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# IDLC FINANCE LIMITED AND ITS SUBSIDIARIES

## 1<sup>st</sup> quarter Un-Audited Consolidated Financial Statements as at and for the quarter ended March 31, 2013



In compliance with the Bangladesh Securities and Exchange Commission (BSEC) 's Notification No. SEC/CMRRCD/2008-183/Admin/03-34 dated September 27, 2009 and BSEC letter No. SEC/CFD/Misc/233/2004/615 dated February 2, 2010, we are pleased to present the 1st quarter un-audited consolidated Financial Statements of IDLC Finance Limited as at and for the quarter ended March 31, 2013. The consolidated Financial Statements are comprised of the financials of IDLC Finance Limited and its wholly owned subsidiaries IDLC Securities Limited and IDLC Investments Limited and are prepared as per International Accounting Standard (IAS)/Bangladesh Accounting Standard(BAS) 34 "Interim Financial Reporting".

### CONSOLIDATED BALANCE SHEET as at March 31, 2013

Particulars	31-Mar-13 Taka	31-Dec-12 Taka
<b>PROPERTY AND ASSETS</b>		
<b>Cash</b>		
In hand	261,000	251,000
Balance with Bangladesh Bank	794,629,975	565,343,055
<b>Balance with other banks and financial institutions in Bangladesh</b>	794,890,975	565,594,055
<b>Money at call and short notice</b>	4,023,723,106	3,275,459,753
<b>Investments</b>	-	40,000,000
Loans, advances and leases	686,075,188	387,543,923
Fixed assets including land, building, furniture and fixtures	34,869,570,839	32,595,178,553
Other assets	454,722,494	471,830,413
<b>Total Assets</b>	<b>41,309,638,618</b>	<b>37,783,865,737</b>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>		
<b>Borrowings from other banks and financial institutions</b>	5,207,217,759	4,333,821,600
<b>Deposits and other accounts</b>		
Term deposits	23,838,107,076	22,008,203,723
Other deposits	1,050,200,165	990,695,376
<b>Other liabilities</b>	24,888,307,241	22,998,899,099
<b>Total liabilities</b>	<b>36,513,677,438</b>	<b>33,090,571,890</b>
<b>Capital / Shareholders' equity</b>		
Paid-up capital	1,608,750,000	1,237,500,000
Share premium	3,750,000	3,750,000
Statutory reserves	841,050,246	841,050,246
General reserves	811,250,000	811,250,000
Dividend equalisation reserves	46,500,000	46,500,000
Retained earnings	1,484,659,201	1,753,241,814
Total equity attributable to equity holders of the company	4,795,959,447	4,693,292,060
<b>Non-controlling interest</b>	1,733	1,787
<b>Total liabilities and Shareholders' equity</b>	<b>41,309,638,618</b>	<b>37,783,865,737</b>
<b>OFF - BALANCE SHEET ITEMS</b>		
<b>Contingent liabilities</b>		
Letters of guarantee	-	1,051,435
Irrevocable letters of credit	137,900,000	127,193,600
Indemnity Bond	8,811,279	8,811,279
<b>Other commitments</b>	146,711,279	137,056,314
Undisbursed contracted loans and leases	30,212,111	94,523,911
<b>Total Off-Balance Sheet items</b>	<b>176,923,390</b>	<b>231,580,225</b>

### CONSOLIDATED PROFIT AND LOSS ACCOUNT for the 1<sup>st</sup> quarter ended March 31, 2013

Particulars	31-Mar-13 Taka	31-Mar-12 Taka
Interest income	1,356,133,756	1,151,895,005
Interest expenses	(940,150,971)	(678,879,738)
<b>Net interest income</b>	<b>415,982,785</b>	<b>473,015,267</b>
Investment income	(18,801,467)	(17,983,935)
Commission and brokerage	55,026,421	72,178,123
Other operating income	82,169,810	41,509,809
<b>Total operating income</b>	<b>534,377,549</b>	<b>568,719,264</b>
Salaries and allowances	129,662,380	107,564,334
Rent, taxes, insurance, electricity, etc.	26,514,452	24,897,763
Legal expenses	2,219,655	2,323,503
Postage, stamp, telecommunication, etc.	6,116,876	6,152,746
Stationery, printing, advertisements, etc.	18,835,317	29,034,441
Managing Director's salary and benefits	3,340,000	2,859,100
Directors' fees	155,250	281,750
Auditors' fees	57,500	-
Charges on loan losses	-	-
Depreciation and repair of Company's assets	35,832,658	23,871,697
Other expenses	62,891,506	33,445,584
<b>Total operating expenses</b>	<b>285,625,594</b>	<b>230,430,918</b>
<b>Profit before provision</b>	<b>248,751,955</b>	<b>338,288,346</b>
<b>Provision for loans / investments</b>		
General provision	18,000,000	30,190,015
Specific provision	23,000,000	(14,062,453)
Provision for diminution in value of investments	8,104,761	613,833
<b>Total provision</b>	<b>49,104,761</b>	<b>16,741,395</b>
<b>Total profit before taxes</b>	<b>199,647,194</b>	<b>321,546,951</b>
Provision for taxation	96,979,861	110,265,277
<b>Net profit after taxation</b>	<b>102,667,333</b>	<b>211,281,674</b>
<b>Attributable to:</b>		
Shareholders of the Company	102,667,387	211,281,665
Non-controlling interest	(54)	9
<b>Earnings per share (EPS)</b>	<b>0.64</b>	<b>1.31</b>

### CONSOLIDATED CASH FLOW STATEMENT for the 1<sup>st</sup> quarter ended March 31, 2013

Particulars	31-Mar-13 Taka	31-Mar-12 Taka
<b>A) Cash flows from operating activities</b>		
Interest received	844,737,659	792,814,343
Interest paid	(940,150,971)	(678,879,738)
Dividend received	1,046,400	1,584,200
Fees and commission received	(105,394,237)	72,178,123
Paid to employees and suppliers	(252,275,939)	(207,352,300)
Payment of income tax	(62,803,327)	(50,324,678)
Received from other operating activities	61,993,287	21,945,488
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>(452,847,128)</b>	<b>(48,034,562)</b>
<b>Increase / (decrease) in operating assets and liabilities</b>		
Lease receivable	(144,378,011)	(96,035,035)
Long-term finance	(1,692,812,602)	(1,316,534,096)
Real estate finance	(703,943,095)	(391,005,283)
Car loans	(54,022,749)	19,297,685
Personal loan	6,155,613	(3,980,683)
Loan against deposit	182,969,859	-
Margin loan to portfolio investors	162,578,473	(88,631,374)
Short term finance	(2,918,166)	73,098,011
Net proceeds of investment in marketable securities	(298,531,265)	(181,465,751)
Other assets	619,514,481	138,657,952
Term and other deposits	1,889,408,142	777,655,015
Net drawdown of short term loan	950,000,000	(510,840,397)
Payable and accrued expenses	699,592,368	603,137,153
Deferred liability-employee gratuity	7,144,279	-
Portfolio investors' fund	(123,430,506)	-
Deferred tax liability	-	-
Interest suspense account	(14,408,752)	(10,484,819)
	1,482,918,069	(987,131,622)
<b>Net cash from operating activities</b>	<b>1,030,070,941</b>	<b>(1,035,166,184)</b>
<b>B) Cash flows from investing activities</b>		
Purchase of property and equipment	(16,828,548)	(24,637,798)
Disposal of property and equipment	921,722	8,181,556
Net proceeds of investment in non marketable securities	-	25,000,000
<b>Net cash used in investing activities</b>	<b>(15,906,826)</b>	<b>8,543,758</b>
<b>C) Cash flows from financing activities</b>		
Drawdown of term loans	408,656,750	496,337,500
Repayment of term loans	(485,260,591)	(213,097,319)
Payment against lease obligation	-	(93,337)
Dividend paid	(1)	-
<b>Net Cash from financing activities</b>	<b>(76,603,842)</b>	<b>283,146,844</b>
<b>D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)</b>	<b>937,560,273</b>	<b>(743,475,582)</b>
<b>E) Effects of exchange rate changes on cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>F) Cash and cash equivalents at beginning of the year</b>	<b>3,881,053,808</b>	<b>3,220,460,771</b>
<b>G) Cash and cash equivalents at end of the year (D+E+F)</b>	<b>4,818,614,081</b>	<b>2,476,985,189</b>
<b>Cash and cash equivalents at end of the year</b>		
Cash in hand (including foreign currencies)	261,000	251,315
Money at call and short notice	-	990,000,000
Balance with Bangladesh Bank and its agent bank (s)	794,629,975	411,969,315
Balance with other banks and financial institutions	4,023,723,106	1,074,764,559
	<b>4,818,614,081</b>	<b>2,476,985,189</b>

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the 1st Quarter ended March 31, 2013

Particulars	Attributable to equity holders of the company							Non controlling interest	Total equity
	Share capital	Share premium	Statutory reserve	General reserve	Dividend equalisation reserve	Retained earnings	Total		
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance at January 1, 2013	1,237,500,000	3,750,000	841,050,246	811,250,000	46,500,000	1,753,241,814	4,693,292,060	1,787	4,693,293,847
Dividend for 2012:									
30% stock dividend	371,250,000	-	-	-	-	(371,250,000)	-	-	-
Net profit for the 1st quarter 2013	-	-	-	-	-	102,667,387	102,667,387	(54)	102,667,333
<b>Balance at March 31, 2013</b>	<b>1,608,750,000</b>	<b>3,750,000</b>	<b>841,050,246</b>	<b>811,250,000</b>	<b>46,500,000</b>	<b>1,484,659,201</b>	<b>4,795,959,447</b>	<b>1,733</b>	<b>4,795,961,180</b>
Balance at March 31, 2012	1,237,500,000	3,750,000	723,210,192	811,250,000	46,500,000	1,369,542,479	4,191,752,671	1,630	4,191,754,301

### IDLC FINANCE LIMITED

Selected explanatory notes to the accounts

#### Reporting

This 1st-quarterly financial report has been prepared based on Bangladesh Accounting Standard (BAS) - 34: "Interim Financial Reporting".

These interim financial statements should be read in conjunction with the published financial statement for the year ended December 31, 2012, as they provide an update to previously reported information.

#### Accounting policies and method of computations:

Accounting policies and methods of computations followed in preparing this financial statement are consistent with those used in the annual financial statements, prepared and published for the period ended December 31, 2012.

#### Consolidation of operations of subsidiaries:

The consolidation of the financial statements have been made after eliminating all material intra group transactions.

The total profits of the Company and its subsidiaries are shown in the consolidated profit and loss account, with the proportion of profit after taxation pertaining to minority shareholders being deducted as 'non-controlling interest'.

#### Earnings Per Share (EPS):

Earnings per share has been calculated based on number of shares outstanding for the period ended March 31, 2013 and profit for the same period. The number of shares outstanding for the period was 160.875 million. Earnings per shares for the preceding 1st quarter of 2013 has also been calculated based on 160.875 million shares.

#### Subsequent events:

No material events occurred after the reporting date, non-disclosure of which could affect the ability of the users of this financial statement to make proper evaluation and decision.

The details of the published 1<sup>st</sup> quarter un-audited Financial Statements as at and for the quarter ended March 31, 2013 is available in the web-site of the company at: [www.idlc.com](http://www.idlc.com)