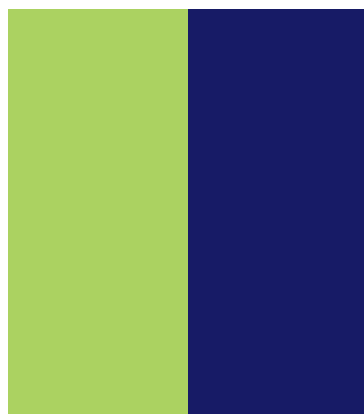


Half-yearly report

2008





Our Vision

Become the best performing and most innovative financial solutions provider in the country

Our Mission

Create maximum possible value for all our stakeholders by adhering to the highest ethical standards

For our Customers

Relentless pursuit of customer satisfaction through delivery of top quality services

For our Shareholders

Maximize shareholders' wealth through a sustained return on their investments

For our Employees

Provide job satisfaction by making IDLC a centre of excellence with opportunity for career development

For the Society

Contribute to the well being of the society, in general, by acting as a responsible corporate citizen



DEAR SHAREHOLDERS

We are pleased to present the un-audited financial statements of your financial institution, IDLC Finance Limited (IDLC), for the half year ended on June 30, 2008, in accordance with Rule 13 of the Securities and Exchange Rules 1987.

During the half-year January 1, 2008 to June 30, 2008, your financial institution and its subsidiaries recorded a consolidated net profit of Tk. 175.78 million, which is 69.45% higher compared to the same period of the previous year. The execution of leases and term loans during the period was Tk. 1,570 million, which is 15.8% lower than the corresponding period of the last year. The lower disbursements were mainly due to the tight liquidity situation in the market and our increased focus on diversified business operations. Disbursements against real estate finance operations saw a hefty growth of 50.8%, during the same period. The Company's merchant banking operations also witnessed a robust 131.7% growth, in operational revenue, during the period under report.

The asset size and equity of the Company and its subsidiaries, at the half year end, stands at Tk. 15.4 billion and Tk. 1.38 billion, marking a growth of 6.8% and 10.7%, respectively, over the year ending 2007.

IDLC Securities Limited (IDLC SL), a wholly owned subsidiary of the Company, which carries out security brokerage business, recorded a net profit of Tk. 56.05 million, during the first six months of 2008, which is 230% higher than the same period of last year. We expect that this brokerage house will take a strong position in the market, in the coming years, and contribute significantly to the profitability of your Company.

Thank you for your continued support.



Anis A. Khan
CEO & Managing Director

IDLC Finance Limited & its Subsidiaries

Consolidated Balance Sheet (un-audited)

As at June 30, 2008

Amounts in Taka

SOURCES OF FUNDS

Shareholders' fund

Share capital
Share premium

Reserves and surplus

General reserves
Dividend equalization reserves
Proposed dividend:
 Stock dividend
 Cash dividend
Retained earnings
Current period's profit

Shareholders' equity

Minority interest

Long term loans - net of current maturity

Secured long term loans
Unsecured long term loans

Long term liability-net of current maturity

Refundable deposits
Term deposits
Liabilities under finance lease

Deferred liability-employee gratuity

Deferred tax liability/(asset)

Portfolio investors' fund

Fund from CIDA for LEIC project

Interest suspense account

APPLICATION OF FUNDS

Property, plant and equipment (at cost less depreciation)

Intangible assets (at cost less amortisation)

Investment in non marketable shares

Membership of stock exchanges

Lease receivables

Gross lease rentals receivable - net of current maturity
Unearned lease income - net of current maturity
Advance for leases

Direct finance-net of current maturity

Long term finance
Real estate finance
Car loans

Provision for doubtful accounts and future losses

Current assets

Accounts receivable	
Advances, deposits and prepayments	095,307
Investment in marketable securities	242,966,768
Margin loan to portfolio investors	1,387,355,680
Short term finance	213,114,268
Current maturity of gross lease receivables	2,384,106,173
Current maturity of unearned lease income	(556,703,525)
Current maturity of direct finance	1,356,297,410
Cash and cash equivalents	1,683,861,328

Less: Current liabilities and provisions

Current maturity of long term loans, deposits and advances	4,224,858,577
Short term loans	292,846,083
Payable and accrued expenses	1,017,735,377
Provision for current taxation	734,902,820
Unpaid dividend	1,415,071

Net surplus in current assets

1,401,245,646

8,152,507,230



Anis A. Khan
CEO & Managing Director



H. M. Ziaul Hoque Khan
Chief Financial Officer