets		
	A. Cost		
	Opening Balance	25,914,643	19,199,832
	Additions	7,275,389	6,714,811
		33,190,032	25,914,643
	B. Accumulated depreciation		
	Opening Balance	(14,859,058)	(10,761,966)
	Charged During the year	(4,380,601)	(4,097,092)
		(19,239,659)	(14,859,058)
	C. Written down value (A-B)	13,950,373	11,055,585
8.02	Intangible assets		
	Software		
	A. Cost		
	Opening Balance	1,262,025	622,400
	Additions	1,029,000	639,625
		2,291,025	1,262,025
	B. Accumulated ammortization		
	Opening Balance	(781,277)	(467,237)
	Charged During the year	(411,303)	(314,040)
		(1,192,580)	(781,277)
	C. Written down value (A-B)	1,098,445	480,748
8.03	Lease assets		
	A. Cost		
	Opening Balance	71,207,553	75,635,505
	Additions	13,969,282	-
	Adjustment / Closure	-	(4,427,952)
		85,176,835	71,207,553
	B. Accumulated depreciation		
	Opening Balance	(28,555,588)	(21,636,812)
	Charged during the year	(13,649,245)	(9,498,000)
	Adjustment / Closure	-	2,579,224
		(42,204,833)	(28,555,588)
	C. Written down value (A-B)	42,972,002	42,651,965
9	Other assets :		
	Tax deducted at sources	7,373,586	11,922,600
	Security deposit for CFO's resident	164,000	164,000
	Security Deposit Office Rent Pr Br.	1,377,000	-
	Interest receivable on deposits etc.	9,130,474	8,818,130
	Interest paid in advance	324,441	58,847
	Advance Payment of Tax	14,685,509	11,201,878
	Dividend Receivable on Preference Share	5,597,299	8,246,703
	Dividend receivable on quoted share	342,000	742,700
	Receivable from structured finance	16,029,738	6,175,000
	Advance for investment in share (IPO)	-	22,083,930
	Advance with stock broker	1,016,308	102,087
	Advance for CBS	4,750,000	3,784,720
	Advance for Office Rent - Principal Br	918,000	-
	Advance for RTGS Module	291,000	-
	Other Advances	781,987	345,705
	Deferred tax (Note - 9.01)	9,434,646	7,149,681
	Interest Subsidy Receivable from BB	109,869	926,429
	Other Receivable from Clients (Khurshid Alam & Others)	123,517	-
	FICCI Membership Fee Paid	50,000	-
	Penal Interest receivable against preference share	930	-
		72,500,303	81,722,410



Amounts in BDT	
<u>31-Dec-22</u>	<u>31-Dec-21</u>

9.01 Deferred Tax

Particular	Carrying Amount of Accounting Base	Carrying Amount of Tax Base	Taxable / (deductible) Temporary Difference	Taxable / (deductible) Temporary Difference
For the year ended on 2022				
Property, Plant & Equipment	14,867,036	19,950,311	(5,083,274)	(4,014,299)
Gratuity Provision	(6,621,898)	-	(6,621,898)	(3,868,548)
Lease Assets	(11,881,443)	-	(11,881,443)	(9,991,356)
			<u>(23,586,615)</u>	<u>(17,874,203)</u>
Applicable tax rate			40.0%	40.0%
Deferred Tax (Asset)/ Liability			(9,434,646)	(7,149,681)
				-
Deferred Tax (income)/expenses				(2,284,965)

10 Borrowings from other banks, financial institutions and agents

Inside Bangladesh

SOD with One Bank Limited	135,615	-
SOD with Commercial Bank of Ceylon	-	-
Call Loan from Sonali Bank	-	-
BB Refinance Scheme - COVID 19 Stimulus Package	-	7,750,000
BB Refinance Scheme - Brick Kiln Project	51,944,444	-
BB Refinance Scheme - CMSMEs (Joy Enterprise 0145)	2,500,000	-
BB Refinance Scheme - CMSMEs (Premier Furniture 0151)	1,000,000	-
BB Refinance Scheme - CMSMEs (Asia Motors 0147)	5,000,000	-
Credit Line with Commercial Bank of Ceylon	65,333,326	-
Credit Line with NCC Bank	78,440,298	-
Outside Bangladesh	-	-
	204,353,683	7,750,000

10.01 Maturity grouping of borrowings from other banks, financial institutions & agents

Payable on demand	-	-
Up to 1 month	12,509,547	-
Over 1 months but within 3 months	3,250,001	-
Over 3 months but within 1 year	48,376,464	7,750,000
Over 1 year but within 5 years	140,217,301	-
Over 5 years	-	-
	204,353,313	7,750,000

11 Deposits and other accounts

Current deposits	-	-
Bills payable	-	-
Savings bank deposits	-	-
Scheme Deposits	9,708,221	13,092,655
Term deposits	2,501,827,761	1,985,123,197
Bearer certificates of deposit	-	-
Other deposits	2,184,527	2,226,878
	2,513,720,509	2,000,442,730

11.01 Group-wise break-up of deposits and other accounts

Government	-	-
Deposit from banks and financial institutions	-	-
Other institutions	1,902,230,787	1,619,424,232
Individuals	611,489,722	381,018,499
	2,513,720,509	2,000,442,730

11.02 Maturity Analysis

Repayable on Demand	-	-
Repayable within 01 Month	224,286,074	197,093,983
Repayable over 01 (one) Month but within 03 (three) Months	1,213,071,675	399,487,015
Repayable over 03 (three) Months but within 01 (one) Year	1,031,130,377	1,331,493,200
Repayable over 01 (one) Year but within 05 (five) Years	39,539,557	67,018,532
Repayable over 05 (five) Years	5,692,825	5,350,000
	2,513,720,509	2,000,442,730



	Amounts in BDT	
	31-Dec-22	31-Dec-21
12 Other Liabilities		
Payable to People's Leasing & Finance Plc, Sri Lanka	17,613,990	17,613,990
VAT Payable	2,515,821	952,936
TDS Payable	129,026	84,511
TDS Payable on deposits	1,312,123	616,949
Excise Duty Payable	3,003,450	268,800
Salary Tax Payable	641,791	537,229
Tax payable (12.02)	42,464,225	39,561,464
Gratuity payable	6,621,898	3,868,548
General Provision for loans, advances and leases	25,075,135	15,179,139
Specific Provision	1,139,531	-
2% Special provision	4,140,573	4,216,106
Provision for diminution in value of investments	8,670,800	3,501,864
Interest Payable on Term Deposit	46,729,761	33,974,604
Interest Payable on BB Refinance	134,136	8,969
Interest Payable on borrowing from Bank	1,594,871	-
Interest Suspension	1,776,089	-
Performance Bonus Payable	-	2,800,000
Other accruals & payables (12.01)	1,628,472	1,236,215
Lease liabilities	54,866,912	52,643,321
Payable for Worldcup Quiz Contest	340,000	-
Prior Year VAT Payable	6,089,440	6,089,440
	226,488,043	183,154,085

* VAT Audit, Intelligence & Investigation Directorate carried a VAT audit for the period from 2016 to 2020, after submitting related documents and supporting paper BDT 6,089,440/- was finalized by them including unpaid VAT and interest thereon and Board has decided to pay as it seems the genuine claim and interest thereon. Subsequently, the entire claim has been settled on 24th January 2023.

12.01 Other accruals & Payables

Audit fee payable	345,954	389,654
Professional fees payable	230,000	57,500
Directors Fees Payable	269,600	331,200
Salary & Allowances Payable	-	179,511
Other accrued expenses	780,918	276,351
Others Payable	2,000	2,000
	1,628,472	1,236,216

12.02 Provision for Income Tax

Balance at January 1, 2022	39,561,464	37,388,571
Add : Provision made during the year	38,599,337	37,281,452
Less : Adjustment during the year	(35,696,576)	(35,108,559)
Balance at December 31, 2022	42,464,225	39,561,464

Tax has been calculated @ 40% on business income, @ 10% on Capital gain on sale of shares & @ 20% on Dividend Income. Details calculation are shown in Notes 28.

12.03 Intetrest Suspense

Interest Suspense - Long Term Loan - SME	260,520	-
Interest Suspense - Auto Loan	506,058	-
Interest Suspense - Real Estate Finance	1,009,511	-
	1,776,089	-

13 Share Capital

Authorised Capital		
100,000,000 Ordinary shares of Tk 10/= each	1,000,000,000	1,000,000,000

Issued, subscribed and paid up Capital

100,000,000 Ordinary shares of Tk 10/= each	1,000,000,000	1,000,000,000
---	----------------------	----------------------



Amounts in BDT	
31-Dec-22	31-Dec-21

Details of shares holding as at 31.12.2022 are as under:

Shareholder	Face Value (BDT)	Total Number of Equity Shares	Percentage of Shareholding	Consideration paid (BDT) for all shares (excl. premium)
Summit Holdings Limited	10	10,000,000	10%	100,000,000
Concept Knitting Ltd.	10	4,000,000	4%	40,000,000
Green Delta Insurance Company Ltd.	10	10,000,000	10%	100,000,000
Mr. Syed Ali J. Rizvi	10	10,000,000	10%	100,000,000
Mr. Lutfe Mawla Ayub	10	2,000,000	2%	20,000,000
Ms. Sohana Rouf Chowdhury	10	10,000,000	10%	100,000,000
Ms. Fahmida Akter Khatun	10	3,000,000	3%	30,000,000
People's Leasing & Finance PLC-Sri Lanka	10	51,000,000	51%	510,000,000
Grand Total		100,000,000	100%	1,000,000,000

13.01 Capital adequacy Ratio:

This disclosure is comply with DFIM Circular 14/2011 under the para 7.4 (a) of "Prudential Guidelines on Capital Adequacy Market Discipline for Financial Institutions."

Capital adequacy ratio has been calculated as per circular issued by Bangladesh Bank.

Tier-1 (Core Capital)	1,274,774,556	1,279,600,403
Paid-up Capital	1,000,000,000	1,000,000,000
Statutory Reserve	46,807,935	37,003,216
General Reserve	-	-
Share Premium	172,200,000	172,200,000
Retained Surplus	55,766,621	70,397,187
Tier-2 (Supplementary Capital):	29,215,708	15,179,139
General provision maintained against unclassified loans	29,215,708	15,179,139
Other Reserves	-	-
Total Capital Held (Tier 1 + Tier 2)	1,303,990,264	1,294,779,542
Total Risk Weighted Assets (Note 13.02)	3,015,664,545	2,945,841,487
Required capital	1,000,000,000	1,000,000,000
(10% of risk-weighted assets or Tk. 100.00 Core whichever is higher)		
Total Capital Held	1,303,990,264	1,294,779,542
Capital adequacy ratio	43.24	43.95
Core capital	42.27	43.44
Supplementary capital	0.97	0.52

Minimum Capital Adequacy Ratio requirement as per Bangladesh Bank Guideline is 10% on RWA.

Gross Risk-Weighted Assets (RWA) of 2019 in the various categories of risk weights are detailed below :

13.02 Total Risk Weighted Assets

(a) Risk Weights for Credit Risk	2,253,268,939	2,087,645,881
(b) Risk Weights for Market Risk	483,000,000	604,600,000
(c) Risk Weights for Operational Risk	279,395,606	253,595,606
Total Risk Weighted Assets (a+b+c)	3,015,664,545	2,945,841,487

14 Statutory Reserve

Opening balance	36,443,217	24,732,433.11
Add: Transferred during the year	10,364,718	11,710,784
	46,807,935	36,443,217



	Amounts in BDT	
	31-Dec-22	31-Dec-21
15 Retained Earnings		Re-stated
Opening balance	64,307,747	23,922,299
*Prior year adjustment	-	(6,457,689)
	64,307,747	17,464,610
Net profit during the period	51,823,592	58,553,922
Transferred to Statutory Reserve	(10,364,718)	(11,710,784)
5% Cash dividend for 2021	(50,000,000)	-
	55,766,621	64,307,747
*The amount represents computation error of VAT in the previous years, identified during the year which has been adjusted retrospectively.		
16 Interest income		
This represents interest income from the following products:		
Interest on loans (Corporate)	194,532,594	97,553,615
Interest on lease	1,470,050	1,843,579
Interest Income on Home Loan	17,460,385	17,150,884
Interest on Auto Loan	10,714,740	13,480,912
Interest on SME Loan	99,887,850	94,337,200
Interest Income on LAD	29,858	22,231
	324,095,477	224,388,420
Interest on Bank deposits	18,372,161	24,118,069
Interest Income on Treasury Line	4,253,002	4,315,236
Interest Income on Call Placement	23,958	-
	22,649,121	28,433,305
	346,744,598	252,821,725
17 Interest Expense on Deposits & Borrowings		
Interest on term deposits	161,325,485	110,300,998
Interest on borrowings	13,359,894	53,050
Interest on call loan & treasury line	493,750	1,107,749
Interest on BB Refinance scheme	1,998,865	362,306
Interest expense on lease rent	6,732,413	6,592,248
	183,910,407	118,416,351
18 Investment income		
Gain on sale of marketable securities	1,895,284	3,542,902
Dividend Income	1,887,180	925,300
Dividend Income on Preference Share	24,698,770	31,970,267
	28,481,234	36,438,469
19 Other Operating Income		
Documentation Fee & Penal Interest	8,672,238	1,802,436
Income From Structured Finance	18,213,903	11,019,565
Early Settlement Charge	906,639	3,469,886
Other income	285,396	450,425
	28,078,176	16,742,312
20 Salaries, allowances and benefits	61,280,166	48,597,015
Salaries, allowances and benefits includes contribution to Provident Fund Tk. 2,775,823/- in 2022 and Tk. 1,569,959/- in 2021.		
21 Rent, taxes, insurance, electricity, etc.		
Rent, rate and taxes (Note: 21.1)	3,500,650	1,767,003
Insurance	1,612,851	1,427,489
Power and electricity	1,582,445	1,182,524
	6,695,946	4,377,016
21.1 Disclosure related to rent, rate and taxes:		
Actual rent expenses (inclusive of VAT)	21,978,754	13,831,575
Less: Reclassification of rent expenses (as per IFRS 16: Leases)	18,478,104	12,064,572
Rent expenses as reported	3,500,650	1,767,003
In addition to the above mentioned change in rent expense, implementation of IFRS 16 has resulted in charging of depreciation against Right-of-use asset as disclosed in Annexure A and of Interest expense on lease rent, as disclosed in Note 17.		



	Amounts in BDT	
	31-Dec-22	31-Dec-21
22 Legal & Professional fees		
Legal & Professional fees	391,338	665,207
23 Postage, stamp, telecommunication etc.		
Postage	42,908	13,436
Telecommunication & Internet etc.	636,046	411,780
	678,954	425,216
24 Stationery, printing, advertisements, etc.		
Stationery & printing	878,663	425,136
Advertisement and publicity	1,763,044	542,807
	2,641,707	967,943
25 CEO's salary and benefits		
Basic Pay	6,000,000	6,000,000
Bonus	1,100,000	1,600,000
Allowance and benefits	5,300,044	5,299,998
	12,400,044	12,899,998
26 Directors' fees		
Honorarium for attending meeting	856,000	800,000
26.01	Bangladesh Bank vide its DFIM Circular No. 13 dated November 30,2015 re-fixed the maximum limit of remuneration to the directors for attending meeting of the Board and it's committees at Taka 8,000/- per meeting per director.	
27 Administration and maintenance		
Bank charges	725,466	625,238
BLFCA Membership fee	200,000	200,000
Office Maintenance	729,769	554,882
Travelling & Conveyance	1,059,727	681,975
CIB Charges	35,080	26,730
Directors Traveling and hotel charges	362,282	-
Training	168,580	153,670
FICCI Membership Fee	100,000	50,000
SLBCCI Membership Fee	10,000	10,000
CRISL - Rating Agency Fee	150,500	177,375
Office 365 License & Renewal	357,199	319,555
Antivirus License & Renewal	21,000	-
Web Domain	19,579	18,536
Books & Periodicals	2,100	-
DSE Registration Fee/Brokerage Commission/IPO Application Fee	23,504	46,728
Portfolio Management Fee	444,733	170,788
Recruitment expenses	744,870	20,475
Business Promotion	2,250,890	869,730
NID Verification Charge	4,750	-
Corporate Social Responsibilities (CSR)	250,000	150,000
New Website Development Cost	283,500	-
Trade License	25,265	12,550
Donation	9,850	-
Cleaning Services (DCS)	401,050	262,680
Meeting Expense for BOD/EC/AC	136,944	163,840
Office Consumables	765,036	325,102
Security Service (Elite)	1,072,642	704,568
Support Staff Welfare (Overtime)	204,740	126,987
AC Maintenance	150,190	110,400
Incidental Allowance for COVID - 19	24,000	-
Vehicle Fuel & Other Expense	803,270	337,273
Miscellaneous expenses	86,182	7,114
	11,622,697	6,126,196



Amounts in BDT	
31-Dec-22	31-Dec-21

28 Current Tax

Particulars	Taka	Rate	Amount in 2022	Amount in 2021
Income from Business	82,050,815	40%	32,820,326	28,763,172
Income from Capital Gains				
Capital gain on sale of fixed assets	-	15%	-	-
Capital gain on sale of shares	1,895,284	10%	189,528	354,290
Income from Investments				
Dividend income	26,585,950	20%	5,317,190	6,579,113
Capital Gain from sale of Government Treasury Bills	-	15%	-	-
Total taxable income (A)	110,532,049	Tax liability	38,327,044	35,696,576
Less: Release of tax provision			-	-
Current Tax Provision during the year 2022			38,327,044	35,696,576

29 Average effective tax rate

The average effective tax rate is calculated below as per International Accounting Standard (IAS) 12: "Income Taxes".

Tax expenses (A)	36,042,079	32,992,212
Accounting profit before tax (B)	87,865,671	91,546,134
Average effective tax rate (A÷B)	41%	36%

29.01 Reconciliation of effective tax rate :	2022		2021	
	%	BDT	%	BDT
Profit before income tax as per profit and loss account		87,865,671		91,546,134
Income tax as per applicable tax rate	40%	35,146,268	40%	36,618,454
Net inadmissible expenses	36%	31,658,455	39%	35,516,591
Tax savings from reduced tax rates (ranging from 0% to 20% for exempted investment income, dividend income, capital gains, management fee of mutual funds, sale of stock exchange membership & release from settlement of pending tax cases)	-32%	(28,477,679)	-40%	- 36,438,469
Effect of deferred tax	-3%	(2,284,965)	-3%	- 2,704,364
Reported average effective tax rate & total tax expenses	41%	36,042,079	36%	32,992,212

30 Earnings Per Share (EPS)

Earnings Per Share as shown in the face of the Profit and Loss Account is calculated in accordance with Bangladesh Accounting Standard 33 : Earnings Per Share".

Basic earnings per share has been calculated as follows:

Earnings attributable to ordinary shareholders	51,823,592	58,553,922
Weighted average number of ordinary share outstanding	100,000,000	100,000,000
Basic Earnings Per Share	0.52	0.59

31 Net Asset Value (NAV) Per Share

Net Asset (total assets less total liabilities) (A)	1,274,774,556	1,279,040,404
Total number of ordinary shares outstanding (B)	100,000,000	100,000,000
Net Asset Value per share (NAV) (A÷B)	12.75	12.79

Net Asset (total assets less total liabilities) (A)	1,274,774,556	1,272,950,964
Total number of ordinary shares outstanding (B)	100,000,000	100,000,000
Restated Net Asset Value per share (NAV) (A÷B)	12.75	12.73

32 Net operating cash flow per share (NOCFPS):

Net cash flow from operating activities (A)	(196,229,257)	292,129,675
Number of shares outstanding (B)	100,000,000	100,000,000
	(1.96)	2.92

Net operating cash flow per share showed (1.41) negative balance was due to dependency on financing activities through banks and financial institutions which is showing a positive figure of BDT 196 Mn rather than dependency on deposits which is relatively lower in 2022 compared to the preceding period.



Amounts in BDT	
<u>31-Dec-22</u>	<u>31-Dec-21</u>

33 Divisional Segment

Revenue and profit	Corporate	SME	Consumer	Treasury & Common
Total External revenue	220,985,870	102,489,685	28,382,453	51,446,001
Total Segment Revenue (A)	228,829,169	103,807,190	30,181,643	51,446,001
Total Segment Expense (B)	167,887,009	75,543,198	22,354,500	49,653,631
Reportable segment profit before tax (A-B)	60,942,160	28,263,992	7,827,143	1,792,370

34 Cash flows from operating activities

Net profit after tax	51,799,771	58,553,922
Items not involving in movement of cash:		
Add: Depreciation	18,441,149	16,488,356
Add: Provision for loans and investments	16,128,930	7,354,885
Add: Provision for taxation	38,327,044	35,696,576
Add/ (Less): Accrued expenses	56,516,680	35,219,788
Add/ (Less): Accrued income	(14,796,510)	14,292,855
Increase/(Decrease) in Employee gratuity	2,753,350	1,476,559
Increase/(Decrease) in deferred tax	(2,284,965)	(2,704,364)
Adjustments to reconcile net profit after tax to net cash provided by operating activities	166,885,448	166,378,577
Increase/(decrease) in operating assets and liabilities		
(Increase)/Decrease in Loans & advances	(810,803,474)	(650,483,489)
(Increase)/Decrease in Other assets	18,748,497	(29,295,549)
Increase/(Decrease) in Term & other deposits	513,277,778	876,603,098
Increase/(Decrease) in Payable and accrued expenses	(100,926,995)	(90,802,274)
Increase/(Decrease) in Income tax	14,813,400	19,729,312
Increase/(Decrease) in Portfolio investors fund	-	-
Increase/(Decrease) in Interest suspense	1,776,089	-
	(363,114,704)	125,751,098
Net cash flows from/(used in) operating activities	(196,229,257)	292,129,675



35 Related party disclosure

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operational decision and include associated companies with or without common Directors and key management positions. The Company has entered into transaction with other related entities in normal course of business that fall within the definition of related party as per International Accounting Standard 24: "Related Party Disclosures." Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other customers of similar credentials and do not involve more than a normal risk.

Name of related party and relationship	Transaction nature	Transaction during the year			
		Balance as at 01 January 2022	Addition	Adjustment	Balance as at Dec 31, 2022
People's Leasing & Finance PLC - Sri Lanka	Shareholder	17,613,990	-	-	17,613,990
Ispahani Summit Alliance Terminals Ltd.	Common Director	106,483,077	-	106,483,077	-
AHL Employees' Provident Fund	Common Director	2,750,516	1,834,882	-	4,585,398
Alliance Econiq Technologies Limited	Common Director	-	-	-	-
Ms. Fatema Hossain Rizvi	Director's family member	6,219,252	494,454.09	-	6,713,706
Fountain Garments Manufacturing Ltd.	Common Director	162,704,168	31,980,807.01	-	194,684,975
Mr. Lutfе Mawla Ayub	Director	5,000,000	-	3,369,721.25	1,630,279
Ms. Mazkura Ayub	Director's family member	10,000,000	5,219,162.75	-	15,219,163
Md. Mamun-Ur-Rashid	Shareholder's family member	75,000,000	17,050,000.00	-	92,050,000
Oriental Oil Company Limited	Common Director	164,090,862	-	164,090,862	-
PEB Steel Alliance Limited Employees Provident Fund	Common Director	14,212,519	6,371,355.54	-	20,583,875
Sabera Ahmed Rizvi Foundation	Director's family member	500,000	-	-	500,000
Mr. Syed Ali Haider Rizvi	Director's family member	20,155,921	1,298,211.64	-	21,454,133
Mr. Syed Nasser Haider Rizvi	Director's family member	22,000,000	847,420.88	-	22,847,421
Mrs. Archita Podder	CEO's Spouse	7,000,000	3,000,000	-	10,000,000
Mr. Shahanur Rashid	Head of Business, LAFL	1,030,000	-	1,030,000	-
Orient Center	Director's family member	-	15,180,667	-	15,180,667
OOCL Employees Provident Fund	Common Director	-	1,200,000	-	1,200,000
Alliance Petroleum Corporation Limited	Common Director	-	54,740,200	-	54,740,200
Ispahani Summit Alliance Terminals Limited Beneficiaries Profit Participation Fund	Common Director	-	2,658,268	-	2,658,268
Ispahani Summit Alliance Terminals Limited Employees Provident Fund	Common Director	-	1,000,000	-	1,000,000
Fahmida Akter Khatun	Shareholder	-	26,046,250	-	26,046,250
Masco Exports Limited	Common Director	-	122,783,698	-	122,783,698



36 Significant contract where Lankan Alliance is party and wherein Directors have interest

As on 31 December 2022 no such contract exists.

36.01 Share issued to Directors and executives without consideration or exercisable at a discount

As on 31 December 2022 no share issue exists.

36.02 Lending policy to related parties

Loans, advances and leases extended to related parties were as per the credit policy of the company.

36.03 Investment in the securities of directors and their related concern

As on 31 December 2022 no such investments exists.

37 Directors and their entities in which they have interest

a. Particulars of Directors and Shareholders & their interest in different entities

SL no.	Name of the Director	Status in LAFL	Name of the firms/companies in which interested is the proprietor, partner, director, managing agent, guarantor, employee etc.	Status in interested entity	(%) of Holding/ Interest in the concern as on 31.12.2022
1.	Mr. Syed Ali Jowher Rizvi	Chairman	Alliance Holdings Limited	Chairman & Shareholder	44.69%
			PEB Steel Alliance Limited	Director and shareholder	6.69%
			Alliance Building Materials Limited	Chairman and Shareholder	45.70%
			PEB Steel Bangladesh Limited	Managing Director and Shareholder	11.00%
			Alliance Equities Limited	Chairman and Shareholder	34.00%
			Alliance Oil Limited	Chairman and Shareholder	33.40%
			Summit Alliance Port Limited	Managing Director and Shareholder	5.48%
			Alliance Petroleum Corporation Limited	Chairman and Shareholder	65.00%
			Oriental Oil Company Limited	Chairman (Nominated by Alliance Holdings Limited) and Shareholder	0.01%
			Lankan Alliance Finance Limited	Chairman and Shareholder	10.00%
			Union Accessories Limited	Chairman and Shareholder	25.50%
			Union Knitting and Dyeing Limited	Chairman and Shareholder	26.00%
			Cashe Alliance Limited	Chairman and Shareholder	42.53%
			Ispahani Summit Alliance Terminals Limited	Director (Nominated by Alliance Holdings Limited)	N/A
Fountain Garments Manufacturing Limited	Director and Shareholder	31.44%			
2.	Mr. Lutfe Mawla Ayub	Director	Green Care Agro Ltd	Shareholder	2.98%
			Cashe Alliance Limited	Shareholder	4.98%
			Fountain Garments Manufacturing Limited	Shareholder	20.00%
3.	Green Delta Insurance Company Limited	Shareholder	Green Delta Securities Limited (GDSDL)	Subsidiary	100.00%
			Green Delta Capital Limited (GDCL)	Subsidiary	100.00%
			Professional Advancement Bangladesh Limited	Subsidiary	99.96%
			GD Assist Limited (GDAL)	Subsidiary	99.96%
			Green Delta Dragon Asset Management Com	Associate	40.00%



SL no.	Name of the Director	Status in LAFL	Name of the firms/companies in which interested is the proprietor, partner, director, managing agent, guarantor, employee etc.	Status in interested entity	(%) of Holding/ Interest in the concern as on 31.12.2022
4.	Ms. Sohana Rouf Chowdhury	Director	Rangs Motors Limited	Managing Director	50.00%
			Rangs Commercial Vehicle Limited	Director	51.00%
			Rangs Motors Workshop Limited	Managing Director	11.00%
			Rangs Interiors Limited	Managing Director	55.00%
			Rangs Food & Beverage Limited	Director	60.00%
			Rangs Real Estate Limited	Director	51.00%
			Rangs Motorbikes Limited	Managing Director	40.00%
			Rangs Electrode & Electronics Ind.Limited	Director	19.00%
			Rangs Agro Boiteq Limited	Director	50.00%
			Zhen Natural Limited	Director	40.00%
			Rangs Power Tech Limited	Managing Director	60.00%
			Rangs Construction Limited	Managing Director	65.00%
			Sash Limited	Managing Director	40.00%
			SRK Limited	Managing Director	70.00%
			Rangs Autos Limited	Shareholder	60.00%
			M/s. The Largest Equipment Rental Network	Partner	80.00%
			SASH International	Managing Partner	40.00%
			Metro Foils Limited	Director	8.00%
			Zest Polymers Limited	Director	20.00%
			Rancon Autos Limited	Director	45.00%
			Rangs Pharmaceuticals Ltd	Director	1.00%
			Shield Security Service Limited	Director	6.50%
			Rancon Engineering Limited	Director	5.00%
			Agro Foods Services Limited	Director	20.00%
			Rangs Appliances Limited	Managing Director	51.00%
			Rangs Dolonchapa Express Limited	Managing Director	25.00%
			Streat Limited	Share Holder	60.00%
			Rangs Alliance Limited	Managing Director	60.00%
			Rangs-Agro Industries Limited	Managing Director	68.00%
			Sea Resources Ltd.	Director	13.50%
			Sea Fishers Ltd.	Director	15.00%
			Deep Sea Fishers Ltd	Director	15.00%
			Rangs Limited	Shareholder	6.00%
Ranqs Properties Limited	Shareholder	5.00%			
Ranqs Workshop Limited	Shareholder	6.00%			
Rangs ITT Limited	Shareholder	5.00%			
Rangs Telecom Limited	Shareholder	6.00%			
Softex Communication Limited	Shareholder	12.00%			
Rancon Motors Limited	Shareholder	0.29%			

SL no.	Name of the Director	Status in LAFL	Name of the firms/companies in which interested is the proprietor, partner, director, managing agent, guarantor, employee etc.	Status in interested entity	(%) of Holding/ Interest in the concern as on 31.12.2022
5.	Fahima Akhter	Nominated Director	MPL Wear Limited	Chairman & Shareholder	33.00%
			Masco Exports Limited	Chairman & Shareholder	20.00%
			Masco Overseas Limited	Chairman & Shareholder	25.00%
			Masminu International Limited	Chairman & Shareholder	25.00%
			Masminu Systems Limited	Chairman & Shareholder	25.00%
			Masco Trims Limited	Managing Director & shareholder	20.00%
			Masco Industries Limited	Director & Shareholder	19.00%
			Masco Cottons Limited	Director & shareholder	25.00%
			Mascotex Limited	Director & shareholder	13.00%
			Concept Knitting Limited	Director & shareholder	5.00%
			Shanta Expression Limited	Director & shareholder	17.00%
			Tasniah Fabrice Limited	Director & shareholder	24.00%
			Masco Printing and Embroidery Limited	Director & shareholder	13.00%
			Masco Picasso Limited	Director & shareholder	13.00%
			Masco Yarn Dyeing and	Director & shareholder	25.00%
			Masco Poultry Limited	Director & shareholder	25.00%
			Masco Services Limited	Director & shareholder	20.00%
			Masco Linens Limited	Director & shareholder	25.00%
			Masminu Energy Limited	Director & shareholder	20.00%
			Masminu Footspree Limited	Director & shareholder	20.00%
			Masco Superknits Limited	Director & shareholder	20.00%
			Masco Energy Limited	Director & shareholder	25.00%
			Masco Shakib Cricket Academy Ltd.	Director & shareholder	20.00%
			Masco Cotspin Limited	Director & shareholder	20.00%
Masco Properties Limited	Director & shareholder	15.00%			
Masco Bazar Limited	Director & shareholder	23.00%			
Masco Shares & Securities Limited	Director & shareholder	12.00%			
6.	Summit Holdings Limited	Shareholder	Summit Corporation Limited	Director	0.00%
			Summit Holdings Limited	Director	19.67%
			Summit Assets Limited	Director	16.72%
			Summit Alliance Port Limited	Director	3.68%
			Summit Investment Limited	Director	7.50%
			Grands Garden Limited	Director	39.90%
			Summit Oil & Shipping Company Limited	Director	0.01%
			Summit Equities Limited	Director	1.66%
Cosmopolitan Finance Limited	Director	16.72%			



38.0 Disclosures on the board audit committee

Composition and qualification:

The Audit Committee consists of the following directors of the Board:

Name	Status with the Company	Status with the Committee	Educational Qualification
Mohamed Azzam Ali Ahamat	Director	Chairman	CIMA, ACCA
Shamindra Joseph Marcus Marcelline	Director	Member	B.Sc in Economics & Accountancy, FAIQ
Sohana Rouf Chowdhury	Director	Member	BA in Economics
Azeeza Aziz Khan	Director	Member	BA in Economics

Audit Committee meetings held during the year 2022:

SL.	Meeting no.	Meeting date
1	01/2022 no. Audit Committee Meeting	22-Mar-2022
2	02/2022 no. Audit Committee Meeting	20-Jun-2022
3	03/2022 no. Audit Committee Meeting	19-Sep-2022
4	04/2022 no. Audit Committee Meeting	19-Dec-2022

Major issues discussed in the Audit Committee Meeting during the year 2022 were as under:

- Reviewed the draft financial statements of the Company.
- Reviewed the effectiveness of external audit process.
- Reviewed the Internal Audit Plan.
- Reviewed the Core Risk Management Policies of the Company.
- Reviewed and approved the 'Audit Committee Report'.
- Reviewed the quarterly financial statements.
- Reviewed the quarterly report on compliance of internal policy and operations report.

39.0 Contingent liabilities & other commitments

Contingent liabilities:
Other commitments:
Un-disbursed contracted loans, advances and leases

Amount in Taka	
2022	2021
-	-
-	-
-	-
-	-

This represents loans, advances and leases sanctioned during the year but not yet disbursed.

40.0 Legal proceedings

The Company is not currently a defendant or a plaintiff in any material lawsuits or arbitration. From time to time, however, the Company is involved as a plaintiff in some actions taken against the default clients in the ordinary course of business for non-payment of rentals/installments. We believe that the ultimate dispositions of those matters will be favorable and will have no material adverse effect on business, financial conditions or results of operations.

41.0 Board meetings and number of directors

During the year 2022, 07 (Eight) Board Meetings were held. As on 31 December 2022, there were 13 members in the Board, out of 13 members 1 member resigned and none of re-appointed. As per FID circular no. 09 dated 11 September 2002, a non-banking financial institution shall have maximum 11 (eleven) Directors in the Board.

42.0 Number of employees

A total number of 47 employees, including 3 sub staffs were employed in Company as at 31 December 2022.

43.0 Reporting currency and level of precision

The figures in the financial statements represent Bangladesh currency (Taka), which has been rounded off to the nearest integer.

44.0 Impact of inflation and changing prices

Financial Institutions are affected differently by inflation than those of industrial ventures. While industrial and manufacturing companies generally have significant investments in inventories and fixed assets, financial institutions ordinarily do not have such investment. As a result, financial institutions are generally in a better position than industrial ventures to respond to inflationary trends by monitoring the spread between interest cost

Financial statements presented herein have been prepared in accordance with International Accounting Standards and International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), which required the measurement of the financial position and operating results in terms of historical costs.



45.0 Restatement

Directorate of Audit , Intelligence and Investigation, Value added Tax , Dhaka conducted a VAT audit for the period from January 2016 to December 2020 and identified some calculation mistakes of VAT on some vatiable iteams. The authority shared their primary report in June 2022 which have been reassessed after completing hearing as on 31.08.2022 and demand of VAT of Tk. 6,089,440 was confirmed on that date. VAT payable amount was Tk. 2,902,234 and interest amount was tk. 3,186,838 . The Company applied for interest waiver on 13.11. 2022 which the authority denied subsequent to the year end on 09.01 2023. The Company paid the full amount on 24 January, 2023. Considering the event as a subsequent and adjusting event and the Company adjusted it as per IAS 8 and the balance of earlier prior periods' retained earnings has been restated. Moreover, Sustainable Finance Department of Bangladesh Bank instructed to charge @ 6.50% to client (Eco Ceramics) for Brick Kiln Efficiency Improvement Project and the excess interest charged earlier @ 12 % to be adjusted with the client's installment in the year 2021 , BDT 368,249 was related to 2020 which also has been adjusted retrospectively.

46.0 Events after the reporting period

46.01 Initial public offer

The Board of Directors of the Company has taken decision for raising its share capital TK. 30.00 crore it in its' 06/2022 BOD meeting on extended date 10th January, 2023. The Company applied to the Bangladesh Bank for approval and it approved. The Company will apply to Bangladesh Securities and Exchange Commission for its

46.02 Dividend for the year 2022

The Board of Directors of Lankan Alliance Finance Limited at its 01/2023 Board Meeting held on March 16, 2023, recommended to the shareholders a Cash Dividend @ 5%, amounting to BDT 50,000,000 and Stock dividend @ 5%, amounting to BDT 50,000,000 based on financial performance of 2022.

47.0 Foreign currency exposure profile

There were no foreign currency monetary assets or liabilities that would give rise to gains or losses in the profit and loss account.

48.0 Comparative figures

Comparative information in respect of the preceding period as specified in IAS 1, para 38 has been disclosed in respect of the year 2022 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for better understanding of the current year's financial statements. Previous years figures have been rearranged whenever considered necessary to ensure comparability with the current period.

49.0 Geographical area of operation

No office is located out of Dhaka.

50.0 Disagreement with auditors

There were no disagreement with the Auditors on accounting and financial disclosures.

51.0 Approval of the financial statements

These financial statements were authorized for issue by the Board of Directors of the Company on 16 March, 2023.

Sd/-
Chairman

Sd/-
Director

Sd/-
Chief Executive Officer

Sd/-
Chief Financial Officer

Lankan Alliance Finance Limited
Schedule of Fixed Assets including land, building, furniture and fixture
As at 31 December 2022

Annexure A
Amounts in BDT

Particulars	Cost				Rate (%)	Depreciation				Written Down Value as on 31.12.2022
	Balance as on 01.01.2022	Transferred in/Additions	Transferred out/Disposal	Balance as on 31.12.2022		Balance as on 01.01.2022	Charged during the year	Adjustment during the year	Balance as on 31.12.2022	
Freehold assets										
Office decorations	5,487,212	1,501,839	-	6,989,051	10%	2,742,102	624,446.00	-	3,366,548	3,622,503
Furniture and fixtures	3,296,266	670,220	-	3,966,486	20%	2,732,293	630,994.00	-	3,363,287	603,199
ICT Equipment	7,885,107	3,803,257	-	11,688,364	20%	5,269,964	2,067,619.00	-	7,337,583	4,350,781
Office equipment	3,696,058	1,300,073	-	4,996,131	20%	3,478,761	492,944.00	-	3,971,705	1,024,426
Vehicle	5,550,000	-	-	5,550,000	12.5%	635,938	578,125.00	-	1,214,063	4,335,937
	25,914,643	7,275,389	-	33,190,032		14,859,058	4,394,128	-	19,253,186	13,936,845
Intangible asset										
CIB Module ,Tally & Fortinet Coterm	1,262,025	1,029,000		2,291,025	33%	781,277	411,243.00	-	1,192,520	1,098,505
Right of use asset	71,207,552	13,969,282		85,176,834	as per lease term	28,555,588	13,635,778	-	42,191,366	42,985,468
Balance as on 31 Dec 2022	98,384,220	22,273,671	-	120,657,891		44,195,923	18,441,149	-	62,637,072	58,020,818
Balance as on 31 December 2022	95,457,736	7,354,436	(4,427,952)	98,384,220	33%	32,866,015	13,909,132	(2,579,224)	44,195,923	54,188,297



Lankan Alliance Finance Limited
Schedule of Financial Indicators
As at 31 December 2022

Annexure B

SI no.	Key indicators	As at 31 Dec 2022	As at 31 Dec 2021
1	Paid-up capital	1,000,000,000	1,000,000,000
2	Total capital	1,303,966,443	1,294,779,542
3	Capital surplus	303,966,443	294,779,542
4	Total assets	4,219,315,646	3,464,297,779
5	Total deposits	2,511,535,982	1,998,215,852
6	Total loans, advances and leases	3,142,978,598	2,324,620,040
7	Total contingent liabilities and commitments	-	-
8	Credit deposit ratio	125%	116%
9	Percentage of classified loans against total loans, advances and leases	0.24%	0.00%
10	Profit after tax and provision	51,799,771	58,553,922
11	Amount of classified loans during current period	7,503,704	-
12	Provisions kept against classified loans	1,164,465	-
13	Provision surplus against classified loan	-	-
14	Cost of fund	7.40%	7.14%
15	Interest earnings assets	4,056,211,122	3,297,507,261
16	Non-interest earnings assets	163,104,524	166,790,518
17	Return on investment (ROI)	11.39%	11.92%
18	Return on Asset (ROA)	1.35%	1.96%
19	Income from investment	28,481,234	36,438,469
20	Earnings Per Share (EPS)	0.52	0.59
21	Net income per share	-	-
22	Market price per share	N/A	N/A
23	Price earnings (PE) ratio	N/A	N/A



Lankan Alliance Finance Limited
Details of investment in quoted shares
As at 31 December 2022

Annexure - D

SI No	Name of Script	No of Shares	Cost Price	Market Price	Total Cost Value	Total Market Value
1	British American Tobacco Bangladesh	10,000	655.06	518.70	6,550,608	5,187,000
2	Berger Paints Bangladesh Ltd.	999	1,794.33	1,722.60	1,792,536	1,720,877
3	Beximco Pharma	12,000	196.13	146.20	2,353,594	1,754,400
4	BRAC Bank Ltd.	30,000	49.72	38.50	1,491,657	1,155,000
5	City Bank Ltd.	112,500	25.93	21.80	2,917,131	2,452,500
6	Dutch Bangla Bank Ltd.	55,000	74.73	62.60	4,110,317	3,443,000
7	Eastern Bank Ltd.	35,000	34.32	31.80	1,201,352	1,113,000
8	Grameenphone Limited	28,000	343.92	286.60	9,629,699	8,024,800
9	Marico	1,000	2,479.62	2,421.50	2,479,619	2,421,500
10	Reckitt Benckiser	390	5,185.39	4,760.70	2,022,300	1,856,673
11	Square Pharmaceuticals Ltd.	30,000	236.42	209.80	7,092,593	6,294,000
12	Summit Power	150,000	47.95	34.00	7,192,186	5,100,000
13	Global Islami Bank	413,291	10.00	9.00	4,132,910	3,719,619
14	Islami Commercial Insurance	8,798	10.00	28.10	87,980	247,224
15	Walton Hi-Tech Industries	1,900	1,103.44	1,047.70	2,096,541	1,990,630
					55,151,023	46,480,223

Information as is required under section 186 of the Companies Act, 1994 relating to holding company

(B)(25)(b)

Alliance Finance PLC does not have any subsidiaries. Thus, it is not applicable.

Selected ratios as specified in Annexure-D

(B)(25)(c)

(1) Among others, the following ratios of the issuer for the last 05 (five) years or shorter period from commercial operation certified by the Auditor;

LANKAN ALLIANCE FINANCE LIMITED
AUDITORS CERTIFICATE REGARDING CALCULATION OF EPS AND OTHER RATIOS

We have examined the following earnings per share (EPS) and other ratios of Lankan Alliance Finance Limited (the "Company") for the years ended 31 December 2022, 2021, 2020, 2019 and 2018 which have been produced by the management of the Company and provided to us. The preparation of the EPS and the other ratios is the responsibility of the Company's management. Our responsibility is to review them and certify as to whether they have been properly prepared using stated principle on the basis of audited financial statements for the year ended 31 December 2022, 2021, 2020, 2019 and 2018.

Based on the review, we certify that the Company has properly prepared the following EPS and other ratios using stated principles on the basis of financial statements for the year ended 31 December 2022, 2021, 2020, 2019 and 2018.

Ratios pertinent to the prospectus are as specified in 'The Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 (as amended)

Sl	Particulars	Formula	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
1	Liquidity Ratio:						
	Current Ratio	Current assets/ Current liabilities	N/A	N/A	N/A	N/A	N/A
	Quick Ratio	(Current assets - inventory) / Current liabilities	N/A	N/A	N/A	N/A	N/A
	Liquidity Coverage Ratio (LCR)	[Total highly liquid asset/ Total net cash flow]*100	48.57%	119.65%	85.41%	171.10%	1365.57%
2	Operating Efficiency Ratio:						
	Accounts Receivable Turnover Ratio	Net credit sales/ Average accounts receivables	N/A	N/A	N/A	N/A	N/A
	Inventory Turnover Ratio	Net sales/ Average inventory at selling price	N/A	N/A	N/A	N/A	N/A
	Asset Turnover Ratio	Net sales/ Average total assets	N/A	N/A	N/A	N/A	N/A
	Cost to Income Ratio	Operating expense/ Operating income	0.53	0.47	0.45	0.55	0.64
3	Profitability Ratio:						
	Gross Margin Ratio	(Total revenue - COGS) / Total revenue	N/A	N/A	N/A	N/A	N/A
	Net Interest Margin (NIM)	[Net interest income/Profit earning assets]*100	4.01%	4.08%	5.37%	6.53%	7.78%

	Operating Profit Ratio	$[\text{Operating profit}/(\text{Interest income}+\text{Income from investment in shares \& securities}+\text{Commission based income}+\text{Other operating income})]*100$	63.27%	74.20%	81.92%	70.47%	94.94%
	Net Profit Ratio	$[\text{Net profit}/(\text{Interest income}+\text{Income from investment in shares \& securities}+\text{Commission based income}+\text{Other operating income})]*100$	14.95%	23.16%	27.71%	17.26%	23.03%
	Return on Asset Ratio	$[\text{Net profit}/\text{Average total asset}]*100$	1.35%	1.96%	2.39%	1.92%	2.15%
	Return on Equity Ratio	$[\text{Net profit}/\text{Average total shareholders' equity}]*100$	4.07%	4.70%	4.76%	3.24%	2.67%
	Earnings Per Share	Net profit after tax/ Number of share outstanding's	0.52	0.59	0.57	0.37	0.30
	EBITDA Margin	$(\text{Net income}+\text{Interest}+\text{Tax}+\text{Dep})/\text{Total interest income}$	1.16	1.18	1.22	1.21	1.05
4	Solvency Ratio:						
	Debt to Total Asset Ratio	Total debt/ Total asset	0.70	0.63	0.51	0.48	0.31
	Debt to Equity Ratio	Total liabilities/ Total share holders equity	2.31	1.72	1.05	0.93	0.44
	Times Interest Earned Ratio	Operating income / Interest expense	1.19	1.58	2.15	1.93	15.06
	Debt Service Coverage Ratio	Net operating income/ Debt service	0.34	0.54	0.44	0.34	32.01
5	Cash Flow Ratio:						
	Net Operating Cash Flow per Share (NOCFPS)	$[\text{Net cash flow from operating activities}/\text{Number of share outstanding's}]$	-1.96	2.92	0.01	0.26	-7.22
	NOCFPS to EPS Ratio	NOCFPS/ EPS	-3.79	4.99	0.02	0.70	-24.31



Additional Ratio pertinent to the issuer:							
6	Tier I Capital Ratio	[Core Capital (Tier I)/Risk Weighted Assets]*100	42.27%	43.44%	57.03%	61.98%	152.92%
	Tier II Capital Ratio	[Supplementary Capital (Tier II)/Risk Weighted Assets]*100	0.97%	0.52%	0.73%	0.63%	1.47%
	Capital Adequacy Ratio	[Total Capital /Risk Weighted Assets]*100	43.24%	44%	58%	63%	154%
	NPL Ratio	Non performing loan/Total loan	0.24%	0.00	0.00	0.00	0.00

This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 (as amended). It may be noted here that the statutory audit for the years 2019 & 2018 had been conducted by A.Qasem & Co., Chartered Accountants.

Dhaka, 17 April 2023

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants



(2) If the issuer is not in commercial operation, projected ratios shall be furnished;

AFPLC has been in operation for the last 8 years. Hence, projected ratios are not applicable.

(3) Any other ratio as may be pertinent to the issuer and the issue or required by the Commission shall also be furnished;

There is no such requirement received from the commission yet; but AFPLC understands and agree that the commission may require other ratio which shall be furnished accordingly.

(4) All the ratios shall be explained and compared with the industry or sector average ratios of the same periods along with sources of the information.

To compare ratios between Alliance Finance PLC and industry, we have considered four companies among financial institutions sector, namely - IPDC Finance Limited, Bangladesh Finance Limited, Lanka Bangla Finance Limited, Bay Leasing & Investment Limited. All the data for calculating ratios are collected from each company's Audited Financial Statements published on their respective websites. However, due to unavailability of Audited Financial Statements for the year ended 2022, we are unable to calculate and compare the financial performance for the year 2022.

Ratios for the year 31-Dec-21				
Sl.	Name of the Ratio	AFPLC Ratio	Industry/Sector Average	Explanation
I.	<u>Liquidity Ratio:</u>			
(i)	Current Ratio	N/A	N/A	As the AFPLC is FI, Current Ratio and Quick Ratio are not applicable. The liquidity coverage ratio is a highly volatile ratio. In the year AFPLC's LCR ratio was higher than the industry average.
(ii)	Quick Ratio	N/A	N/A	
(iii)	Liquidity Coverage Ratio (LCR)	119.65%	-2640.20%	
II.	<u>Operating Efficiency Ratio:</u>			
(i)	Accounts Receivable Turnover Ratio	N/A	N/A	As the AFPLC is FI, Accounts Receivable Turnover Ratio, Inventory Turnover Ratio and Asset Turnover Ratio are not applicable. The Cost to Income Ratio was higher than the industry average exhibiting high operating expenses.
(ii)	Inventory Turnover Ratio	N/A	N/A	
(iii)	Asset Turnover Ratio	N/A	N/A	
(iv)	Cost To Income Ratio	0.47 x	0.35 x	
III.	<u>Profitability Ratio:</u>			
(i)	Gross Margin Ratio	N/A	N/A	As the AFPLC is FI, Gross Margin Ratio is not applicable. The margins of AFPLC were higher than the industry average. Whereas ROE and EPS were lower signifying low bottom-line profitability compared to the industry.
(ii)	Net Interest Margin (NIM)	4.08%	2.67%	
(iii)	Operating Profit Ratio	74.20%	37.41%	
(iv)	Net Profit Ratio	23.16%	7.96%	
(v)	Return on Assets Ratio	1.96%	0.95%	
(vi)	Return on Equity Ratio	4.70%	7.95%	
(vii)	Earnings per Share (EPS)	0.59 Tk.	1.05 Tk.	
(viii)	(EBITDA) Margin	1.18 x	0.91 x	
IV.	<u>Solvency Ratios:</u>			
(i)	Debt to Total Assets Ratio	0.63 x	0.90 x	Compared to the industry AFPLC's solvency ratios were healthier due to minimal debt items in the balance sheet.
(ii)	Debt to Equity Ratio	1.72 x	4.07 x	
(iii)	Times Interest Earned Ratio	1.58 x	0.94 x	
(iv)	Debt Service Coverage Ratio	0.54 x	1.97 x	
V.	<u>Cash Flow Ratios:</u>			
(i)	Net Operating Cash Flow per Share (NOCFPS)	2.92 Tk.	-0.21 Tk.	Compared to the industry AFPLC's cash flow ratios are healthier due to efficient deposit and loan products management.
(ii)	NOCFPS to EPS Ratio	4.99 x	2.42 x	
VI.	<u>Additional Ratios pertinent to the issuer:</u>			
(i)	Tier I Capital Ratio	43.44%	14.74%	
(ii)	Tier II Capital Ratio	0.52%	2.92%	

(iii)	Capital Adequacy Ratio	44%	17.66%	As the AFPLC is FI, it has to maintain capital adequacy ratios. Compared to the industry it had stronger Capital Adequacy due to non-existence of Non-Performing Loans.
(iv)	NPL Ratio	0.00	4.95%	

Ratios for the year 31-Dec-20				
Sl.	Name of the Ratio	AFPLC Ratio	Industry/Sector Average	Explanation
I.	<u>Liquidity Ratio:</u>			
(i)	Current Ratio	N/A	N/A	As the AFPLC is FI, Current Ratio and Quick Ratio are not applicable. The liquidity coverage ratio is a highly volatile ratio. In the year AFPLC's LCR ratio was lower than the industry average.
(ii)	Quick Ratio	N/A	N/A	
(iii)	Liquidity Coverage Ratio (LCR)	85.41%	635.02%	
II.	<u>Operating Efficiency Ratio:</u>			
(i)	Accounts Receivable Turnover Ratio	N/A	N/A	As the AFPLC is FI, Accounts Receivable Turnover Ratio, Inventory Turnover Ratio and Asset Turnover Ratio are not applicable. The Cost to Income Ratio is close to the industry average exhibiting similarity.
(ii)	Inventory Turnover Ratio	N/A	N/A	
(iii)	Asset Turnover Ratio	N/A	N/A	
(iv)	Cost To Income Ratio	0.45 x	0.43 x	
III.	<u>Profitability Ratio:</u>			
(i)	Gross Margin Ratio	N/A	N/A	As the AFPLC is FI, Gross Margin Ratio is not applicable. The margins of AFPLC were higher than the industry average. Whereas ROE and EPS were lower signifying low bottom-line profitability compared to the industry.
(ii)	Net Interest Margin (NIM)	5.37%	2.41%	
(iii)	Operating Profit Ratio	81.92%	25.37%	
(iv)	Net Profit Ratio	27.71%	11.56%	
(v)	Return on Assets Ratio	2.39%	1.22%	
(vi)	Return on Equity Ratio	4.76%	9.71%	
(vii)	Earnings per Share (EPS)	0.57 Tk.	1.21 Tk.	
(viii)	(EBITDA) Margin	1.22 x	1.00 x	
IV.	<u>Solvency Ratios:</u>			
(i)	Debt to Total Assets Ratio	0.51 x	0.90 x	Compared to the industry AFPLC's solvency ratios were healthier due to minimal debt items in the balance sheet.
(ii)	Debt to Equity Ratio	1.05 x	3.92 x	
(iii)	Times Interest Earned Ratio	2.15 x	0.54 x	
(iv)	Debt Service Coverage Ratio	0.44 x	0.89 x	
V.	<u>Cash Flow Ratios:</u>			

(i)	Net Operating Cash Flow per Share (NOCFPS)	0.01 Tk.	10.70 Tk.	Compared to the industry AFPLC's cash flow ratios were poor due to economic turmoil.
(ii)	NOCFPS to EPS Ratio	0.02 x	6.01 x	
VI. Additional Ratios pertinent to the issuer:				
(i)	Tier I Capital Ratio	57.03%	15.89%	As the AFPLC is FI, it has to maintain capital adequacy ratios. Compared to the industry it had stronger Capital Adequacy due to non-existence of Non-Performing Loans.
(ii)	Tier II Capital Ratio	0.73%	3.24%	
(iii)	Capital Adequacy Ratio	58%	19.21%	
(iv)	NPL Ratio	0.00	4.00%	

Ratios for the year 31-Dec-19				
Sl.	Name of the Ratio	AFPLC Ratio	Industry/Sector Average	Explanation
I. Liquidity Ratio:				
(i)	Current Ratio	N/A	N/A	As the AFPLC is FI, Current Ratio and Quick Ratio are not applicable. The liquidity coverage ratio is a highly volatile ratio. In the year AFPLC's LCR ratio was lower than the industry average.
(ii)	Quick Ratio	N/A	N/A	
(iii)	Liquidity Coverage Ratio (LCR)	171.10%	673.18%	
II. Operating Efficiency Ratio:				
(i)	Accounts Receivable Turnover Ratio	N/A	N/A	As the AFPLC is FI, Accounts Receivable Turnover Ratio, Inventory Turnover Ratio and Asset Turnover Ratio are not applicable. The liquidity Cost to Income Ratio was higher than the industry average due to early year operation.
(ii)	Inventory Turnover Ratio	N/A	N/A	
(iii)	Asset Turnover Ratio	N/A	N/A	
(iv)	Cost To Income Ratio	0.55 x	0.48 x	
III. Profitability Ratio:				
(i)	Gross Margin Ratio	N/A	N/A	As the AFPLC is FI, Gross Margin Ratio is not applicable. The margins of AFPLC were higher than the industry average. Whereas ROE and EPS were lower signifying low bottom-line profitability compared to the industry.
(ii)	Net Interest Margin (NIM)	6.53%	2.84%	
(iii)	Operating Profit Ratio	70.47%	20.82%	
(iv)	Net Profit Ratio	17.26%	7.53%	
(v)	Return on Assets Ratio	1.92%	0.92%	
(vi)	Return on Equity Ratio	3.24%	7.52%	
(vii)	Earnings per Share (EPS)	0.37 Tk.	0.95 Tk.	
(viii)	(EBITDA) Margin	1.21 x	0.94 x	
IV. Solvency Ratios:				
(i)	Debt to Total Assets Ratio	0.48 x	0.67 x	

(ii)	Debt to Equity Ratio	0.93 x	4.07 x	Compared to the industry AFPLC's Debt to Total Assets Ratio and Debt to Equity Ratio were healthier due to minimal debt items in the balance sheet. However, Times Interest Earned Ratio were significantly higher as it was expanding loan portfolio.
(iii)	Times Interest Earned Ratio	1.93 x	0.42 x	
(iv)	Debt Service Coverage Ratio	0.34 x	0.73 x	
V.	<u>Cash Flow Ratios:</u>			
(i)	Net Operating Cash Flow per Share (NOCFPS)	0.26 Tk.	2.76 Tk.	Compared to the industry AFPLC's cash flow ratios were poor due to high cash outflow in its early year of operation.
(ii)	NOCFPS to EPS Ratio	0.70 x	6.65 x	
VI.	<u>Additional Ratios pertinent to the issuer:</u>			
(i)	Tier I Capital Ratio	61.98%	14.45%	As the AFPLC is FI, it has to maintain capital adequacy ratios. Compared to the industry it had stronger Capital Adequacy due to non-existence of Non-Performing Loans.
(ii)	Tier II Capital Ratio	0.63%	2.64%	
(iii)	Capital Adequacy Ratio	63%	17.09%	
(iv)	NPL Ratio	0.00%	4.81%	

Ratios for the year 31-Dec-18				
Sl.	Name of the Ratio	AFPLC Ratio	Industry/Sector Average	Explanation
I.	<u>Liquidity Ratio:</u>			
(i)	Current Ratio	N/A	N/A	As the AFPLC is FI, Current Ratio and Quick Ratio are not applicable. The liquidity coverage ratio is a highly volatile ratio. In the year AFPLC's LCR ratio was higher than the industry average.
(ii)	Quick Ratio	N/A	N/A	
(iii)	Liquidity Coverage Ratio (LCR)	1365.17%	-619.21%	
II.	<u>Operating Efficiency Ratio:</u>			
(i)	Accounts Receivable Turnover Ratio	N/A	N/A	As the AFPLC is FI, Accounts Receivable Turnover Ratio, Inventory Turnover Ratio and Asset Turnover Ratio are not applicable. The liquidity Cost to Income Ratio was higher than the industry average due to early year of operation.
(ii)	Inventory Turnover Ratio	N/A	N/A	
(iii)	Asset Turnover Ratio	N/A	N/A	
(iv)	Cost To Income Ratio	0.64 x	0.45 x	
III.	<u>Profitability Ratio:</u>			
(i)	Gross Margin Ratio	N/A	N/A	As the AFPLC is FI, Gross Margin Ratio is not applicable. The margins of AFPLC were higher than the industry average. Whereas ROE and EPS were lower signifying low bottom-line profitability compared to the industry.
(ii)	Net Interest Margin (NIM)	7.78%	2.47%	
(iii)	Operating Profit Ratio	94.94%	23.33%	
(iv)	Net Profit Ratio	23.03%	9.65%	
(v)	Return on Assets Ratio	2.15%	1.17%	

(vi)	Return on Equity Ratio	2.67%	9.47%	
(vii)	Earnings per Share (EPS)	0.30 Tk.	1.02 Tk.	
(viii)	(EBITDA) Margin	1.05 x	0.98 x	
IV. Solvency Ratios:				
(i)	Debt to Total Assets Ratio	0.31 x	2.96 x	Compared to the industry AFPLC's Debt to Total Assets Ratio and Debt to Equity Ratio were healthier due to minimal debt items in the balance sheet. However, Times Interest Earned Ratio and Debt Service Coverage Ratio were significantly higher as it was expanding loan portfolio.
(ii)	Debt to Equity Ratio	0.44 x	4.54 x	
(iii)	Times Interest Earned Ratio	15.06 x	0.46 x	
(iv)	Debt Service Coverage Ratio	32.01 x	0.32 x	
V. Cash Flow Ratios:				
(i)	Net Operating Cash Flow per Share (NOCFPS)	-7.22 Tk.	2.74 Tk.	Compared to the industry AFPLC's cash flow ratios were poor due to high cash outflow on its second year of operation.
(ii)	NOCFPS to EPS Ratio	-24.31 x	3.28 x	
VI. Additional Ratios pertinent to the issuer:				
(i)	Tier I Capital Ratio	152.92%	13.20%	As the AFPLC is FI, it has to maintain capital adequacy ratios. Compared to the industry it had stronger Capital Adequacy due to non-existence of Non-Performing Loans.
(ii)	Tier II Capital Ratio	1.47%	2.48%	
(iii)	Capital Adequacy Ratio	154%	15.68%	
(iv)	NPL Ratio	0.00	4.34%	

Ratios for the year 31-Dec-17

Alliance Finance PLC began operating its business activities in the year 2017 after getting approval from the Bangladesh Bank. As such ratios for the year 2017 cannot be compared with the industry average.

Auditors report under Section 135(1), Para 24(1) of Part II of Schedule III of the Companies Act, 1994

(B)(25)(d)

**LANKAN ALLIANCE FINANCE LIMITED
AUDITOR'S REPORT UNDER SECTION 135(1), PARA 24(1) OF PART II OF SCHEDULE III OF THE COMPANIES ACT, 1994**

As required under section 135(1), Para 24(1), Part II of the Third Schedule of the Companies Act 1994, Lankan Alliance Finance Limited prepared the following statements of its assets and liabilities and operating results as at and for the year ended 31 December 2022, 31 December 2021, 31 December 2020, 31 December 2019, 31 December 2018 and submitted those to us for our review and for issuance of our confirmation thereon. Accordingly we have reviewed the relevant audited financial statements.

We, as the auditors of the Company, having examined the financial statements of the Company for the year ended 31 December 2022, 31 December 2021, 31 December 2020, 31 December 2019 and 31 December 2018 hereby confirmed that the following information has been correctly extracted from those audited financial statements.

A) Statement of assets and liabilities:

Particulars	<u>Amount in Taka</u>				
	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
PROPERTY AND ASSETS					
Cash	32,583,401	30,879,811	16,853,410	20,924,832	9,031,812
Cash in hand (Including foreign currencies)	11,310	27,737	35,465	6,048	34,535
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	32,572,091	30,852,074	16,817,945	20,918,784	8,997,277
Balance with other Banks and Financial Institutions	323,102,636	567,096,812	293,347,974	322,544,671	319,423,406
In Bangladesh	323,102,636	567,096,812	293,347,974	322,544,671	319,423,406
Outside Bangladesh	-	-	-	-	-
Money at call on short notice	340,000,000	100,000,000	100,000,000	200,000,000	150,000,000
Investments:	250,151,033	305,790,409	295,000,000	300,653,634	403,220
Government	-	-	-	-	-
Others	250,151,033	305,790,409	295,000,000	300,653,634	403,220
Loans and Advances	3,142,978,598	2,324,620,040	1,675,422,612	1,269,616,671	1,083,096,544
Loans, cash credit, overdrafts etc.	3,142,978,598	2,324,620,040	1,675,422,612	1,269,616,671	1,083,096,544
Bills purchased and discounted	-	-	-	-	-
Fixed assets including premises, furniture and fixtures	58,020,820	54,188,298	62,591,721	83,661,295	13,711,310
Other assets	72,500,303	81,722,410	62,729,291	47,045,107	51,064,244
Non - banking assets	-	-	-	-	-
TOTAL ASSETS	4,219,336,791	3,464,297,779	2,505,945,008	2,244,446,210	1,626,730,535

Particulars	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents	204,353,683	7,750,000	4,750,000	140,000,000	100,000,000
Deposits and other accounts	2,513,720,509	2,000,442,730	1,123,839,632	769,782,954	356,810,740
Current accounts and other accounts etc.	-	-	-	-	-
Bills payable	-	-	-	-	-
Savings bank deposits	-	-	-	-	-
Scheme deposits	9,708,221	13,092,655	-	-	-
Term deposits	2,501,827,761	1,985,123,197	1,121,523,192	769,750,713	356,810,740
Bearer certificate of deposits	-	-	-	-	-
Other deposits	2,184,527	2,226,878	2,316,440	32,241	-
Subordinated Bond	-	-	-	-	-
Other liabilities	226,488,043	183,154,085	156,500,645	169,253,917	41,685,432
Deferred Tax Liabilities/(Assets)	-	-	-	-	-
TOTAL LIABILITIES	2,944,562,235	2,191,346,815	1,285,090,277	1,079,036,871	498,496,172
Capital/Shareholders' Equity					
Paid-up capital	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Share premium	172,200,000	172,200,000	172,200,000	172,200,000	172,200,000
Statutory reserves	46,807,935	36,443,217	24,732,433	13,376,020	5,941,025
General reserves	-	-	-	-	-
Retained earnings	55,766,621	64,307,747	23,922,298	(20,166,681)	(49,906,662)
TOTAL SHAREHOLDERS' EQUITY	1,274,774,556	1,272,950,964	1,220,854,731	1,165,409,339	1,128,234,363
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	4,219,336,791	3,464,297,779	2,505,945,008	2,244,446,210	1,626,730,535

OFF-BALANCE SHEET EXPOSURES

Contingent liabilities

Acceptances and endorsements	-	-	-	-	-
Letters of guarantee	-	-	-	-	-
Irrevocable letters of credit	-	-	-	-	-
Bills for collection	-	-	-	-	-
Other Contingent liabilities	-	-	-	-	-
Total	-	-	-	-	-

Other commitments

Documentary credits and short term trade related transactions	-	-	-	-	-
Forward assets purchased and forward deposits placed	-	-	-	-	-
Undrawn note issuance and revolving underwriting facilities	-	-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-	-	-	-
Total	-	-	-	-	-
Total Off-Balance Sheet items including contingent liabilities	-	-	-	-	-

Net asset value per share- (NAV)	12.75	12.79	12.21	11.65	11.28
Restated Net asset value per share- (NAV)	-	12.73	-	-	-

This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 (as amended). It may be noted here that the statutory audit for the years 2018 & 2019 had been conducted by A. Qasem & Co., Chartered Accountants.

Dhaka, 17 April 2023

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants

LANKAN ALLIANCE FINANCE LIMITED
AUDITOR'S REPORT UNDER SECTION 135(1), PARA 24(1) OF PART II OF SCHEDULE III OF THE COMPANIES ACT, 1994

B) Statement of profit or loss:

Particulars	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
Interest income	346,744,598	252,821,725	204,945,091	215,395,289	129,003,873
Less: Interest paid on deposits and borrowings etc.	183,910,407	118,416,351	78,052,933	78,706,218	8,133,593
Net interest income	162,834,191	134,405,374	126,892,158	136,689,071	120,870,280
Investment income	28,481,234	36,438,469	34,365,808	11,298,487	1,258,051
Commission, exchange and brokerage	-	-	-	-	-
Other operating income	28,078,176	16,742,312	6,641,747	3,792,725	347,042
Total operating income	219,393,601	187,586,154	167,899,713	151,780,283	122,475,373
Salaries, allowances and benefits	61,280,166	48,597,015	39,647,565	38,666,017	32,042,826
Rent, taxes, insurance, electricity etc.	6,695,946	4,377,016	4,188,846	2,204,928	12,966,804
Legal & Professional fees	391,338	665,207	1,344,095	420,420	1,508,423
Postage, stamp, telecommunication etc.	678,954	425,216	420,391	669,306	499,461
Stationery, printing, advertisements etc.	2,641,707	967,943	1,155,200	2,524,076	1,455,695
CEO's salary and benefits	12,400,044	12,899,998	9,299,262	16,246,383	15,923,799
Directors' fees	856,000	800,000	448,000	248,000	248,000
Auditors' fees	391,000	345,000	437,288	437,288	429,422
Charges on loan losses	-	-	-	-	-
Depreciation and repair of Company's assets	18,441,149	13,481,545	13,721,821	14,654,427	2,384,325
Other administration and maintenance	11,622,697	6,126,196	4,634,257	6,885,258	10,339,437
Total operating expenses	115,399,001	88,685,136	75,296,724	82,956,103	77,798,192
Profit before provision	103,994,601	98,901,019	92,602,988	68,824,180	44,677,181
Provision for start-up fund & loans and advances					
General provision	9,895,996	(363,085)	3,730,524	980,734	10,830,966
2% Special Provision	(75,533)	4,216,106	-	-	-
Specific provision	1,139,531	-	-	-	-
Provision for diminution in value of investments	5,168,936	3,501,864	-	-	-
Other provision	-	-	-	-	-
Total Provision	16,128,930	7,354,885	3,730,524	980,734	10,830,966
Total Profit before taxation	87,865,671	91,546,134	88,872,464	67,843,446	33,846,215

Provision for taxation

Current tax expenses	38,327,044	35,696,576	35,108,559	33,128,477	4,795,604
Deferred tax expenses/(income)	(2,284,965)	(2,704,364)	(3,018,160)	(2,460,007)	(654,514)
	36,042,079	32,992,212	32,090,399	30,668,470	4,141,090
Net profit after taxation	51,823,592	58,553,922	56,782,065	37,174,976	29,705,125

Appropriations

Statutory reserves	10,364,718	11,710,784	11,356,413	7,434,995	5,941,025
General reserves	-	-	-	-	-
Dividend etc.	-	-	-	-	-
Retained Surplus for the year	41,458,874	46,843,138	45,425,652	29,739,981	23,764,100

Earning per share (EPS)

	0.52	0.59	0.57	0.37	0.30
--	------	------	------	------	------

This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 (as amended). It may be noted here that the statutory audit for the years 2018 & 2019 had been conducted by A. Qasem & Co.,

Dhaka, 17 April 2023

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants

LANKAN ALLIANCE FINANCE LIMITED
AUDITOR'S REPORT UNDER SECTION 135(1), PARA 24(1) OF PART II OF SCHEDULE III OF THE COMPANIES ACT, 1994

C) Statement of Cash flows:

Particulars	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
Cash flows from operating activities					
Interest received	337,101,081	270,789,424	188,392,783	212,483,866	129,003,873
Interest paid	(169,700,806)	(110,193,436)	(61,021,052)	(32,264,188)	(8,133,593)
Dividend received	29,636,053	34,132,600	34,483,633	10,837	-
Fees and commission received	-	-	-	-	-
Paid to employees and suppliers	(82,439,783)	(98,978,752)	(65,337,531)	(84,729,934)	(75,413,867)
Payment of income tax	(34,358,907)	(36,918,842)	(47,390,494)	(3,730,555)	(4,795,604)
Received from other operating activities	20,935,283	13,204,498	7,768,937	2,665,535	1,605,093
Cash generated from operating activities before changes in operating assets and liabilities	101,172,921	72,035,492	56,896,276	94,435,562	42,265,902
Increase/(decrease) in operating assets and liabilities:					
Loans & Advance	(810,679,957)	(649,220,372)	(404,617,636)	(182,189,484)	(1,083,096,544)
Sale of shares	-	-	630,090	839,835	-
Investment in shares	-	(7,288,545)	(5,653,634)	(300,146,861)	(403,220)
Other asset	-	-	-	-	(31,117,925)
Payable and accrued expenses	-	-	-	-	(6,733,958)
Term and other deposits	513,277,778	876,603,099	354,056,677	412,972,214	356,810,740
Cash generated from operating activities before changes in operating assets and liabilities	(297,402,178)	220,094,182	(55,584,502)	(68,524,296)	(764,540,906)
Net cash flows from operating activities	(196,229,257)	292,129,675	1,311,773	25,911,266	(722,275,004)
Cash flows from investing activities					
Purchase of fixed assets	(8,304,389)	(7,354,436)	670,108	(896,981)	(4,041,801)
Investment in shares	55,639,376	-	-	-	-
Net cash used in investing activities	47,334,987	(7,354,436)	670,108	(896,981)	(4,041,801)
Cash flows from financing activities					
Drawdown of term loans/Treasury line	196,603,683	3,000,000	(135,250,000)	40,000,000	100,000,000
Dividend payment	(50,000,000)	-	-	-	-
Net Cash flows/(used in) from financing activities	146,603,683	3,000,000	(135,250,000)	40,000,000	100,000,000
Net increase/(decrease) in cash and cash equivalents	(2,290,586)	287,775,239	(133,268,119)	65,014,285	(626,316,805)
Effects of exchange rate changes on cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents at beginning of the year	697,976,623	410,201,384	543,469,503	478,455,218	1,104,772,023
Cash and cash equivalents at end of the year	695,686,037	697,976,623	410,201,384	543,469,503	478,455,218

Cash and cash equivalents at end of the year

Cash in hand (including foreign currencies)	11,310	27,737	35,465	6,048	34,535
Balance with Bangladesh Bank and its agent bank (s)	32,572,091	30,852,074	16,817,945	20,918,784	8,997,277
Balance with other banks and financial institutions	323,102,636	567,096,812	293,347,974	322,544,671	319,423,406
Money at call and short notice	340,000,000	100,000,000	100,000,000	200,000,000	150,000,000
	695,686,037	697,976,623	410,201,384	543,469,503	478,455,218
Net operating cash flow per share (NOCFPS)	(1.96)	2.92	0.01	0.26	(7.22)

This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 (as amended). It may be noted here that the statutory audit for the years 2018 & 2019 had been conducted by A. Qasem & Co.,

Dhaka, 17 April 2023

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants



LANKAN ALLIANCE FINANCE LIMITED
AUDITOR'S REPORT UNDER SECTION 135(1), PARA 24(1) OF PART II OF SCHEDULE III OF THE
COMPANIES ACT, 1994

D. Dividend

A.

The Company has declared stock dividend for the years ended on 31 December 2022, 2021, 2020, 2019 and 2018 as shown belows.

Particulars	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
Cash Dividend	5%	5%	Nil	Nil	Nil
Stock Dividend	5%	Nil	Nil	Nil	Nil
Total	10%	5%	-	-	-

B. Lankan Alliance Finance Limited was incorporated in Bangladesh as a Public Limited Company with limited liability by shares under the Companies Act 1994 bearing certificate of incorporation no C-50607(902)/003 dated 27 September 2003 to carry out financial business. It obtained license from Bangladesh Bank for carrying out business on 06 June 2013 under The Finance Institution Act, 1993. The Company has been carrying out its business through its one branch all over Bangladesh. The registered office of Lankan Alliance Finance Limited is at Alliance Building, 63 Pragati Sarani, Baridhara, Dhaka-1212.

C. No proceeds or part of proceeds of the issue of shares were applied directly or indirectly by the Company in purchase of any other business.

D. The Company has no subsidiaries as on reporting date.

E. Figures appearing previous year's column have been restated/rearranged, wherever necessary to ensure comparison and better presentation. Due to rounding off of the figures to the nearest Taka, some sub totals may differ by TK 1 which appear immaterial.

Dhaka, 17 April 2023

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants



Financial spread sheet analysis for the latest audited financial statements (B)(25)(e)

A. Statement of Financial Position:

Particulars	Amounts in BDT		% of Total Assets	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
ASSETS				
Cash				
In hand	11,310	27,737	0.00%	0.00%
Balance with Bangladesh Bank and its agents	32,572,091	30,852,074	0.77%	0.89%
	32,583,401	30,879,811	0.77%	0.89%
Balance with other banks and financial institutions				
Inside Bangladesh	323,102,636	567,096,812	7.66%	16.37%
Outside Bangladesh	-	-	0.00%	0.00%
	323,102,636	567,096,812	7.66%	16.37%
Money at call and short notice	340,000,000	100,000,000	8.06%	2.89%
Investments				
Government	-	-	0.00%	0.00%
Others	250,151,033	305,790,409	5.93%	8.83%
	250,151,033	305,790,409	5.93%	8.83%
Loans and advances				
Loans, cash credit, overdraft etc.	3,142,978,598	2,324,620,040	74.49%	67.10%
Bills purchased and discounted	-	-	0.00%	0.00%
	3,142,978,598	2,324,620,040	74.49%	67.10%
Fixed assets including land, building, furniture and fixtures	58,020,820	54,188,298	1.38%	1.56%
Other assets	72,500,303	81,722,410	1.72%	2.36%
Non-banking assets	-	-	-	0.00%
Total Assets	4,219,336,791	3,464,297,779	100.00%	100.00%
LIABILITIES AND SHAREHOLDER'S EQUITY				
Liabilities				
Borrowings from other banks, financial institutions and agents	204,353,683	7,750,000	4.84%	0.22%
Deposits and other accounts				
Current accounts and other accounts etc.	-	-	0.00%	0.00%
Bills payable	-	-	0.00%	0.00%
Savings bank deposits	-	-	0.00%	0.00%
Scheme deposits	9,708,221	13,092,655	0.23%	0.38%
Term deposits	2,501,827,761	1,985,123,197	59.29%	57.30%
Bearer certificate of deposits	-	-	0.00%	0.00%
Other deposits	2,184,527	2,226,878	0.05%	0.06%
	2,513,720,509	2,000,442,730	59.58%	57.74%
Other liabilities	226,488,043	183,154,085	5.37%	5.29%
Total Liabilities	2,944,562,235	2,191,346,815	69.79%	63.26%
Shareholders' equity				
Paid-up capital	1,000,000,000	1,000,000,000	23.70%	28.87%
Share premium	172,200,000	172,200,000	4.08%	4.97%
Statutory reserves	46,807,935	36,443,217	1.11%	1.05%
General reserves	-	-	0.00%	0.00%
Retained earnings	55,766,621	64,307,747	1.32%	1.86%
	1,274,774,556	1,272,950,964	30.21%	36.74%
Total Equity				
Total Liabilities and Shareholders' equity	4,219,336,791	3,464,297,779	100.00%	100.00%



B. Statement of Profit or Loss and Other Comprehensive Income

Particulars	Amounts in BDT		% of Operating Income	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Interest income	346,744,598	252,821,725	158.05%	134.78%
Less : Interest on deposits and borrowings etc.	183,910,407	118,416,351	83.83%	63.13%
Net interest income	162,834,191	134,405,374	74.22%	71.65%
			0.00%	0.00%
Investment income	28,481,234	36,438,469	12.98%	19.42%
Commission, exchange and brokerage	-	-	0.00%	0.00%
Other operating income	28,078,176	16,742,312	12.80%	8.93%
Total operating income	219,393,601	187,586,154	100.00%	100.00%
			0.00%	0.00%
Salaries, allowances and benefits	61,280,166	48,597,015	27.93%	25.91%
Rent, taxes, insurance, electricity etc.	6,695,946	4,377,016	3.05%	2.33%
Legal & Professional fees	391,338	665,207	0.18%	0.35%
Postage, stamp, telecommunication etc.	678,954	425,216	0.31%	0.23%
Stationery, printing, advertisements etc.	2,641,707	967,943	1.20%	0.52%
CEO's salary and benefits	12,400,044	12,899,998	5.65%	6.88%
Directors' fees	856,000	800,000	0.39%	0.43%
Auditors' fees	391,000	345,000	0.18%	0.18%
Charges on loan losses	-	-	0.00%	0.00%
Depreciation and repair of Company's assets	18,441,149	13,481,545	8.41%	7.19%
Other administration and maintenance	11,622,697	6,126,196	5.30%	3.27%
Total operating expenses	115,399,001	88,685,136	52.60%	47.28%
Profit before provisions	103,994,601	98,901,019	47.40%	52.72%
			0.00%	0.00%
Provision for loans and investments			0.00%	0.00%
General provision	9,895,996	(363,085)	4.51%	-0.19%
2% Special Provision	(75,533)	4,216,106	-0.03%	2.25%
Specific provision	1,139,531	-	0.52%	0.00%
Provision for diminution in value of investments	5,168,936	3,501,864	2.36%	1.87%
Other provision	-	-	0.00%	0.00%
Total provision	16,128,930	7,354,885	7.35%	3.92%
Total profit before taxation	87,865,671	91,546,134	40.05%	48.80%
Provision for taxation			0.00%	0.00%
Current tax expense	38,327,044	35,696,576	17.47%	19.03%
Deferred tax expenses/(income)	(2,284,965)	(2,704,364)	-1.04%	-1.44%
			0.00%	0.00%
Net profit after taxation	51,823,592	58,553,922	23.62%	31.21%



Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS (B)(25)(f)

Particulars	Note	Amount (BDT)
Net Profit after Tax	A	51,823,592
No. of shares before IPO	B	105,000,000
Earnings Per Share (EPS)	B/C	0.49

Note: Considering 5% stock dividend for the year ended December 31, 2022.

All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share (B)(25)(g)

AFPLC has no extra-ordinary income from other than the core operations. It has some interest income which is generated from the statutory FDR maintained with banks on regular basis.

Quarterly or Half yearly EPS should not be annualized while calculating the EPS (B)(25)(h)

AFPLC has not annualized its quarterly or half-yearly EPS, the issuer has reported the actual EPS found from the calculation.



Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position (B)(25)(i)

NAV without the Revaluation Surplus

Particulars	Note	Amount (BDT)
Paid-up Capital	A	1,050,000,000
Add: Additional Paid-in Capital (Premium)		122,200,000
Add: Retained Earnings	B	5,766,621
Add: Non-controlling (Minority) Interest	C	
Add: Reserves-	D	
Statutory Reserve		46,807,935
Total Equity	E	1,224,774,556
Number of Shares Outstanding	F	105,000,000
Net Asset Value (NAV) per share with revaluation	E/F	11.66

Note: Considering 5% stock dividend and 5% cash dividend for the year ended December 31, 2022.

NAV with the Revaluation Surplus

The company has not conducted any revaluation to date.

**The Commission may require the issuer to re-audit the audited financial statements, if any deficiency/anomaly is found in the financial statements. (B)(25)(j)
In such a case, cost of audit should be borne by the concerned issuer**

There is no such request received from the commission yet; but AFPLC understands and agrees that the commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements. In that case, AFPLC has no obligation to bear the cost of such audit.



Statements for the last five years or any shorter period of commercial operation certified by the auditors (B)(25)(k)

- (i) Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid/accrued;

TO WHOM IT MAY CONCERN

AUDITOR'S CERTIFICATE ON STATEMENT OF LONG TERM AND SHORT TERM BORROWING INCLUDING BORROWING FROM RELATED PARTIES OR CONNECTED PERSONS WITH RATE OF INTEREST AND INTEREST PAID/ACCRUED

Based on our scrutiny of the financial statements for the years ended 31 December 2018 to 31 December 2022 of Lankan Alliance Finance Limited (the "Company") which other documents and management representation letter have been prepared by management and produced to us, we certify that the Company has taken the following long term and short term borrowings including borrowing from related party or connected persons during the last five years:

Amount in BDT						
Year	Name of bank/ related party	Nature of Relationship	Type of loan	Rate of interest	Balance as on reporting date	Interest paid/ Charged
2022	One Bank Limited	Short Term Borrowing	SOD	8.50%	135,615	983,204
	Commercial Bank of Ceylon	Short Term Borrowing	SOD	7.00%	-	993,540
	NCC Bank Limited	Long Term Loan	-	8.00%	78,440,298	6,771,474
	Commercial Bank of Ceylon	Long Term Loan	-	7.00%	65,333,326	4,611,304
	Total					143,909,239
2021	Woori Bank	Short Term Borrowing	SOD	7.50%	-	53,050
	Total					-
2020	Woori Bank	Short Term Borrowing	SOD	7.50%	-	1,527,927
	Total					-
2019	Woori Bank	Short Term Borrowing	SOD	7.25%	140,000,000	7,271,702
	Total					140,000,000
2018	Woori Bank	Short Term Borrowing	SOD	7.25%	100,000,000	3,826,390
	Total					100,000,000

This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 (as amended). It may be noted here that the statutory audit for the years 2018 & 2019 had been conducted by A. Qasem & Co., Chartered Accountants.

Dhaka, 17 April 2023

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants



- (ii) Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral/other security, re-payment schedule and status;

TO WHOM IT MAY CONCERN

AUDITOR'S CERTIFICATE ON STATEMENT OF SECURED LOANS WITH TERMS AND CONDITIONS

After due examination of the independent auditor's report along with the audited financial statements of Lankan Alliance Finance Limited ("the Company"), we certify that the Company has taken the following unsecured loans which are disclosed in the audited financial statements for the years ended 31 December 2018 to 31 December 2022 as follows:

For the year ended 2022:

Sl. No.	Types of Secured loan	Loan amount in BDT
1	Borrowing from One Bank	90,000,000
2	Borrowing from NCC Bank Limited	100,000,000
3	Borrowing from Commercial Bank of Ceylon	80,000,000
Total		290,000,000

Details of Borrowing from Banks with SOD:

Sl. No	Name of the Bank	Nature of Loan	Interest Rate	Amount in BDT
1	One Bank Limited	SOD	8.50%	135,615
2	NCC Bank Limited	Term Loan	8.00%	78,440,298
3	Commercial Bank of Ceylon	Term Loan	7.00%	65,333,326
Sub-total				<u>143,909,239</u>

For the year ended 2019:

Sl. No.	Types of Secured loan	Loan amount in BDT
1	Borrowing from Woori Bank	164,000,000
Total		164,000,000

Details of Borrowing from Woori Bank in SOD:

Sl. No	Name of the Bank	Nature of Loan	Interest Rate	Outstanding amount in BDT
1	Short Term Borrowing	SOD	7.25%	140,000,000



For the year ended 2018:

Sl. No.	Types of Secured loan	Loan amount in BDT
1	Borrowing from Woori Bank	164,000,000
	Total	164,000,000

Details of Borrowing from Woori Bank in SOD:

Sl. No	Name of the Bank	Nature of Loan	Interest Rate	Outstanding amount in BDT
1	Short Term Borrowing	SOD	7.25%	100,000,000

This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 (as amended). It may be noted here that the statutory audit for the years 2018 & 2019 had been conducted by A. Qasem & Co., Chartered Accountants.

Dhaka, 17 April 2023

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants



(iii) Statement of unsecured loans with terms & conditions;

TO WHOM IT MAY CONCERN

AUDITOR'S CERTIFICATE ON STATEMENT OF UNSECURED LOANS WITH TERMS AND CONDITIONS

After due examination of the independent auditor's report along with the audited financial statements of Lankan Alliance Finance Limited ("the Company"), we certify that the Company has taken the following unsecured loans which are disclosed in the audited financial statements for the years ended 31 December 2018 to 31 December 2022 as follows:

For the year ended 2022:

Sl. No.	Types of Unsecured loan	Total amount in BDT
1	Refinance from Bangladesh Bank	63,500,000

Details of Refinance from Bangladesh Bank:

Sl. No.	Types of Unsecured loan	Nature of Loan	Interest Rate	Outstanding amount in BDT
1	BB Refinance CMSME	Unsecured	2.00%	60,444,444

For the year ended 2021:

Sl. No.	Types of Unsecured loan	Total amount in BDT
1	Refinance from Bangladesh Bank	7,750,000

Details of Refinance from Bangladesh Bank:

Sl. No.	Types of Unsecured loan	Nature of Loan	Interest Rate	Outstanding amount in BDT
1	COVID 19 Stimulus Package	Unsecured	5.00%	7,750,000

For the year ended 2020:

Sl. No.	Types of Unsecured loan	Total amount in BDT
1	Refinance from Bangladesh Bank	4,750,000

Details of Refinance from Bangladesh Bank:

Sl. No.	Types of Unsecured loan	Nature of Loan	Interest Rate	Outstanding amount in BDT
1	COVID 19 Stimulus Package	Unsecured	5.00%	4,750,000

This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 (as amended). It may be noted here that the statutory audit for the years 2018 & 2019 had been conducted by A. Qasem & Co., Chartered Accountants.

Dhaka, 17 April 2023

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants



- (iv) Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store & spares parts, inventory of trading goods etc;

TO WHOM IT MAY CONCERN

CERTIFICATION ON STATEMENT OF INVENTORIES OF RAW MATERIAL, PACKING MATERIAL, STOCK-IN PROCESS AND FINISHED GOODS, CONSUMABLE ITEMS, STORE & SPARE PARTS, INVENTORY OF TRADING GOODS ETC.

Based on our scrutiny of the financial statements for the years ended 31 December 2018, 2019, 2020, 2021 and 2022 Lankan Alliance Finance Limited (the “Company”), we certify that the Company is treated as service provider dealing with principal activities of providing Loans and Advances to the prospective clients by mobilizing deposit rather than converting raw materials into the finished goods. Therefore, the Company did not hold any inventories of raw material, packing material, stock-in process and finished goods, consumable items, store & spare parts, inventory of trading goods etc.

This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 (as amended). It may be noted here that the statutory audit for the years 2018 & 2019 had been conducted by A. Qasem & Co., Chartered Accountants.

Dhaka, 17 April 2023

**Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants**



(v) Statement of trade receivables showing receivable from related party and connected persons;

TO WHOM IT MAY CONCERN

CERTIFICATION ON STATEMENT OF TRADE RECEIVABLES SHOWING RECEIVABLE FROM RELATED PARTIES AND CONNECTED PERSONS OF LANKAN ALLIANCE FINANCE LIMITED

Based on our scrutiny of the relevant financial statements of the Lankan Alliance Finance Limited, we certify that the Company has no trade receivables including receivables from related parties and connected persons for the years ended 31 December 2018, 2019, 2020, 2021 and 2022.

This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 (as amended). It may be noted here that the statutory audit for the years 2018 & 2019 had been conducted by A. Qasem & Co., Chartered Accountants.

Dhaka, 17 April, 2023

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants



(vi) Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized/accrued;

TO WHOM IT MAY CONCERN

**AUDITOR'S CERTIFICATE ON STATEMENT OF ANY LOAN GIVEN BY THE ISSUER
INCLUDING LOANS TO RELATED PARTY OR CONNECTED PERSONS WITH RATE OF
INTEREST AND INTEREST REALIZED OR ACCRUED**

Since Lankan Alliance Finance Limited (the "Company") is engaged in the financing activities being a financial institution incorporated in Bangladesh under the Financial Institution Act, 1993 and the Companies Act, 1994, the nature of business of the company is to collect deposits and accordingly utilize such deposits for the purpose of issuing loans and advances. After due examination of the independent auditor's report along with audited financial statements, other statements and representation letter provided by the management of Lankan Alliance Finance Limited (the "Company"), we certify that the company has no loans given to the issuer including their related parties or connected persons for the years ended 31 December 2018, 2019, 2020, 2021 and 2022.

This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 (as amended). It may be noted here that the statutory audit for the years 2018 & 2019 had been conducted by A. Qasem & Co., Chartered Accountants.

Dhaka, 17 April 2023

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants



- (vii) Statement of other income showing interest income, dividend income, discount received, other non-operating income;

TO WHOM IT MAY CONCERN

CERTIFICATION ON STATEMENT OF OTHER INCOME SHOWING INTEREST INCOME, DIVIDEND INCOME, DISCOUNT RECEIVED, OTHER NON- OPERATING INCOME OF LANKAN ALLIANCE FINANCE LIMITED.

After due verification of the audited financial statements of Lankan Alliance Finance Limited (the “Company”) for the years ended 31 December 2018 to 31 December 2022, other documents and management representation letter, we certify that Lankan Alliance Finance Limited has other income described in the table below for the years ended 31 December 2018, 2019, 2020, 2021 and 2022.

For the year ended 2018:

	Amount in BDT
Particulars	Amount
Documentation fee	312,230
Other income	34,812
Total	347,042

For the year ended 2019:

	Amount in BDT
Particulars	Amount
Documentation fee & overdue interest	3,757,478
Other income	35,247
Total	3,792,725

For the year ended 2020:

	Amount in BDT
Particulars	Amount
Documentation fee & overdue interest	3,895,446
Early settlement charge	1,578,258
Other income	1,168,043
Total	6,641,747

For the year ended 2021:

	Amount in BDT
Particulars	Amount
Income from structured finance	11,019,565
Documentation fee & penal interest	1,802,436
Early settlement charge	3,469,886
Other income	450,425
Total	16,742,312

For the year ended 2022:

	Amount in BDT
Particulars	Amount



Documentation fee & penal interest	8,672,238
Income from structured finance	18,213,903
Early settlement charge	906,639
Other income	285,396
Total	28,078,176

This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 (as amended). It may be noted here that the statutory audit for the years 2018 & 2019 had been conducted by A. Qasem & Co., Chartered Accountants.

Dhaka, 17 April 2023

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants



(viii) Statement of turnover showing separately in cash and through banking channel;

TO WHOM IT MAY CONCERN

CERTIFICATION ON STATEMENT OF TURNOVER SHOWING SEPARATELY IN CASH AND THROUGH BANKING CHANNEL OF LANKAN ALLIANCE FINANCE LIMITED

After due verification of audited financial statements of the Company for the years ended 31 December 2018,2019,2020,2021 and 2022 and as per the information contained in the supporting accounting records we certify that Lankan Alliance Finance Limited (the “Company”) itself is engaged in providing financing services, so all proceeds of interest and fee based income, except petty cash items, is channeled through banking system.

This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 (as amended). It may be noted here that the statutory audit for the years 2018 & 2019 had been conducted by A. Qasem & Co., Chartered Accountants.

Dhaka, 17 April 2023

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants



(ix) Statement of related party transaction;

TO WHOM IT MAY CONCERN

AUDITOR'S CERTIFICATE ON STATEMENT OF RELATED PARTY TRANSACTION

After due examination of the accounting records of the Company and the independent auditor's report along with audited financial statements of Lankan Alliance Finance Limited (the "Company"), other documents and management representation letter, we hereby certify that Lankan Alliance Finance Limited did not engage in any transactions with any director or sponsor or executive officer of the issuer, any person holding 5% or more of the outstanding shares of the issuer or any related party or connected person of any of the above persons, except the transactions described in the table below for the years ended on 31 December 2018 to 31 December 2022:

For the year ended 2018:

i) Significant contracts where Company is a party and wherein Directors have interest during the year 2018:

Significant contracts where Company is a party and wherein Directors have interest	NIL
--	-----

ii) Share issued to Directors and Executives without consideration or exercisable at a discount:

Share issued to Directors and Executives without consideration or exercisable at a discount	NIL
---	-----

iii) Related Party Transaction

Amount in BDT						
Name	Relationship	Nature of Transaction	Limit	Outstanding	Interest Rate	Interest charged during the year
People's Leasing & Finance PLC- Sri Lanka	Shareholder	Expense Payable	-	17,613,990	-	-
Mr. Lutfе Mawla Ayub	Director	Term Deposit	-	2,000,000	-	-
Ispahani Summit Alliance Terminals Ltd.	Common Director	Term Deposit	-	300,000,000	-	-
Mr. Syed Nasser Haider Rizvi	Director's family member	Term Deposit	-	5,000,000	-	-



For the year ended 2019:

- i) Significant contracts where Company is a party and wherein Directors have interest during the year 2019:

Significant contracts where Company is a party and wherein Directors have interest	NIL
--	-----

- ii) Share issued to Directors and Executives without consideration or exercisable at a discount:

Share issued to Directors and Executives without consideration or exercisable at a discount	NIL
---	-----

- iii) Related Party Transaction:

Amount in BDT

Name	Relationship	Nature of Transaction	Limit	Amount in BDT	Interest Rate	Interest charged during the year
People's Leasing & Finance PLC- Sri Lanka	Shareholder	Expense Payable	-	17,613,990	-	-
Mr. Lutfе Mawla Ayub	Director	Term Deposit	-	2,000,000	-	-
Ispahani Summit Alliance Terminals Ltd.	Common Director	Term Deposit	-	250,000,000	-	-
Mr. Syed Nasser Haider Rizvi	Director's family member	Term Deposit	-	10,000,000	-	-
Ms. Fatema Hossain Rizvi	Director's family member	Term Deposit	-	7,500,000	-	-
Mr. Syed Ali Haider Rizvi	Director's family member	Term Deposit	-	17,000,000	-	-

For the year ended 2020:

- i) Significant contracts where Company is a party and wherein Directors have interest during the year 2020:

Significant contracts where Company is a party and wherein Directors have interest	NIL
--	-----

- ii) Share issued to Directors and Executives without consideration or exercisable at a discount:

Share issued to Directors and Executives without consideration or exercisable at a discount	NIL
---	-----



iii) Related Party Transaction:

Amount in BDT

Name	Relationship	Nature of Transaction	Limit	Amount in BDT	Interest Rate	Interest charged during the year
People's Leasing & Finance PLC- Sri lanka	Shareholder	Expense Payable	-	17,613,990	-	-
Ispahani Summit Alliance Terminals Ltd.	Common Director	Term Deposit	-	100,000,000	-	-
AHL Employees' Provident Fund	Common Director	Term Deposit	-	2,092,557	-	-
Alliance Econiq Technologies Limited	Common Director	Term Deposit	-	6,000,000	-	-
Ms. Fatema Hossain Rizvi	Director's family member	Term Deposit	-	5,591,000	-	-
Fountain Garments Manufacturing Ltd.	Common Director	Term Deposit	-	213,423,191	-	-
Mr. Lutfe Mawla Ayub	Director	Term Deposit	-	3,500,000	-	-
Ms. Mazkura Ayub	Director's family member	Term Deposit	-	2,500,000	-	-
Md. Mamun-Ur-Rashid	Shareholder's family member	Term Deposit	-	25,000,000	-	-
Oriental Oil Company Limited	Common Director	Term Deposit	-	50,000,000	-	-
PEB Steel Alliance Limited Employees Provident Fund	Common Director	Term Deposit	-	11,900,000	-	-
Rabab Fashion Industry Limited	Common Director	Term Deposit	-	60,000,000	-	-
Sabera Ahmed Rizvi Foundation	Director's family member	Term Deposit	-	500,000	-	-
Mr. Syed Ali Haider Rizvi	Director's family member	Term Deposit	-	18,732,500	-	-
Mr. Syed Nasser Haider Rizvi	Director's family member	Term Deposit	-	5,000,000	-	-

For the year ended 2021:

- i) Significant contracts where Company is a party and wherein Directors have interest during the year 2021:

Significant contracts where Company is a party and wherein Directors have interest	NIL
--	-----

- ii) Share issued to Directors and Executives without consideration or exercisable at a discount:

Share issued to Directors and Executives without consideration or exercisable at a discount	NIL
---	-----

- iii) Related Party Transaction:

Amount in BDT

Name	Relationship	Nature of Transaction	Limit	Amount in BDT	Interest Rate	Interest charged during the year
People's Leasing & Finance PLC-Sri Lanka	Shareholder	Expense Payable	-	17,613,990	-	-
Ispahani Summit Alliance Terminals Ltd.	Common Director	Term Deposit	-	106,483,077	-	-
AHL Employees' Provident Fund	Common Director	Term Deposit	-	2,750,516	-	-
Ms. Fatema Hossain Rizvi	Director's family member	Term Deposit	-	6,219,252	-	-
Fountain Garments Manufacturing Ltd.	Common Director	Term Deposit	-	162,704,168	-	-
Mr. Lutfe Mawla Ayub	Director	Term Deposit	-	5,000,000	-	-
Ms. Mazkura Ayub	Director's family member	Term Deposit	-	10,000,000	-	-
Md. Mamun-Ur-Rashid	Shareholder's family member	Term Deposit	-	75,000,000	-	-
Oriental Oil Company Limited	Common Director	Term Deposit	-	164,090,862	-	-
PEB Steel Alliance Limited Employees Provident Fund	Common Director	Term Deposit	-	14,212,519	-	-
Sabera Ahmed Rizvi Foundation	Director's family member	Term Deposit	-	500,000	-	-
Mr. Syed Ali Haider Rizvi	Director's family member	Term Deposit	-	20,155,921	-	-



Name	Relationship	Nature of Transaction	Limit	Amount in BDT	Interest Rate	Interest charged during the year
Mr. Syed Nasser Haider Rizvi	Director's family member	Term Deposit	-	22,000,000	-	-
Mrs. Archita Podder	CEO's Spouse	Term Deposit	-	7,000,000	-	-
Mr. Shahanur Rashid	Head of Business, LAFL	Term Deposit	-	1,030,000	-	-

For the year ended 2022:

- i) Significant contracts where Company is a party and wherein Directors have interest during the year 2022:

Significant contracts where Company is a party and wherein Directors have interest	NIL
--	-----

- ii) Share issued to Directors and Executives without consideration or exercisable at a discount:

Share issued to Directors and Executives without consideration or exercisable at a discount	NIL
---	-----

- iii) Related Party Transaction:

Name	Relationship	Nature of Transaction	Limit	Amount in BDT		
				Amount in BDT	Interest Rate	Interest charged during the year
People's Leasing & Finance PLC- Sri lanka	Shareholder	Expense Payable	-	17,613,990	-	-
AHL Employees' Provident Fund	Common Director	Term Deposit	-	4,585,398	-	-
Ms. Fatema Hossain Rizvi	Director's family member	Term Deposit	-	6,713,706	-	-
Fountain Garments Manufacturing Ltd.	Common Director	Term Deposit	-	194,684,975	-	-
Mr. Lutfe Mawla Ayub	Director	Term Deposit	-	1,630,279	-	-
Ms. Mazkura Ayub	Director's family member	Term Deposit	-	15,219,163	-	-
Md. Mamun-Ur-Rashid	Shareholder's family member	Term Deposit	-	92,050,000	-	-
PEB Steel Alliance Limited	Common Director	Term Deposit	-	20,583,875	-	-



Name	Relationship	Nature of Transaction	Limit	Amount in BDT	Interest Rate	Interest charged during the year
Employees Provident Fund						
Sabera Ahmed Rizvi Foundation	Director's family member	Term Deposit	-	500,000	-	-
Mr. Syed Ali Haider Rizvi	Director's family member	Term Deposit	-	21,454,133	-	-
Mr. Syed Nasser Haider Rizvi	Director's family member	Term Deposit	-	22,847,421	-	-
Mrs. Archita Podder	CEO's Spouse	Term Deposit	-	10,000,000	-	-
Orient Center	Director's family member	Term Deposit	-	15,180,667	-	-
OOCL Employees Provident Fund	Common Director	Term Deposit	-	1,200,000	-	-
Alliance Petroleum Corporation Limited	Common Director	Term Deposit	-	54,740,200	-	-
Ispahani Summit Alliance Terminals Limited Beneficiaries Profit Participation Fund	Common Director	Term Deposit	-	2,658,268	-	-
Ispahani Summit Alliance Terminals Limited Employees Provident Fund	Common Director	Term Deposit	-	1,000,000	-	-
Fahmida Akter Khatun	Shareholder	Term Deposit	-	26,046,250	-	-
Masco Exports Limited	Common Director	Term Deposit	-	122,783,698	-	-



This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 (as amended). It may be noted here that the statutory audit for the years 2018 & 2019 had been conducted by A. Qasem & Co., Chartered Accountants.

Dhaka, 17 April 2023

**Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants**



- (x) Reconciliation of business income shown in tax return with net income shown in audited financial statements;

TO WHOM IT MAY CONCERN

AUDITOR'S CERTIFICATE REGARDING RECONCILIATION OF BUSINESS INCOME SHOWN IN TAX RETURN WITH NET INCOME SHOWN IN AUDITED FINANCIAL STATEMENTS

Based on our review of the audited financial statements for the years ended 31 December 2018 to 31 December 2022 and related income tax return of Lankan Alliance Finance Limited (the "Company") which have been prepared by management of the Company and produced to us, we certify that the following reconciliation of business income as shown in income tax return with net income (profit) as shown in audited financial statements of the Company during the last five years has been extracted from those documents:

	Amount in BDT				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Income before tax as per audited financial statements	87,865,671	91,546,134	88,872,464	67,843,446	33,846,215
Add : Total provision	19,122,280	8,831,444	4,775,085	980,734	11,684,676
Add : Accounting depreciation	4,791,904	4,411,132	3,461,190	3,278,246	2,384,325
Add : Inadmissible expenses	30,459,130	22,423,858	9,255,078	34,661,758	11,843,114
Less : Tax depreciation	3,788,284	2,573,882	2,075,164	2,417,448	2,530,116
Less : "0% rate" & lesser rate tax income	32,799,695	40,127,857	38,198,795	18,776,700	47,829,940
Less : Admissible expenses	23,600,249	14,412,459	460,149	15,545,754	-
Income from business or profession	82,050,757	70,098,370	65,629,709	70,024,282	9,398,274
Add : Lesser rated tax income	26,585,950	32,895,567	34,385,865	14,147,823	347,042
Add : "0% rate" tax income	1,895,284	3,542,902	358,735	564,597	1,258,051
Total income shown in income tax return	110,531,990	106,536,839	100,374,309	84,736,701	11,003,367

This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 (as amended). It may be noted here that the statutory audit for the years 2018 & 2019 had been conducted by A. Qasem & Co., Chartered Accountants.

Dhaka, 17 April 2023

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants



(xi) Confirmation that all receipts and payments of the issuer above Tk. 5,00,000/- (five lac) were made through banking channel;

TO WHOM IT MAY CONCERN

AUDITOR'S CERTIFICATE ON CONFIRMATION THAT ALL RECEIPTS AND PAYMENTS OF THE ISSUER ABOVE BDT 500,000 (FIVE LAC) WERE MADE THROUGH BANKING CHANNEL

We hereby certify that, to the best of our information and as shown by the books and records of Lankan Alliance Finance Limited (the "Company"), as well as the audited financial statements for the years ended 31 December 2018, 2019, 2020, 2021 and 2022 all receipts and payments other than deposits and loan account of the Company above BDT 500,000 (Five lac) were made through banking channel following standard banking norms and rules and regulations.

This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 (as amended), It may be noted here that the statutory audit for the years 2018 & 2019 had been conducted by A. Qasem & Co. Chartered Accountants.

Dhaka, 17 April 2023

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants



- (xii) Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;

TO WHOM IT MAY CONCERN

**CERTIFICATE ON CONFIRMATION THAT ALL BANK STATEMENTS OF THE ISSUER ARE
IN CONFORMITY WITH ITS BOOKS OF ACCOUNT**

Based on our examination of Bank statements and related books of account (including financial statements, Bank reconciliation) and management representation letter of Lankan Alliance Finance Limited (the “Company”), we certify that bank balances of the Company as disclosed in books of accounts (financial statements) conform with the related bank statements as produced to us by the management. The management has also prepared the summary of the Company’s bank accounts for the years ended 31 December 2018, 2019, 2020, 2021 and 2022 and duly reconciled to related bank statements.

This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 (as amended). It may be noted here that the statutory audit for the years 2018 & 2019 had been conducted by A. Qasem & Co., Chartered Accountants.

Dhaka, 17 April 2023

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants



(xiii) Statement of payment status of TAX, VAT, and other taxes/duties;

**TO WHOM IT MAY CONCERN
AUDITOR'S CERTIFICATE ON STATEMENT OF PAYMENT STATUS OF TAX, VAT AND
OTHERS TAXES/DUTIES**

After due verification, and as per the information contained in the supporting accounting records and audited financial statements of the Company for the years ended 31 December 2018 to 31 December 2022, related corporate income tax returns, withholding tax returns, value added tax returns and excise duty returns of Lankan Alliance Finance Limited (the "Company") as prepared by the management and produced to us by the Company's management, we certify that the Company has disclosed following amount of corporate income tax, value added tax and other taxes/duties payment in those returns/statements from 31 December 2018 to 31 December 2022.

Five Years Tax Payment:

Particulars	Amount in BDT				
	Year ended 31-Dec-22	Year ended 31-Dec-21	Year ended 31-Dec-20	Year ended 31-Dec-19	Year ended 31-Dec-18
Income Tax	23,478,810	35,424,283	33,164,930	31,654,282	4,499,327
Withholding Tax	30,697,992	16,247,939	10,715,694	11,296,927	8,541,610
Withholding VAT & VAT on Banking Services	4,933,505	2,977,006	2,519,828	3,121,457	6,410,836
Excise duty	5,701,350	2,284,899	1,146,400	106,900	205,818
Total	<u>64,811,657</u>	<u>56,934,127</u>	<u>47,546,852</u>	<u>46,179,566</u>	<u>19,657,591</u>

Five Years Tax Payable:

Particulars	Amount in BDT				
	Year ended 31-Dec-22	Year ended 31-Dec-21	Year ended 31-Dec-20	Year ended 31-Dec-19	Year ended 31-Dec-18
Income Tax	14,848,234	-	-	-	-
Withholding Tax Payable	2,082,940	1,238,689	707,978	1,828,346	3,177,726
Withholding VAT payable	2,515,821	952,936	31,896	251,690	272,907
Excise duty payable	3,003,450	268,800	79,400	106,900	156,150
Total	<u>22,450,422</u>	<u>2,460,425</u>	<u>819,274</u>	<u>2,186,936</u>	<u>3,606,783</u>

This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 (as amended). It may be noted here that the statutory audit for the years 2018 & 2019 had been conducted by A. Qasem & Co., Chartered Accountants.

Dhaka, 17 April 2023

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants



SECTION (XXVII)
(B)(26)

CREDIT RATING REPORT



CREDIT RATING REPORT On LANKAN ALLIANCE FINANCE LIMITED

REPORT: RR/53791/22

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL long-term rating is valid for only one year and short-term rating for six months from the date of rating. After the above periods, these ratings will not carry any validity unless the financial institution goes for rating surveillance. CRISL followed Bank/FI Rating Methodology published in CRISL website www.crislbd.com

Address:
CRISL
Nikashi Homes
(4th & 5th Floor)
6/1A, Segunbagicha,
Dhaka-1000
Tel: 9530991-4
Fax: 88-02-9530995
Email:
crisldh@crislbd.com

Rating Contact:
Tanzim Islam
tanzim@crislbd.com

Analysts:
Md. Anwar Hossain
anwar@crislbd.com

Md. Sugon Mita
sugon@crislbd.com

Entity Rating
Long Term: AA-
Short Term: ST-2

Outlook: Stable

LANKAN ALLIANCE FINANCE LIMITED

**DATE OF
INCORPORATION**
September 27, 2003

CHAIRMAN
Syed Ali Jawher Rizvi

**CHIEF EXECUTIVE
OFFICER**
Ranjit Kumar Saha

PAID UP CAPITAL
TK.1,000.00 million

EQUITY
TK.1,279.04 million

TOTAL ASSETS
TK.3,464.30 million

Public limited company

Date of Rating: June 08, 2022	Valid up to: June 07, 2023	
	Long Term	Short Term
Entity Rating	AA-	ST-2
Outlook	Stable	

1.0 RATING RATIONALE

CRISL has upgraded the Long-Term rating to 'AA-' (pronounced as double A minus) and the Short Term rating to 'ST-2' of Lankan Alliance Finance Limited (LAFL) based on both relevant qualitative and quantitative information up-to the date of rating. The above ratings have been assigned based on some fundamentals such as good capital base, good asset quality, renowned local sponsors, proven track record of the joint venture partner, etc. However, the above factors are constrained to some extent by limited core business and credit portfolio, exposure to credit and deposit concentration risk, and limited branch network etc.

The Long-Term rating implies that entities rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions. The Short-Term rating indicates the high certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

CRISL also views the company with "Stable Outlook" for its steady business growth and consistent fundamentals.

2.0 CORPORATE PROFILE

2.1 Genesis

Lankan Alliance Finance Limited, a Joint Venture Non-Banking Financial Institution (NBFI), has been operating in Bangladesh since 2017. The company was initially incorporated with the name of Alliance Leasing & Finance Company Limited on September 27, 2003, as a Public Limited Company under the Company Act, 1994. The company has been operating its business activities from the year 2017. Subsequently, the company has formed a Joint Venture in June 2017 with a renowned and largest Sri Lankan non-banking financial institution namely People's Leasing & Finance PLC and changed its name as Lankan Alliance Finance Limited in December 2017.

People's Leasing & Finance PLC (PLF), a subsidiary of Government owned People's Bank, is a publicly quoted listed company with Colombo Stock Exchange. PLF is providing value added financial services to Sri Lankans over the last twenty-six years. Total assets of PLF (Solo basis) stood at Rs.180.7 billion and total credit portfolio stood at Rs.151.2 billion as on March 31, 2022. The net interest income of the company increased to Rs. 13.05 billion from Rs.11.99 billion. Accordingly, net profit after tax of PLF increased to Rs.4.65 billion in 2022 from Rs.4.03 billion in 2021. The total impairment charge of loans and receivables of non-performing advance (NPA) amount has reduced to Rs.656 million as of 31 March 2022 from Rs. 1,044 million as on 31 March 2021 reflecting the efforts & resource channeled to managing the credit risk and improving the recoveries. PLF rated as 'A+' credit rating by Fitch Ratings Lanka.

LAFL was initially formed with a paid-up capital of Tk.10.00 million against an authorized capital of TK.1,000.00 million. Subsequently, the paid-up capital of the company increased to Tk.1,000 million on December 31, 2017 and remained the same till to date. Total asset size of LAFL improved to Tk.3,464.30 million as on December 31, 2021, compared to Tk.2,505.95 million of previous year. Recently the company has launched a branch at Banani and has a plan to set up a branch and booth during the year 2023. LAFL is currently operating its business activities from its head-office located at Lalia Tower (Level-10), 8 South Gulshan Avenue, Gulshan-1, Dhaka 1212.



Credit Rating Information and Services Limited

Head Office: 101, Commercial Road, Dhaka, Bangladesh. Contact: 111-111-1111

CREDIT RATING REPORT On LANKAN ALLIANCE FINANCE LIMITED

Reviewed local Sponsors

2.2 Ownership Pattern

The ownership pattern of LAFL has remained the same during the period under surveillance. The company has total 100.00 million ordinary shares of Tk.10.00 each as on December 31, 2021. In the ownership structure, 51% shares are held by foreign institution namely People's Leasing & Finance PLC, Sri Lanka and remaining 49% are held by local Sponsors. Local sponsors include Summit Holding Limited (10%), Green Delta Insurance Company Limited (10%), Syed Ali J. Rizvi (10%), Sohana Rouf Chowdhury (10%), Concept Knitting Limited (4%), Dr. Fahmida Akter Khatun (3%) and Lutfe Mawla Ayub (2%).

Limited core business and credit portfolio

2.3 Business Profile

The company has diversified portfolio and it is focusing with existing portfolio rather than aggressive marketing strategy to enhance its portfolio. The portfolio exposure of LAFL is segregated on corporate business houses and consumer finances. LAFL has achieved this portfolio by planned investment in diversified sectors such as large manufacturing companies (in the form of lease finance, term finance, project finance and syndication finance), consumer finance (in the form of auto/car loan, personal loan, loan against TDR) and SME (in the form of woman entrepreneur loan, work order financing) through introducing the above lending products. In addition to existing financing facilities, the company is trying to explore SME finance. During the surveillance period, the company enhanced its investment in SME sector to Tk.986.94 million in 2021 from Tk.580.19 million in 2020.

The company is also offering liability products such as Corporate Term Deposit, Professional Deposit Scheme, Senior Citizen Deposit Scheme, Employee Contribution Fund, Double Money, Triple Money and Wealth Builder Scheme.

In addition, by launching Structure Finance Department, LAFL plans to arrange syndicated financing facilities, facilitate issuance of bonds and preference shares, foreign currency financing as well as specialized financing. LAFL has already initiated a number of projects under this department. In 2021, LAFL has also become a Participating Financial Institution (PFI) of the Investment Promotion and Financing Facility II (IPFF II) Project which is a joint collaboration between the Government of Bangladesh and the World Bank to finance the private sector led infrastructure projects with lower cost of financing and longer repayment tenor compared to the existing debt market in Bangladesh. LAFL is currently arranging three syndicated facilities under IPFF II to arrange financing for two digital infrastructure projects and on power generation project.

3.0 CORPORATE GOVERNANCE

CRISL examines and evaluates the following areas under corporate governance practice.

3.1 Board of Directors

The Board of Directors of LAFL consisted of 13 members. The members of the Board carries local and international exposure and hold excellent knowledge in the area of Bank, NBFI, Insurance, Textile and Garments, Food and allied business as well as have high exposure in the field of Accounting profession. The current Chairman of the Board is Mr. Syed Ali Jowher Rizvi, who has more than 45 years of experience in banking and finance sector. Mr. Rizvi started his professional career with Bank of Credit and Commerce International (BCCI) in 1977. He also served Union Bank Zambia Ltd., Zambia as its founder Managing Director from 1991 to 1997. Within a short span of 7 years, Mr. Rizvi took the new bank to the 2nd leading position (amongst local private banks) in the competitive Zambian banking sector and accordingly he was awarded as prestigious Banker of the Year. Mr. Jowher Rizvi completed his MBA degree in International Finance and Accounting from Indiana University, USA. He also earned an MA in Economics with Honors from Dhaka University. He was also engaged with Institute of Business Administration (IBA) as a part time (Honorary) Lecturer.



Credit Rating Information and Services Limited
CRIS/2020/022 - 1st Floor, Commercial Centre, 4, Bangladesh Credit Rating Centre Ltd

CREDIT RATING REPORT On LANKAN ALLIANCE FINANCE LIMITED

The Board of Directors are collectively responsible for governance which includes setting out the Company's strategic goals, providing the necessary leadership to implement such goals, supervising the management of the business and reporting to shareholders on their stewardship. The Board deals with establishing overall policies and procedures and approves/reviews financial facilities. The Board conducted seven meetings in YE2021 against four meetings in YE2020.

3.2 Key Board Committees

In order to discharge functions more effectively, the Board constituted two sub committees namely Executive Committee (EC) and Audit Committee (AC). The Board formed five members EC Chaired by Mr. Lutfe M. Ayub. The Committee conducted 03 meetings during 2021 against 5 meetings during 2020. EC approves the credit and business proposals of up to Tk.200.00 million as per approved policy of the Board as well as reviews the policies and guidelines issued by Bangladesh Bank. EC also assists the Board in formulating the executive policy and reviewing, evaluating and making recommendations about key strategic issues as well.

The Board also formed five members Audit Committee Chaired by Mr. Sujaewa Rajapekse. The AC conducted 04 meeting (as approved by Bangladesh Bank) during 2021. AC reviews any matter relating to the financial affairs of the company, all audit and inspection reports including external audit reports and Bangladesh Bank inspection reports, internal control systems and procedures as well as draft annual financial report reviews by the external auditor. AC also examines the status of implementation of the company's internal policies and manuals, Bangladesh Security and Exchange Commission (BSEC) regulations and Bangladesh Bank's guidelines etc.

3.3 Corporate Management

The management team of LAFL is headed by Mr. Kanti Kumar Saha who has joined as Chief Executive Officer (CEO). Mr. Kumar has completed Bachelor's and Master's degree in Economics from University of Dhaka. He also holds a Postgraduate Management Degree from Nottingham Trent University, U.K. His work in Corporate & Institutional Banking, Public Sector and Offshore Banking and above all his capabilities in corporate customer solution building has earned him many laurels. He also attended major developmental assignments in India and Thailand during his mid-career. Mr. Kumar attended several advanced training courses, workshops and seminars in Risk Management, Leadership, Relationship Management and International Trade at home and abroad. He is also a Certified Trade Expert by Standard Chartered Bank and a Risk Officer assigned by Citibank N. A. Before joining Lankan Alliance Finance Limited, he represented the Board as a Managing Director and CEO of NDB Capital Limited, an investment banking arm of National Development Bank PLC of Sri Lanka. Mr. Kumar worked as Director & Head of Global Corporate Banking in Citibank N. A. Bangladesh for a considerable time and also served as Deputy Managing Director and Chief Business Officer of Prime Bank Limited previously. The activities of the company are being operated under different departments namely, HR, Finance & Accounts, Treasury, Deposit Mobilization, CRM, Business, IT & ICC. The management of LAFL has formed different committees in order to run the day to day operations smoothly as Core Management Committee, Assets Liability Committee (ALCO), Management Credit Committee, Procurement Committee, ICT Steering Committee, ICT Security Committee, Provident Fund Committee, Anti-Money Laundering, Sustainable Finance Unit, and Risk Management Committee.

Experienced
management team



Credit Rating Information and Services Limited
Plot 60/99/1, VHS Cantonment, Sading, Dhaka-1207, Bangladesh. T: 8800 1000

CREDIT RATING REPORT On LANKAN ALLIANCE FINANCE LIMITED

3.4 Human Resources Management

LAFI has been operating with a total HR base of 35 as on December 31, 2021. During the year under surveillance, the company recruited 14 employees mostly at senior level and 09 employees left from the company, mostly junior level. Top one employee who left the organization were in the position of Chief Operating Officer (COO). Mr. Kanti Kumar Saha has joined as a CEO in August 2020. The company has already implemented Board approved Service Rules for the employees to create congenial working environment. It has incorporated provident fund, gratuity, festival bonus and Group Insurance for the employees. Human Resources activities are supervised by the Human Resource Unit. To improve the human resources quality, LAFI sends its employees to attend the different training and workshops arranged by Bangladesh Bank and BLFCA. During 2021, the company has arranged training to the officers at different training institutes for 35 participants on different topics to improve the efficiency of the human resources of the company.

3.5 IT and its use to MIS

The use of information technology including MIS of the company is at the deployment stage. The necessary IT support is being provided by both the IT team of PLC (Sri Lanka) and IT team of LAFI. Presently, LAFI's IT infrastructure includes necessary hardware and software such as PCs, Laptops, UPS for backup power, Core Banking Solution EPS, Tally, Office 365 software, CIB software, e-KYC, EDS Money, EC Portal etc. Currently Core Banking Solution EPS is running parallel live and expecting to go full-fledged operation by the end of 2022. Currently the company is using 2 Dell 740 servers for CBS test implementation using Microsoft Hyper-V technology, Cisco switches as a distribution switch for user workstation and a Mikrotik router as a gateway for Internet. Moreover, the company has implemented Fortinate Firewall, Cisco Router and Dell Server, Active directory, File Server, Print Server. LAFI has Board approved ICT policy in 2019. The management of the company is on the process of setting up a disaster recovery site after going live of core banking software as part of Business Continuity Plan (BCP). Currently the company is planning to take schedule database backup from one server to another server. Moreover, the company has established the ICT Steering Committee and ICT Security Committee.

Moreover, LAFI, under a strategic alliance with CASHe, is planning to introduce an app-based lending platform which will be able to instantly underwrite and disburse short-term personal loans mostly to people who may not have had a formal credit history or Bank Account or is in need of emergency financial needs, through a digital app.

4.0 INDUSTRY ANALYSIS: NON BANK FINANCIAL INSTITUTIONS (NBFIs)

4.1 Economy Projection

The overall performance of banking and non-banking sector in Bangladesh showed mixed trend in 2021 and is passing through a tough time to control increasing NPL and manage capital adequacy. Tough COVID 19 situation improved significantly due to high rate of massive vaccination and lower infection, the increasing food & non-food inflation in local economy, rising oil & other essential commodities price hike in international market amid ongoing war between Russia & Ukraine posed a fresh threat to both local and international economy. Despite many hurdles and shortcomings Bangladesh's gross domestic product (GDP) grew 6.94 per cent in the fiscal year 2021. The World Bank (WB) said in its recent released of Global Economic Prospects projected that Bangladesh's economy is expected to grow 6.9 per cent in fiscal year 2022-23 by strong export growth and a rebound in domestic demand. World Bank observed that strong export growth, supported by returning readymade garment demand from abroad, and a rebound in domestic demand-with improving labor income and remittance inflows-supported the recovery in Bangladesh Economy.

The multilateral lender forecasted that gross domestic product (GDP) would expand 6.4 per cent in the current fiscal year of 2021-22, up 1.3 percentage points from its June projection of 5.1 per cent for the fiscal. Apart from many internal and external problems, impact of COVID 19 and ongoing war between Russia & Ukraine added fuel to the above situation. The Bangladesh Bank has been forced to act and issued a large number of circulars recently to combat the situation arising from liquidity, stressed assets, over borrowing by the government etc. to tackle the financial impact of COVID -19.

IT infrastructure at developing stage



Credit Rating Information and Services Limited

Plot 60/60A, G/F-2 Curfew Road, Hilling, Dhaka-1215, Bangladesh | Operating Since: 1993

CREDIT RATING REPORT On LANKAN ALLIANCE FINANCE LIMITED

After the global growth contraction for 2020 at -3.4 percent, the global economy growth was estimated at 5.5 percent in 2021 and is projected to grow at 4.1 percent in 2022 as per World Bank Report. The strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spillovers, and structural characteristics entering the crisis.

4.2 Sector at June 30, 2021

A total of 35 (thirty-five) NBFIs are operating in Bangladesh. Out of the total, 3 (three) are fully government owned, 19 are private domestic and 13 are joint venture and the total branch network stood at 277 as on June 30, 2021. The minimum paid up capital of NBFIs stood at Tk.1,000.00 million as per the Financial Institution Regulation, 1994. FIs are regulated under Financial Institution Act, 1993 and controlled by Bangladesh Bank. Certain provisions of the key acts like Companies Act 1994 and Bangladesh Securities and Exchange Commission Act 1993 have implications for NBFIs. Though, Bangladesh Bank is the regulatory and supervisory authority of both banks and NBFIs; the Ministry of Finance (MoF) of the government exercises notable control over government-owned banks and NBFIs.

The financial health of at least one-third of NBFIs are alarming due to weak governance structure, over borrowings, insider lending, wrong client selection for approving the loan, lack of security coverage against loan amount, lack of documentation, massive fall in earnings and series of scams in the NBFI sector. Though central bank has taken a number of steps and policy measures to curb the situation, but people's confidence has been eroded to a great extent due to liquidation by one listed leasing company and another near to die.

4.3 Profitability

Profitability performances of the NBFIs industry are not satisfactory especially significant deterioration from the last two years. Total profit of the NBFIs sectors declined by 61% to Tk.356 crore in 2020 resulting to Return on Asset (ROA) and Return of Equity (ROE) of overall industry stood at only 0.40% and 4.30% respectively in 2021 against 0.40% and 3.90% respectively in 2020. Cumulative last five years average profitability performance in the form of ROA and ROE stood at 1.1% and 9.84%. Transparency of the owner, lack of skill management, substantial loan-loss provision are influenced the performance of profitability.

NBFIs are allowed to invest in capital market up-to 25% of paid up capital and reserve as per section 16 of Financial Institution Act, 1993. Capital market investment in NBFIs stood at Tk.22.96 billion at the end of June, 2021 against Tk.21.64 billion in the YE2020. The gloomy state of the capital market, which is another source of income for some NBFIs, caused a huge loss which worsened financial performance of the industry. On the other hand, Government has fixed up the maximum lending and deposit rate for the Banks which subsequently impacted majority of the NBFIs to maintain the spread due to weak public confidence on NBFIs industry. Though small number NBFIs may hold a short tenor deposit book, the maturing deposits would be re-priced at lower rates while to re-price the loan book would take long a period than for deposit. Therefore, the coming year may be beneficial for few NBFIs from maturity mismatches of the portfolio.

4.4 Asset Quality

The asset base of the industry increased by 6.28% in 2021 which stood at Tk.914.30 billion compared to Tk.860.30 billion in 2020. The composition of investment of NBFIs are in different sectors of the economy like industrial sector (47.24%), real estate (18.96%), trade and commerce (13.90%), merchant banking (3.09%), agriculture (2.46%), margin loans (1.15%) and others (13.20%) as on June 30, 2021. The volume of classified loan increased significantly to Tk.103.3 billion in June, 2021 against Tk.89.1 billion in the corresponding year. Non Performing Loan (NPL) of NBFIs stood at 15.4%, 13.3% and 11.9% respectively in June 2021, 2020 and 2019. The volume of defaulted loans in the country's NBFI sector has been swelling amidst a series of scams and irregularities. 9 companies had their classified loan ratio higher than 15%, 12 companies over 10% while 15 companies could limit their NPL below 5%.



Credit Rating Information and Services Limited

পলিটিক্যাল: WFS Credit Rating Company Limited, Operating Since 1992

CREDIT RATING REPORT On LANKAN ALLIANCE FINANCE LIMITED

The loan loss provisions amounted to Tk.4,440 crore against a requirement of Tk.5,180 crore representing a coverage ratio of 44.12% of total bad loans. The coverage was 7.6 percentage points higher than in the previous year. Six companies could not maintain the required provision, causing a provision shortfall of Tk.740 crore for the industry.

4.5 Capital Adequacy

BB has implemented the Basel-II framework from January 01, 2012 for FIs in keeping with the global standard. Under the above directives, all the FIs are required to maintain 10% of the Risk Weighted Assets (RWA) or Tk.1.00 billion whichever is higher. Capital Adequacy Ratio (CAR) of NBFIs stood at 10% with 5% from core capital. At the end of December 2019, out of 35 FIs, the composite CAMELS rating of 14 were "2 or Satisfactory", 11 were "3 or Fair", 6 were "4 or Marginal" and 2 were "5 or Unsatisfactory". One FI is yet to come under this rating & another one is in liquidation process. In addition, NBFIs plays a significant role in the development of bond market through issuing of different types of bonds.

4.6 Liquidity

Total deposits of NBFIs stood at Tk.445.4 billion in 2021 against Tk.441.20 billion in 2020 while industry's total loan/lease stood at Tk.671.20 billion in 2021 against Tk.670.20 billion in 2020. At present, term liabilities are subject to a statutory liquidity requirement (SLR) of 5.0% inclusive of average 2.5% (at least 2.0% in each day) cash reserve ratio (CRR) on bi-weekly basis. The SLR for the NBFIs operating without taking term deposit is 2.5%.

Deposit as percentage of total liability has gradually decreased in the industry, which stood at 53.74%, 57.40% and 60.00% respectively as on June 30, 2021, 2020 and 2019. Decreasing trend of deposit base ultimately indicates the question of sustainability of the industry and increase the cost of fund at higher rate. Currently, the industry is facing continuous deposit withdrawal move due to the liquidation of one NBFi and another is in the process to be liquidated which ultimately is intensifying the liquidity crisis.

Like elsewhere across the globe, the COVID-19 pandemic has brought uncertainties in financial and economic sector in Bangladesh. Bangladesh Bank has taken several policy measures to mitigate the impact of COVID-19 on non bank financial institutions and their clients. Some of the key policies are: relaxation on loan/lease/advance classification, lowering the CRR from 2.5 percent to 1.5 percent on bi-weekly basis and from 2.0 percent to 1.0 percent on daily basis, restructuring and revolving loan renewal facilities on easy terms and conditions. Moreover, Bangladesh Bank facilitates interest rate subsidy and refinance scheme for pandemic affected clients of non bank financial institutions and banks under the government stimulus packages for providing working capital in industry and service sector and cottage, micro, small and medium enterprises (MSME) sector. These prompt policy supports and responses from Bangladesh Bank in sync with the government's stimulus packages and other policies helping widely to mitigate COVID's negative impact on Bangladesh's economy.

5.0 RISK MANAGEMENT

Risk management is one of the core operational pillars of financial institutions. The primary objective of risk management is to take calculative risk in order to safeguard its capital and well manage the financing business. In order to go for more risk sensitive financing, Bangladesh Bank has formulated Core Risk Management Guidelines on the basis of best practices in the industry and advised FIs to comply with the above. The risk management modules circulated by the BB cover core risk areas i.e. Credit Risks, Asset and Liability/Balance Sheet Risks, Internal Control and Compliance Risks, IT Security Risk and Money Laundering and Terrorist Financing Risks. The risk related observations of CRISL are narrated below:



Credit Rating Information and Services Limited

First Floor, 1001, Central Trust Building, Company @ SmartSouth, Cox's Bazar Road, Dhaka 1215

CREDIT RATING REPORT On LANKAN ALLIANCE FINANCE LIMITED

5.1 Credit Risk Management

Credit Risk Management as one of the core risk is designed and regularly updated to identify, measure, manage and mitigate credit risk to maintain and improve the quality of loan portfolio, reduce actual loan losses and to ensure that approved processes are followed through appropriate due diligence in appraising and subsequent approving of new credit facilities. Internal Credit Risk Rating System (ICRRS), Credit Risk Grading (CRG) are important tool for credit risk management. The aggregate score of CRG can provide a better assessment of the quality of credit portfolios of LAFL. Another tool of minimizing credit risk is to obtain and review credit rating of a company before extending credit facilities. The Risk Management Committee is responsible to review the credit rating of the borrower annually.

While reviewing the risk weight wise distribution of on balance sheet exposure under credit risk, it was revealed that 1.56% of the exposures fall under 0% risk category, 25.02% under 20% risk, 28.56% under 50% risk, 31.12% under 75% risk, 4.90% under 100% risk, 1.61% under 125% risk and 7.23% under 150% risk. It is a positive sign that the company has invested in all rated clients and total on balance sheet exposure stood at Tk.208.75 million as on December 31, 2021.

5.1.1 Credit Approval Process

LAFL has formulated a credit policy manual to describe the policy and procedures for the handling of credit related operation. Relationship Manager (RM) acts as an initiator to contact borrowers at the primary stage and proactively analyze the financial performance and transaction behavior of the borrowers (at this stage proposal can be rejected). After receiving the business proposal, RM places the application to Credit Risk Management (CRM) Department for identification and assessment the risk. Credit Risk officer visits the client physically and check all data and verify the credit worthiness of the client to make an initial decision whether the proposal can be forwarded or not. After getting a recommendation from CRM, the file is forwarded to the Credit Risk Management Committee for their recommendation which is then subsequently forwarded to Management Credit Committee (MCC)/Executive Committee (EC) and Board of Directors based on delegation limit for approval. EC can approve up to Tk.200.00 million but the Board has supreme authority to approve any amount.

5.2 Operational Risk Management

5.2.1 Internal Control and Compliance

LAFL has formulated internal control manual, policies and guidelines in order to establish a clear line of responsibility between each division and sub-division according to the Bangladesh Bank core risk management guidelines. As a part of core risk management, total operation of Internal Control and Compliance has been segregated into three departments namely- Compliance, Monitoring and Audit & Inspection. The compliance division ensures that LAFL has complied with all regulatory requirements, maintained a liaison with the regulatory bodies and notified any regulatory changes to all concerned in the company. Monitoring Department ensures loan documentation checklist and Quarterly Operation Report (QOR). Internal control and compliance division undertakes periodical and special audit of all departments at Head office for the deficiencies in operations, weakness in the control system and report to the authority to review the operation and compliance requirements. In view of the above, LAFL has already established separate Internal Control & Compliance Unit.

5.2.2 Prevention of Money Laundering

LAFL has been following Anti-Money laundering guidelines which are approved by the Board "Prevention of Money Laundering & Terrorist Financing" under the care of Chief Compliance Officer who independently reviewed the transactions. The company has formed a Six members Central Compliance Unit (CCU) headed by Mr. Mostafa Meer Khaled Omar, EVP & Head of CRM, as a Chief Anti-Money Laundering Compliance Officer (CAMLCO). CAMLCO regularly submits the status report to CEO and Department of Off-Site Supervision of Bangladesh Bank on the basis of abnormal transactions made, Suspicious Transaction Report (STR), Cash Transaction Report, Know Your Client (KYC) procedures etc. Moreover, LAFL has an effective Anti Money Laundering (AML) and Combating Financing of Terrorism (CFT) policy. CCU conducts its meeting by monthly basis to ensure AML & CFT practice in LAFL.

CREDIT RATING REPORT On LANKAN ALLIANCE FINANCE LIMITED

There was no Suspicious Transaction Report (STR) during the year 2021. To implement the present Anti Money Laundering policy, employees are being trained by the relevant department of Bangladesh Bank.

5.3 Asset Liability Management

LAFI has an Asset Liability Manual (ALM), which was developed in line with Bangladesh Bank best practice guideline. ALM is a strategic management tool to manage interest rate risk and liquidity risk faced by NBFIs. Asset Liability Management Committee (ALCO) of LAFI comprises of five members headed by Mr. Kanti Kumar Saha, Chief Executive Officer as Chairman. The ALCO reviewed and resolved issues relating to money market situation, balance sheet gap, analysis of performance result, assets growth, sensitivity analysis, business plan for investment, deposit mobilization etc. During the year 2021, ALCO conducted 11 meetings.

5.4 Spread Management

Financial market of Bangladesh has experienced a volatile interest rate during in recent years. Pressure from regulators to reduce the lending rate forced the FIs to rearrange interest rate of financing agreements in many cases, which ultimately squeezed the margin of FIs. Subsequent interest rate adjustment capability of the company plays a vital role in minimizing the interest rate risk. LAFI has a clause in its all credit agreement for necessary interest rate adjustment in accordance with the market pressure, which provides flexibility to the company to adjust the interest rate. The weighted average lending rate of the company stood at 11.25% and cost of fund stood at 7.14% indicating 4.11% spread as on December 31, 2021. Paid up capital and depositor funds are already invested in existing portfolio and for further investment LAFI will depend on credit lines like other FIs operating in the market.

6.0 PERFORMANCE

6.1 Financial Performance

The overall financial performance of LAFI has been found to be stable during the period under surveillance. CRISL evaluates the financial performance in terms of Return on Average Assets (ROAA), Return on Average Equity (ROAE) and Net Profit Margin (NPM) etc.

The interest income of the company increased to Tk.252.62 million in YE2021 from Tk.204.95 in YE2020 due to increase in loan and advance. As a newly startup company, LAFI has to compete in the highly competitive money market where the regulatory authority fixed the lending rate for the banks making the situation more competitive for NBFIs. The interest income composed of 88.75% income from term finance and rest 11.25% income from balance with other banks and financial institutions. Against the same, the company paid Tk.118.42 million interest on deposit in YE2021 against Tk.78.05 million in YE2020. Thus the net interest income of the company increased to Tk.134.41 million in YE2021 from Tk.126.89 million of previous year. Moreover, due to considerable income generated from structured finance (Tk.11.02 million) as well as above reason; the total operating income increased to Tk.187.59 million in YE2021 from Tk.167.90 million of last year indicating 11.73% growth. Operating income composition revealed that, 71.65% (75.58% in 2020) of total operating income has been generated from net interest income, 19.43% (20.47% in 2020) from investment income in shares and rest 8.92% (3.95% in 2020) from other operating income (structured finance, documents fees, overdue interest, early settlement etc.). On the other hand, the operating expenses increased to Tk.88.69 million in YE2021 against Tk.75.30 million in YE2020 mainly due to increase in salaries and other administration and maintenance expense. The company kept provision of Tk.7.35 million in YE2021 against Tk.3.73 million in YE2020 for general and other provision. The profit before tax of the company stood at Tk.91.55 million in YE2021 against Tk.88.87 million in YE2020 while net profit after tax of LAFI has been to be stable and stood at Tk.58.55 million in YE2021 against Tk.56.78 million in YE2020.



Credit Rating Information and Services Limited

(Incorporated in Bangladesh) CRISL (Company) Limited

CREDIT RATING REPORT On LANKAN ALLIANCE FINANCE LIMITED

Consequently, all the profitability indicators (such as ROAA, ROAE etc.) declined during the year 2021 due to lower growth in net profit than the growth of equity and assets. ROAA after tax decreased to 1.96% in YE2021 against 2.39% in YE2020. Similarly, ROAE after tax stood at 4.68% in 2021 from 4.76% in 2020. Consequently, net profit margin decreased to 31.21% in YE2021 against 33.82% in YE2020.

CRISL also evaluated un-audited accounts as on March 31, 2022 and revealed that the reported operating income of Tk.50.50 million against operating expenses of Tk.26.05 million and generating net profit after tax of Tk.6.03 million. The net interest income stood at Tk.41.21 million during the same period. Total loans and advances has increased to Tk.3,190.58 million as on March 31, 2022 from Tk.2,324.62 million as on December 31, 2021.

The company has projected the financial performance for YE2022. According to the company's projection, the net interest income will be Tk.222.70 million. The operating income will be Tk.182.30 million against the operating expense of Tk.157.50 million and will generate net profit of Tk.105.40 million. Total loans and advances will be Tk.5,287.00 million at the end of December, 2022 and total asset will be Tk.7423.00 million as on December 31, 2022. To meet up the above projection company already added new branch at Banani, Dhaka through collecting deposit and providing lending facilities.

6.2 Operating Efficiency

The overall operating efficiency of LAFL has still been found moderate with improving some related indicators from last year. CRISL measures operating efficiency in terms of efficiency ratio (cost to income ratio), time interest earned ratio, yield per Tk.1.88 staff cost etc. The efficiency ratio of the company stood at 47.28% in YE2021 from 44.85% in YE2020. The time interest earned ratio stood at 0.84 times in 2021 which was 1.19 times in 2020. Yield per taka staff cost of LAFL decreased to Tk.1.88 in YE2021 from Tk.2.24 in YE2020.

7.0 ASSET QUALITY

Asset quality of the company has been found to be good as there are no rescheduling assets and no non-performing loan except overdue amount of Tk.33.74 million in their portfolio during the surveillance period.

The total assets of LAFL increased to Tk.3,464.30 million as on December 31, 2021 against Tk.2,505.95 million as on December 31, 2020 indicating 38.24% growth. The above asset base was financed by 57.75% deposit, 36.92% equity capital, 0.22% borrowing from other banks and FI's while rest 5.11% by outside liabilities as on December 31, 2021. Total assets have been composed of 67.10% lease, loan & advances, 8.83% investment in shares, 16.37% balance with Bangladesh bank and FI's, 1.56% fixed assets, 2.36% other assets and rest 3.78% cash & cash equivalent and money at call & short notice.

The overall investment portfolio of the company is small compared to the peers. The loan portfolio (Tk.2,324.62 million in YE2021) of LAFL reveals that service industry holds the largest portion (Tk.905.41 million, 38.95% of total portfolio); power, gas, water & sanitary service (Tk.378.54 million, 16.28% of total portfolio); housing (Tk.164.26 million, 7.07% of total portfolio); iron, steel & engineering (Tk.146.35 million, 6.30% of total portfolio); food products and processing industry (Tk.59.21 million, 2.55% of total portfolio); glass, glassware and ceramic (Tk.53.13 million, 2.29% of total portfolio); pharmaceuticals & chemicals (Tk.52.06 million, 2.24% of total portfolio); leather & leather goods (Tk.47.49 million, 2.04% of total portfolio); telecommunication & information technology (Tk.44.03 million, 1.89% of total portfolio); transport & aviation (Tk.43.57 million, 1.87% of total portfolio); nominal investment in garments and knitwear, trade & commerce (Tk.22.86 million, 0.98% of total portfolio) and others (Tk.407.71 million, 17.54% of total portfolio). Again, the product wise composition of portfolio revealed that 42.83% investment are in corporate (Tk.995.66 million), 42.45% are in SME (Tk.986.93 million), 6.77% are in retail (Tk.157.48 million) and rest 7.95% are in others (Tk.184.55 million). As on December 31, 2021, eight accounts are in the large loan category amounting Tk.672.87 million (28.95% of total portfolio).

Good asset quality



Credit Rating Information and Services Limited

ফার্মিং সিস্টেম সীমিত দায়িত্ব কোম্পানী লিমিটেড (সংগঠিত ১৯৯৬)

CREDIT RATING REPORT On LANKAN ALLIANCE FINANCE LIMITED

Top 10 borrowers hold 76.13% of total portfolio (Tk.1,769.63, as company has limited client portfolio) which indicates concentrated to limited borrowers. As at the initial stage and due to selective penetration in the market; LAFL has no classified investment, rescheduled loan and inflected assets in its portfolio as on December 31, 2021.

Currently the total portfolio is concentrated only in Dhaka zone as there is only one branch at Banani indicating geographic concentration of loan disbursement. During the surveillance period LAFL disbursed loans to some new corporate clients such as People's Oriented Program Implementation, Aamra Networks Limited, Acorn Infrastructure Services Unit-2 Limited, UDDIPAN, Padakhep Manabik Unnayan Kendra, Resource Integration Centre, Property Development Ltd. etc.

8.0 CAPITAL ADEQUACY

As a newly operated company, LAFL has been operating with good capital base. The equity base of the company increased to Tk.1,279.04 million as on December 31, 2021 against Tk.1,220.85 million as on December 31, 2020. CRISL also reviews the Risk Based Capital Adequacy Framework of Basel-II reporting as on December 31, 2021 and it was revealed that, the Risk Weighted Assets stood at Tk.2,945.84 million of which 70.87% was emanated from credit risk, 20.52% from market risk and rest 8.61% from operational risk. Against the same, the eligible capital stood at Tk.1,294.78 million based on which Risk weighted Capital Adequacy Ratio stood at 43.95% as on December 31, 2021 against 57.75% as on December 31, 2020. Moreover, Capital Adequacy ratio of the company has been found to be in declining trend and stood at 42.43% as on March 31, 2022 due to increase in risk weighted assets (Tk.3,096.75 million). Shareholder's equity to total assets of the company decreased to 36.92% in YE2021 from 48.72% in YE2020. Internal capital generation ratio of LAFL decreased to 1.96% in YE2021 against 2.39% in YE2020. Moreover, the total gearing ratio of the company increased to 1.71 times in YE2021 against 1.05 times in YE2020.

Good capital base

Stress Testing Analysis

LAFL is maintaining sound capital according to the Basel III capital requirement. The following table shows the sensitivity of risk factors on CAR (based on the actual CAR of 43.95%) as on December 31, 2021.

Indicators	Magnitude of Sensitivity (Minor to Major Level %)
Interest rate risk	44.55 - 45.27
Increase in NPL	43.41 - 40.09
Downward Shifts in Loans	44.10 - 43.92
Fall in the Value of Eligible Securities	44.19 - 44.19
Increase of NPLs in the Other sector & in the Transport and Aviation sector	42.66 - 39.36
Increase in NPLs due to Top 10 Borrowers	26.88 - (0.90)
Equity Price Risk	43.60 - 41.13
CAR After Shock (combined) %	21.92 - (55.23)

LAFL is maintaining sound capital according to the Basel III capital requirement. From the above analysis it has been revealed that the CAR of the company is significantly sensitive to the top 10 borrowers due to the concentrated portfolio.

9.0 FUNDING AND LIQUIDITY

9.1 Fund Management

LAFL has been operating with both deposit and equity concentrated funding base. The overall funding composition of LAFL as on December 31, 2021 includes total deposit of Tk.2,000.44 million (57.74% of total funding), shareholder's equity of Tk.1,279.04 million (36.92% of total funding), borrowing from other bank and FIs of Tk.7.75 million (0.22% of total funding) and other liabilities (provision, payable etc.) of Tk.177.06 million (5.12% of total funding). The deposit was mainly composed of term deposit (99.89%) and insignificant portion were other deposits.



CREDIT RATING REPORT On LANKAN ALLIANCE FINANCE LIMITED

The shareholder's equity was contribution of paid-up capital of 78.18%, share premium of 13.46%, statutory reserve of 2.85% and remaining 5.51% was retained earnings in YE2021. The overall deposit base is in increasing trend for last three years (due to increase in other institutions deposit) resulting less dependency on borrowings from other banks and FIs and increase in credit portfolio. Top 20 depositors held 60.37% of total deposits as on December 31, 2021 indicating concentration risk.

LAFL has credit line with 2 banks namely Commercial Bank of Ceylon and NCC Bank Ltd. with limit of Tk.180.00 million in the form of term loan at the interest rate of 7% to 8%. The bank has already availed of Tk.170.00 million against which outstanding balance stood at Tk.167.33 million as on March 31, 2022 for investment in the corporate sector, auto loan and home loan.

9.2 Liquidity Management

The liquidity position of the company has been found to be improved due to positive operating cash flow. The operating cash flow increased to Tk.292.13 million in YE2021 from Tk.1.31 million in YE2020 due to increase in interest received, term and other deposit etc. While analyzing the assets liability maturity bucket as on December 31, 2021, it has been observed that liquidity bucket of (1-3) and (3-12) months have been showing a positive balance of Tk.664.25 million. On the other hand, it has been observed that the company has overall net liquidity surplus of Tk.1,279.04 million. The required Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been kept at satisfactory level. The company has surplus CRR and SLR of Tk.1.06 million and Tk.490.23 million respectively in YE2021. Again, liquid assets to total assets of LAFL stood at 53.06% in YE2021 against 49.77% in YE2020. It is worthy to mentionable that both the deposit and loan portfolio have been found in increasing trend for last three years. Investment portfolio to deposit ratio stood at 1.16 times in YE2021 against 1.49 times in YE2020.

Average liquidity

10.0 OBSERVATION SUMMARY

<p>Rating Comforts:</p> <ul style="list-style-type: none"> • Good capital base • Good asset quality • Renowned local Sponsors • Improve liquidity position • Proven track record of the joint venture partner • Experienced management team 	<p>Rating Concerns:</p> <ul style="list-style-type: none"> • Limited core business and credit portfolio • Exposed to credit and deposit concentration risk • IT Infrastructure at developing stage • Limited branch network
<p>Business Prospects:</p> <ul style="list-style-type: none"> • Scope to explore fee based products • Scope of exploring cheaper cost funding sources • Good rated FIs carry easy access in case of fund requirement from commercial Banks 	<p>Business Challenges:</p> <ul style="list-style-type: none"> • Regularize in recovery performance • Increased competition in the market • Low spread • Conservative perception of the industry • Commercial banks portfolio expansion to lease financing

11.0 PROSPECTS

Having many hurdles and challenges and with the corona virus pandemic, Bangladesh Economy registered a growth of 5.24% in FY2019-20 and 8.15% in FY2018-19. Bangladesh has been graduating to a middle income country after passing 43 years as a least developed country. The government has been implementing massive development works in light of the "Vision-2021" and "Vision-2041" with an objective to become an upper middle-income country. Country's export earnings (mainly RMG, jute goods, leather, frozen shrimps & fish) fell substantially in 2019-20.



Credit Rating Information and Services Limited

Head Office: 1011, Dhakapatti Bldg, Dhaka-1000, Bangladesh. Contact: 9911 1000

CREDIT RATING REPORT On LANKAN ALLIANCE FINANCE LIMITED

However, due to good agricultural production and shattered records in remittances sent by the expatriates, the country was able to achieve this growth rate which was initially expected to be between 2.0 per cent and 3.0 per cent in fiscal 2020, followed by 1.2 per cent to 2.9 per cent in fiscal 2021. After the second wave of COVID-19 impact, the economy again is expected to further decline in consumption and domestic demand, along with fall in investment, which will ultimately affect all major economic sectors. Apart from corporate manufacturing and service sector industry, small & medium business segment and even retail business segment of bank industry is likely to be affected to a great extent. Workers remittance from Gulf countries have already started falling and will continue further which is expected to hit banks' and NBFIs earnings to a great extent from remittance inflow. The capital market has been passing through a very tough time and despite the regulatory intervention and motivational direct policy support by central bank, NBFIs' earning through direct investment or through its subsidiary operations (like brokerage house, merchant bank and asset management company) from capital market may not be up to the mark. Against all the above backdrops, successful running for the newly licensed commercial bank along with other major scheduled banks will be a big challenge in the next year.

However, the Government has rightly taken various stimulus packages to curb the massive impact of the Corona virus outbreak on the local economy. Bangladesh Bank is engaged in devising various policies and formulating different guidelines and strategies along with policy decisions, which has already directed all scheduled banks and financial institutions not to downgrade the classification of any borrowers for defaulted loans between the period of 1 January 2020 and 31 December 2020. This is undoubtedly a helpful step taken by the Bangladesh Bank, which will aid the defaulting borrower's situation given the current circumstances. Moreover, Bangladesh Bank again issued a circular to provide the flexibility to the borrower to repay the outstanding interest. The borrower can repay the accumulated interest during January 01, 2020 to December 31, 2020 with current imposed interest in installment basis to remain undclassified till June, 2022 for continuous loan and for December, 2022 for term loan. This measure will help not to increase the amount of default loan as much.

Being one of the prospective Financial Institutions in the market, LAFI has all the potentials to enhance its market share and tap growth opportunities by exploring its franchise value and make proper marketing drives. Above all, the long run sustainability of the company depends, to a great extent, on maintenance of sound asset quality, adequate capital base, timely decision making and effective implementation of risk management tools.

END OF THE REPORT

(Information used herein is obtained from sources believed to be accurate and reliable. However, CRISL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities. All rights (if this report) are reserved by CRISL. Contents may be used by news media and researchers with due acknowledgement.)

(We have examined, prepared, finalized and issued this report without compromising with the matters of any conflict of interest. We have also complied with all the requirements, policy procedures of the BSEC rules as prescribed by the Bangladesh Securities and Exchange Commission.)



Credit Rating Information and Services Limited

ক্রেডিট রেটিং ইনফরমেশন অ্যান্ড সার্ভিসেস লিমিটেড

CREDIT RATING REPORT On LANKAN ALLIANCE FINANCE LIMITED

12. CORPORATE INFORMATION:

Date of Incorporation : September 27, 2003
Date of Commencement of Operation : December 03, 2017

Board of Directors:

Mr. Syed Ali Jowher Rizvi	Chairman
Ms. Azeeda Aziz Khan	Director
Ms. Sohana Rouf Chowdhury	Director
Ms. Farzanah Chowdhury	Director
Mr. Sujeewa Rajapakse	Director
Mr. Shamindra Marcelline	Director
Mr. Clive Fonseka	Director
Mr. Mohamed Azzam Ali Ahmat	Director
Mr. Ranjith Kodituwakku	Director
Ms. Fahima Akhter	Director
Mr. Lutfe M. Ayub	Director
Mr. Rohan Pathirage	Director
Mr. Udesh Gunawardena	Director

Auditor:

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Management:

Kanti Kumar Saha	Chief Executive Officer
Don Wishva Kantha Wickramarachchi	Chief Financial Officer
Shahanur Rashid	Head of Business
Mostofa Meer Khaled Omar	Head of CRM
Mohammad Shahidul Islam Mazumder	Head of ICT
Iqbal Ahmed	Head of ICC
Mohammad Ali Ashraf	Head of Accounts
Md. Sayful Islam	Head of SME
Ali Tasben Haque Riyad	Unit Head of Corporate Finance
Abu Shofian	Head of Deposit Mobilization

Capital History:

Year	Authorized Capital (Million Taka)	Issued, Subscribed and Paid-up Capital (Million Taka)	Source of Capital
2016	1,000.00	10.00	Paid-up Capital
2017	1,000.00	1,000.00	Paid-up Capital
2018	1,000.00	1,000.00	Paid-up Capital
2019	1,000.00	1,000.00	Paid-up Capital
2020	1,000.00	1,000.00	Paid-up Capital
2021	1,000.00	1,000.00	Paid-up Capital



Credit Rating Information and Services Limited

Plot 15/15/01, 15/15, Dhanu/Credit Rating Services B, Bangladesh Cratering Drive, Dhaka


CREDIT RATING REPORT On LANKAN ALLIANCE FINANCE LIMITED

13. FINANCIAL INFORMATION

Balance Sheet (As on December 31)

Tk. in million

Particulars:	2021	2020	YE2019
Cash:	30.88	16.85	20.92
Cash in hand	0.03	0.04	0.01
Balance with Bangladesh Bank	30.85	16.82	20.92
Balance with other Banks and Financial Institutions:	567.10	293.35	322.54
Inside Bangladesh	567.10	293.35	322.54
Money at Call & Short Notice	100.00	100.00	200.00
Investments in Securities	305.79	295.00	300.65
Government	-	-	-
Others	305.79	295.00	300.65
Lease, Loans and Advances:	2,324.62	1,675.42	1,269.62
In Bangladesh	2,324.62	1,675.42	1,269.62
Fixed Assets including Premises, Furniture & Fixtures	54.19	62.59	83.66
Other Assets	81.72	62.73	47.05
Non Banking Assets	-	-	-
Total Assets	3,464.30	2,505.95	2,244.45
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions and Agents	7.75	4.75	140.00
Deposits and Other Accounts	2,000.44	1,123.84	769.78
Other Liabilities	177.06	155.50	169.25
Total Liabilities	2,185.26	1,285.09	1,079.04
Capital/Shareholders' Equity	1,279.04	1,220.85	1,165.41
Paid-up Capital	1,000.00	1,000.00	1,000.00
Share Premium	172.20	172.20	172.20
Statutory Reserve	36.44	24.73	13.38
Retained Earnings	70.40	23.92	(20.17)
Total Liabilities & Shareholders' Equity	3,464.30	2,505.95	2,244.45


Muzaffer Ahmed, FCA, FRSA
President and CEO
Credit Rating Information and Services Ltd.



Credit Rating Information and Services Limited


Fig. (B) 99* (2014) Certified Credit Rating Company in Bangladesh Operating Since 1992

CREDIT RATING REPORT On LANKAN ALLIANCE FINANCE LIMITED

Income Statement (Year end December 31)

Tk. In million

Particulars:	YE2021	YE2020	YE2019
Interest Income	252.82	204.95	215.40
Less: Interest paid on Deposits & Borrowings etc.	118.42	78.05	78.71
Net Interest Income	134.41	126.89	136.69
Income from Investment	36.44	34.37	11.30
Commission, Exchange and Brokerage	-	-	-
Other Operating Income	16.74	6.64	3.79
Total Operating Income	187.59	167.90	151.78
Salaries and Allowances	48.60	39.65	38.67
Rent, Taxes, Insurances, Electricity etc.	4.38	4.19	2.20
Professional Charges	0.67	1.34	0.42
CEO's Salary and Benefits	12.90	9.30	16.25
Postage, Stamps, Telecommunication etc.	0.43	0.42	0.67
Stationery, Printings, Advertisements etc.	0.97	1.16	2.52
Directors' Fees	0.80	0.45	0.25
Auditors' Fees	0.35	0.44	0.44
Depreciation & Repairs of FI's Assets	13.48	13.72	14.65
Other Operating Expenses	6.13	4.63	6.89
Total Operating Expenses	88.69	75.30	82.96
Profit before Provision	98.90	92.60	68.82
Provision for Loans, Advances & Leases	(0.36)	3.73	0.98
2% Special Provision	4.21	-	-
Provision for the diminution in the value of investments	3.50	-	-
Total Provision	7.35	3.73	0.98
Total Profit before Provisions for Taxation	91.55	88.87	67.84
Provision for Income Tax	32.99	32.09	30.67
Current Tax Expenses	35.70	35.11	33.13
Deferred Tax Expenses	(2.70)	(3.02)	(2.46)
Net Profit after Taxation	58.55	56.78	37.17


 Muzaffar Ahmed, FCA, FRM
 President and CEO
 Credit Rating Information and Services Ltd.



SECTION (XXVIII)
(B)(27)

APPLICATION PROCEDURE



Step-1 (Applicant):

1. An applicant for public issue of securities shall submit an application/buy instruction to the Stockbroker/Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of an abridged version of the prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Total Amount and Category of the Applicant.
 - a) Eligible investors shall submit an application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by exchange(s).
 - b) The General Public and Non-resident Bangladeshi (NRB) applicants shall submit the application in the electronic subscription system of the exchange(s) through the Stockbrokers/Merchant Bankers where the applicant maintains customer account.

Step-2 (Intermediary):

3. The registered Stock broker/Merchant Banker in the ESS shall:
 - a) Post the amount separately in the customer account equivalent to the application money;
 - b) Accumulate all the applications/buy instructions received up to the cut-off date and transfer the amount to their respective Consolidated Customer Account;
4. The registered Stockbroker/Merchant Banker in the ESS shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and within **3 (three) working days** from the cut-off date, upload to the ESS, the lists of applicants in electronic (text format with tilde '~' separator) format, deposit the full amount received from the General Public and Non-Resident Bangladeshi (NRB) applicants by the method as determined by exchange(s).
5. The application/buy instructions shall be preserved by the Stock broker/Merchant Bankers up to **6 (six) months** from listing of the securities with the exchange.
6. The Exchanges shall prepare a consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification on the next working day. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not, verify more than two applications by an individual; verify more than two applications using same bank account and investment criteria.
7. **On the next working day**, CDBL shall provide the Exchanges with an updated database of the applicants containing BO Account Number, Name, Addresses, Parent s' Name and Joint Account information along with the verification report.
8. After receiving verification report and information from CDBL, the Exchanges shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications **within 5 (five) working days**.
9. **Within next working day**, the Exchanges shall provide the Commission, Issuer and Issue Manager with the soft copy of subscription result.



Step-3 (Issuer):

10. The Issuer and issue manager shall post the final status of subscription on their **websites within 6 (six) hours** and on the websites of the Commission and Exchanges **within 12 (twelve) hours** of receiving information by the Commission and the Exchanges.
11. **Within 3 (three) working days** of receipt of the subscription result, the Issuer and Exchanges shall:
 - a) Process pro-rata allotment of securities to the General Public and Non-Resident Bangladeshi (NRB) applicants;
 - b) Prepare category wise lists of invalid applicants who are subject to penal provisions as per conditions of the consent letter issued by the Commission in electronic (text format with tilde '~' separator) format mentioning the penalty amount against each applicant;
 - c) Issuer shall issue allotment letters in the names of allottees in electronic format and
 - d) Issuer shall credit the allotted shares to the respective BO accounts on the basis of allotment data (BOID and number of securities) via their CDBL VeDAS Terminal.

Step-4 (Intermediary):

12. **On the next working day**, Exchanges shall:
 - b) remit the amount of allotted applicants to the Issuer's respective Escrow Account opened for subscription purpose;
 - c) send the penalty amount who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list; and
 - d) Distribute the information and allotment letters to the stock broker/Merchant Bankers concerned in electronic format with a request to refund the balance application money.
13. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Bankers shall refund the excess application money in the customer accounts and inform the applicants about allotment of securities.

Miscellaneous:

14. The Issuer, Issue Manager(s), Stockbrokers, Merchant Bankers and the Exchanges shall ensure compliance of the above.
15. The Issuer shall pay the costs related to process the Eligible Investors allotment if claimed by the Exchange concerned up to an amount of Tk. 2,00,000/- (Taka Two Lac) only and Tk. 8,00,000/- (Taka Eight Lac) only for processing the applications of General Public and Non-Resident Bangladeshi (NRB) applicants.
16. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk. 5/- (Taka five) only per application irrespective of the amount or category for the service provided till withdrawal of the money. The service charge shall be paid by the applicant at the time of submitting an application.
17. The Exchanges shall provide the Issuer with a statement of the remittance.
18. The Issuer shall send the penalty amount to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
19. The concerned Exchanges are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.



All eligible Stockbrokers and Merchant Bankers shall receive the IPO subscription

Others:

The IPO subscription money collected from investors will be remitted in following bank accounts with United Commercial Bank PLC, Corporate Branch:

Sl.	Account bearing number	Account title	Currency
01	0951301000002067	ALLIANCE FINANCE PLC (IPO)	BDT

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ । জেনে ও বুঝে বিনিয়োগ করুন”

APPLICATION FOR PUBLIC ISSUE

Date:

Name of applicant	:	
Client Code	:	
BO ID No.	:	
Category of applicant	:	
Name of the Company	:	
Number of Shares	:	
Total amount in Tk.	:	
Amount in word	:	

Applicant

Authorized Officer



SECTION (XXIX)
(B)(28)

OTHERS

SECTION CONTENTS	
(a)	Additional Disclosure by the Auditor
(b)	Additional Disclosure by the Management
(c)	Miscellaneous

To be incorporated as per BSEC requirements if any.