

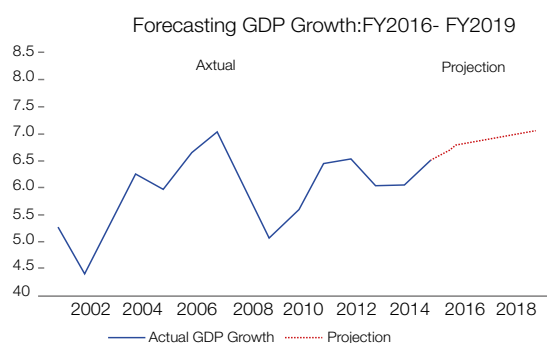
# Directors' Report to the shareholders of IDLC Finance Limited

## Dear Shareholders,

The Board of Directors of IDLC Finance Limited takes pleasure in presenting the audited financial statements of the Company for the year ended December 31, 2015; the Auditor's Report, along with IDLC Group's performance; issues in regard to the Companies Act, 1994, and guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC), the Bangladesh Bank and the Bangladesh Accounting and Financial Reporting Standards.

## BANGLADESH ECONOMY REVIEW

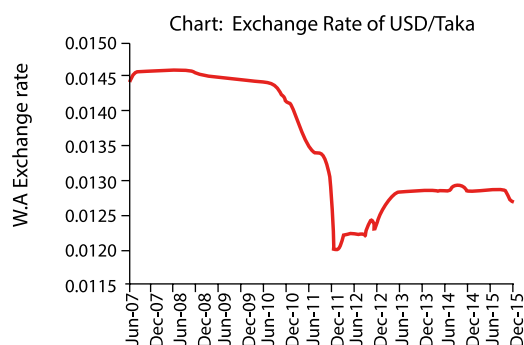
In FY15, Bangladesh witnessed the highest growth rate in the last eight years. The country's GDP grew by 6.55% in the last fiscal year 2014-15, in spite of political turmoil in the beginning of 2015. The country was also able to achieve the lower middle income status in 2015, with a per capita income of \$1,314. Overall, with such a high growth rate, Bangladesh is now the second fastest growing nation in South Asia, only behind India. Over the years, the Government and the Central Bank have guided the real estate and financial sectors into inclusive, environmentally sustainable output activities with the objective of achieving macroeconomic stability and growth. This has helped the economy to maintain a surplus of 6% annual average real GDP growth for almost a decade.



Source: Monetary Policy Statement, Jan-Jun 2016, Bangladesh Bank

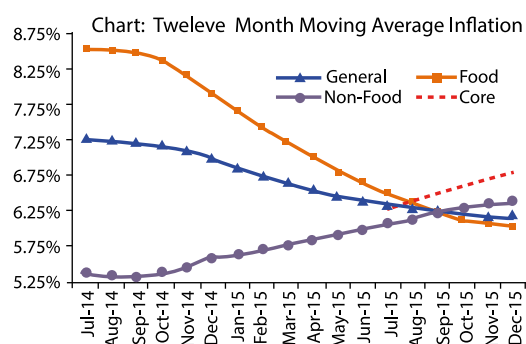
The budget outlay increased by 17.8% in 2015-16. The overall fiscal deficit including foreign grants in FY15 was about 4.7% of GDP. However, there is little improvement in the implementation of the Annual Development Plan (ADP). Even then, the size of the ADP in FY16 is estimated to increase by 27.5% relative to the ADP of FY15. By the end of the third quarter of 2015, the private sector credit was around 13.8% compared to the Monetary Policy target of 14.3% for the same period. However, Bangladeshi companies are taking advantage of low cost foreign financing with depressed global rates. The Government's investment-promotion agency has allowed private firms to borrow about \$8.6 billion through foreign funding at low rates in the last seven years.

The Bangladesh Bank has taken an expansionary stance in its latest monetary policy statement by targeting higher Broad Money, Domestic Credit, Public Sector Credit and Private Sector Credit in June 2016 compared to the actual growth achieved in December 2015. To spur investment further to achieve higher GDP growth rate, the Bank has cut its policy rate by 50 basis points after keeping the rate steady for three years.



Source: Monetary Policy Statement, Jan-Jun 2016, Bangladesh Bank

Inflation based on the consumer price index (CPI) maintained a declining trend in 2015. Point-to-point inflation fell to 6.1% in December 2015, which can be attributed to depressed global commodity markets. Moreover, food occupies about 60% of the consumption basket and the price of food is falling all over the world. However, non-food inflation is showing an upward trend since October 2014. The pay rise in the Government sector is likely to push up prices but the expected fuel price adjustment in the country may pull it down again.



Source: Monetary Policy Statement, Jan-Jun 2016, Bangladesh Bank

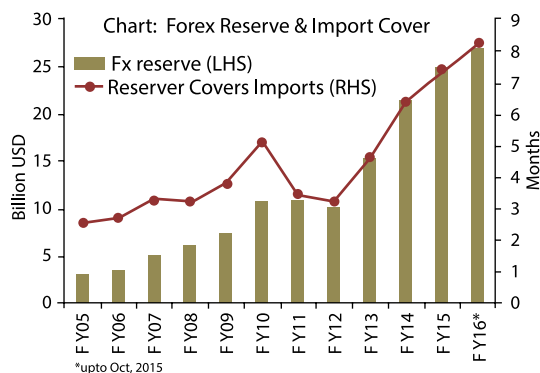
Imports grew higher than exports in 2014-15, which showed a sluggish trend. Imports stood at \$40.7 billion with 9.4% growth and export increased to \$31.2 billion with a mere 3.4% growth. Political unrest, compliance issues in the RMG sector, a slow global economy and low demands in Europe with the fall in Euro were some of the main reasons for the dip in the export

proceeds. The Bangladesh Bank expects about 8% growth in both imports and exports in next fiscal year, in the backdrop of record low oil prices and depressed global commodity markets.

Remittance, which is an important part of the country's growth, grew to \$15.3 billion in 2014-15 compared to \$14.2 billion in 2013-14. With an increasing number of Bangladeshi workers going abroad, despite concerns regarding the possible slowdown of development activities in the Middle East due to loss of revenue on the decline of oil prices, the Bangladesh Bank estimates about 5% growth of remittance proceeds in 2015-16.

While the trade deficit mitigated in 2014-15, the current account surplus also widened at the end of the fiscal year and stood at about \$2 billion because of increased remittances. However, the surplus in the balance of payments decreased from \$5.5 billion in FY14 to \$4.4 billion in FY15, mainly resulting from errors and omissions. Foreign reserves increased to \$27.5 billion in December 2015 which is sufficient to meet more than 7 months of import payments.

The financial sector is yet to pick up pace. Asset quality of state-owned commercial banks is a major concern for the sector. Falling interest rates for both lending and borrowing has brought down call money rates in the backdrop of low credit demand, excess liquidity in the banking system and falling yield of government securities. The Bangladesh Bank has started implementing new provisions related to lending and the banks' exposure to stock markets which are expected to prevent excessive risk-taking by banks.



Source: Monetary Policy Statement, Jan-Jun 2016, Bangladesh Bank

The Bangladesh Government is hopeful of achieving a GDP growth of 7% for the fiscal year 2015-16. However, several international bodies also projected GDP growth of Bangladesh in 2015-16. International Monetary Fund (IMF) has forecasted a GDP growth of 6.3% lowering from its previous projection of 6.5%. World Bank is more optimistic of GDP growth and forecasted a growth of 6.7% raising the forecast from 6.4%. Asian Development Bank (ADB) also forecasted a GDP growth of 6.7% in 2015-16. All the international trade bodies are expecting to see a strong growth in the coming years. The 7<sup>th</sup> five year plan by the government has set up an optimistic target of GDP growth of 7.2% in the fiscal year 2016-17 and 7.4% in the fiscal year 2017-18.

### Capital Market Review of Bangladesh 2015

With more than 550 securities including stocks, corporate bonds, treasury bonds and mutual funds, the total market capitalization

of our market is about \$40 billion whereas the equity market capitalization is about \$33 billion. Interestingly, the top ten market cap companies represent about 43% of equity market capitalization and all 12 listed MNCs represents about 32.5% of equity market capitalization. Bangladesh equity market is very small in size compare to our neighbors and peers- our market cap to GDP is about 17% where the same ratio is much higher for the countries like India (72%), Philippines (61%), Thailand (98%), Malaysia (72%) and Indonesia (39%).

2015 was a tough year for the stock market as the year started with political turmoil on the cards and investors were mostly inactive during first few months of the year. The prime index, DSEX, fell by 6.3% in 2015 compared to a rise of 13.5% in 2014. Daily average trade in DSE was Taka 4.2 billion in 2015 compared to about Taka 5.0 billion in 2014. The DSEX traded between index value of minimum 3,959.7 and maximum 4,969.7 in 2015. Pharmaceuticals became the leader followed by Bank sector towards the end of the year in terms of market cap; both the sectors rose to the top due to loss of market cap of Telecom sector, the long standing leader of our stock market.

### IDLC'S PERFORMANCE

The year 2015 proved to be a pivotal year in our efforts to optimize our business model for driving future growth. Despite several challenges on the political and economic fronts that led to sluggish industrial growth and weak consumption, IDLC reported a respectable performance during the year under report, a testimony of its robust business model.

The company reported Net Interest Income of Taka 3,418 million, and Net Income after Tax of Taka 1,459 million in 2015, which contributed to the shareholders' equity 20.39% for the year. This demonstrates effective deployment of capital and resources as IDLC Finance Limited continues to outperform its peers in this area. Amid efforts to enhance our future growth prospects, we remained vigilant in strengthening the balance sheet and maintaining a solid credit profile. Total assets increased by over 24.6% to Taka 73,434 million at December 31, 2015. Asset quality remains a top priority, with our performance measures of non-performing asset and reserves exceeding the averages of our peer group.

We believe the stage has been set for the Company and its operating subsidiaries to deliver meaningful growth and acquire market share while maintaining the excellent asset quality that has been the hallmark of IDLC Finance Limited for many years.

As a pioneer in the non-bank financial institution (NBF) sector of Bangladesh, IDLC represents a shining example of institutional excellence. Besides being a catalyst in fostering the country's economic and developmental progress, the Company has helped entrepreneurs realise their dreams and achieve their goals and enabled consumers to live a better quality of life. The Company's sustainable and consistent success in shareholder value creation is hence a result of concerted efforts to emerge as a role model in the sector that it stewards and it does so through a time-tested business strategy and a corporate culture that nurtures governance and environmental and social responsibility. The Company is also anchored by a passionate and professional team that is focused on achieving long-term corporate plans while at the same time are assured of sound prospects for career advancement.

A wide and vibrant product basket with a balanced focus on the Corporate, Retail and SME sectors, a holistic solutions suite for capital markets under three wholly-owned subsidiaries (IDLC Securities Limited, IDLC Investments Limited and IDLC Asset Management Limited) and high levels of operational efficiency has enabled the Company to emerge as a point of reference in Bangladesh's NBFi sector and capital markets space. During 2015, IDLC reinforced its presence as a sector leader in the country and strengthened its positioning as a customer-centric non-banking financial institution.

The Company's SME division continued to grow at a steady pace on the back of robust customer relationships and swift loan processing and turnaround times. The division disbursed Taka 15,656 million in 2015 and registered a portfolio growth of 24.92% to Taka 22,368 million. Refinancing receipts amounted to Taka 3,020 million in 2015, making IDLC one of the largest participants of the refinancing programs of the Bangladesh Bank and other low-cost fund providers.

Our focus on driving entrepreneurship among women resulted in disbursements (under women entrepreneur loans) growing 40% to Taka 2,004 million during the year under report. IDLC has launched two new SME Products: IDLC Purnota and IDLC Udbhabon; and three new refinancing schemes - IDLC Pinion, IDLC Startup Financing, and IDLC Dairy Financing – in partnership with SME Foundation and Bangladesh Bank that further enhanced the SME profile.

The Consumer division, IDLC's largest unit in terms of customer base and funds under management, increased its loan and deposit portfolio to Taka 20,633.41 million and Taka 46,174 million, respectively, in 2015, registering a respectable 17.78% and 30.64% growth, respectively, over the last year. Aligned with the dynamic business environment, we continued to embrace a shift in focus from rate-sensitive corporate clients to individuals (retail) who are less rate-sensitive, in mobilizing deposits. Backed by the continued structural reforms and continuous training of employees, the division has sustainably added value to its home and car loan facilities.

In 2015, the Structured Finance Department (SFD), which is a segment of Corporate Division, attained a satisfactory fee income of Taka 60.03 million. While many other players in the industry were struggling to survive, SFD arranged subordinated bonds for commercial banks, arranged Taka 5.00 billion in the form of coupon bearing subordinated bonds for one of the largest banks in the country and also arranged Taka 3.55 billion as commercial paper for 4 (four) eminent corporate houses of the country. The Corporate Division (overall), has attained a 10.72% growth in cumulative divisional portfolio to Taka 10,623 million by the end of the year.

Despite the market vulnerabilities, both IDLC Investments Limited (IDLCIL) and IDLC Securities Limited (IDLCSL), IDLC's wholly-owned subsidiaries operating in the capital markets, demonstrated a resilient performance during the year under report. IDLCIL attained an impressive net profit after tax of Taka 119.32 million while IDLCSL achieved a strong growth in net profit of 147.02% to Taka 96.08 million in 2015.

IDLC's Treasury demonstrated remarkable performance in both managing liquidity and keeping the cost of funds at reasonable levels. In 2015, market interest rate was at a declining trend throughout the year as excess liquidity piled up in the financial sector. Customer deposits constitutes 81% of the funding basket of IDLC. As such, the reduction in interest rate on deposits, by nearly 165 bps, had a significant impact on overall cost of fund. To reap the benefit from this, the deposit rates were strategically re-priced several times over the year. Continued emphasis was placed on utilization of refinancing facilities of the Bangladesh Bank that further helped curtail the cost of funds.

**The IDLC Group's consolidated performance in 2015 has been summarized below:**

Taka in million

Particulars	IDLC Group		
	2015	2014	Growth (%)
Net interest income	3,417.99	2,888.77	18.32%
Other operating income	1,169.91	768.95	52.14%
Total operating income	4,587.90	3,657.72	25.43%
Total operating expenses	1,647.79	1,463.65	12.58%
Profit before provisions	2,940.11	2,194.07	34.00%
Provision for loans/ investments *	311.61	7.55	4027.28%
Profit before taxes	2,628.50	2,186.53	20.21%
Provision for taxes	1,169.28	941.02	24.26%
Net profit after taxation	1,459.22	1,245.51	17.16%

\*As instructed by Bangladesh Bank (BB), the Company started to follow BB's provisioning policy for financial institution from September, 2014 instead of its internal stringent provisioning policy, which resulted in a substantial fall in provision for loan losses by an amount of Taka 241.15 million in the year 2014. Nullifying the impact of this one-off decrease in 2014, year-on-year growth in provision for loans and investments is in effect around 25%, commensurate with the growth in asset portfolio in the period under consideration.

This is a useful synopsis of the Company performance during the past year from the Management's point of view and narrates how The IDLC Group operates sustainably through the Company's engagement with its key stakeholders. The review also provides a glimpse of the future performance of the Company as well.

The IDLC Group's net interest income and operating income witnessed an escalation of 18.32% and 25.43%, respectively, in 2015. Correspondingly, operating expenses witnessed a restrained growth of 12.58% despite recruiting 682 new employees (majority of which were recruited to strengthen the sales organization and, in turn, brought reduction in business acquisition cost) and conducting several training sessions towards capacity building; the benefits of this exercise are expected to accrue in the future. Profit before provision increased by 34% as against a 25.43% increase in operating income, mainly on the back of lower increase in operating expenses.

### Comparison of actual and budgeted performance of IDLC Group.

Taka in million

Particulars	IDLC Group		
	Actual	Budget	Variances (%)
Net interest income	3,418	4,018	-14.93%
Other operating income	1,170	968	20.80%
Total operating income	4,588	4,986	-7.99%
Total operating expenses	1,648	1,854	-11.11%
Profit before provisions	2,940	3,133	-6.14%
Provision for loans/ investments	312	318	-2.13%
Profit before taxes	2,629	2,814	-6.60%
Provision for taxes	1,169	1,278	-8.50%
Net profit after taxation	1,459	1,536	-5.01%

The IDLC group came just short of achieving the budgeted Net profit after Tax of Taka 1,536 million in 2015. However, this information should be considered in light of the fact that during the budgeting exercise the political and economic situation was envisioned to remain stable and improving throughout the year. In reality the country experienced significant political upheaval in Q1 2015 which adversely impacted the operating performance of most of the businesses. Despite this setback in Q1, the IDLC group realigned its targets and experienced considerable improvement in the operating performance in subsequent quarters, finishing the year with a Net profit after Tax just 5% short of budget.

### Quarterly disclosed financial performance and 2015 financial performance:

As stipulated by law, the Company is required to publish the financial performance of its 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarters. The quarterly financial performance and the yearly performance are indicated in the following table:

### Quarterly performance - IDLC Finance Limited

Taka in million

Particulars	2015			
	Q1	Q2	Q3	Year 2015
Net interest income	736.44	805.12	780.80	3,196.67
Other operating income	153.61	189.05	221.11	764.18
Total operating income	890.05	994.16	1,001.91	3,960.85
Total operating expenses	301.09	345.40	378.35	1,393.76
Profit before provisions	588.96	648.76	623.56	2,567.09
Provision for loans/ investments	171.47	(158.95)**	150.38	291.57
Profit before taxes	417.49	807.72	473.18	2,275.52
Provision for taxes	249.46	241.64	262.51	1,031.70
Net profit after taxation	168.03	566.07	210.67	1,243.82

### Quarterly performance - IDLC Group

Taka in million

Particulars	2015			
	Q1	Q2	Q3	Year 2015
Net interest income	784.28	864.29	843.19	3,417.99
Other operating income	217.67	283.55	405.94	1,169.91
Total operating income	1,001.95	1,147.84	1,249.13	4,587.90
Total operating expenses	359.83	405.63	445.00	1,647.79
Profit before provisions	642.12	742.20	804.12	2,940.11
Provision for loans/ investments	216.33	(204.08)**	169.08	311.61
Profit before taxes	425.79	946.28	635.04	2,628.50
Provision for taxes	278.62	275.75	301.92	1,169.28
Net profit after taxation	147.17	670.53	333.13	1,459.22

\*\*Decrease in the provision for loans/investments in Q2 was driven by decline in required provision for Diminution in the Value of Investments, This reduction in Diminution in the value of investment was a combined result of increase in the market value of investment held in the company's proprietary portfolio as well as the changes brought about by Department of Financial Institutions and Markets (DFIM) Circular No. 05 dated May 11, 2015 titled "Provision against unrealized loss for diminution of value of investment in Mutual fund Units".

The above table depicts that Net Profit after Tax of the IDLC Group improved significantly from Q2 onwards after the initial setback experienced in Q1. As mentioned earlier, the country experienced significant political upheaval in Q1 2015 which adversely impacted the operating performance of most of the businesses. However, the IDLC group remained proactive in its strategy throughout this tumultuous period and resultantly, when socio-political scenario improved thereafter, was able to deliver strong profit in subsequent quarters.

### CONTRIBUTION TO THE ECONOMY OF BANGLADESH

IDLC aspires to be one of the major contributors to the economy of Bangladesh through its contribution to the national exchequer, as well as through creation of employment (both direct and indirect).

In 2015, IDLC deposited Taka 822.26 million to the Government exchequer as corporate income tax. Also, Taka 549.17 million was collected and deposited to the Government exchequer as withholding tax, VAT and excise duty.

Moreover, a total of 682 people were recruited in different positions across the Group.

### RISK MANAGEMENT

At IDLC, we believe that getting risk management right is an essential component of success. The identification, evaluation and management of risk, together with the way we respond to changes in the external operating environment are key to sustainable growth and underpin the robustness of our business plans and strategic objectives, protecting our license to operate and our reputation and helping create a long-term source of competitive advantage.

Risk management is embedded in IDLC's organisational structure, operations and management systems. Business risks across the Group are addressed in a structured and systematic way through a predefined risk management structure. This ensures that the Board's assessment of risk is informed by risk factors and mitigating controls originating from and identified by the Group's assets, functional departments and operations, including the Company's subsidiaries. Moreover, IDLC possesses a detailed risk management system with procedures in place to support risk evaluation across the Group. The risks associated with the delivery of the business plan and annual work programs and the associated mitigation measures are maintained in asset or project risk matrices and registers.

IDLC possesses different committees for risk management. The Credit Evaluation Committee (CEC) and Asset and Liability Committee (ALCO) is constituted by the Company's senior management team which regularly reviews issues related to the markets, credit and liquidity and, accordingly, recommend and implement appropriate measures to proactively identify and mitigate risks. IDLC possesses an approved Asset Liability Management (ALM) policy under the responsibility of the ALCO, together with a robust ALM software and dedicated ALM desk to generate necessary MIS for improving ALCO's decision-making abilities.

The Company's Credit Risk Management (CRM) department independently scrutinizes projects from a risk-weighted perspective and assists relevant departments in setting business development priorities. These are aligned with the Company's risk appetite while optimizing the risk-return trade-off derived from relevant risk exposures.

The CRM team also clearly defines exceptionally high-risk sectors and prohibits lending to those projects which the Company does not ascribe to, including those which represent negative environmental, social or ethical standards.

At an individual exposure level, a risk grading model (RGM) is used to promote corporate safety and sustainability by facilitating informed decision-making. At the portfolio level, the Company actively tracks the quality of its loans by analyzing risk migration and assessing trends in non-performing assets. Such indicators prompt timely decision-making by the relevant risk management committees and help preserve the quality of loans and advances. To further enhance the risk mitigation measures, IDLC is now collaborating with International Finance Corporation (IFC) to implement a world class Credit Risk Grading system for assessment of SME Credits. Such systems are envisioned to be implemented for other products and customer segments of the company also.

IDLC's Credit Administration Department (CAD) and Internal Control and Compliances (ICC) department are responsible for assessing operational risks across the Company and also ensure an appropriate framework to identify, assess and manage operational risks.

IDLC has also established a BASEL Implementation Unit (BIU) responsible for implementing Capital Adequacy and Market Discipline (CAMD) instructions of the Bangladesh Bank across the Company and managing risk-based capital adequacy.

The BASEL Implementation Desk (BID) specifically carries out risk-based capital analysis and places it to the BIU along with recommendations to facilitate enhanced decision-making for maintaining minimum/regulatory capital and managing related risks.

Late in 2015, IDLC initiated implementation of an operational risk management framework. Under the framework, Unit Operational Risk Managers (UORM) have been appointed for the various departments and divisions. Separate forums at mid-management and senior management level, known as Business Operational Risk Group (BORG) and Company Operational Risk Group (CORG) have been created for discussion and resolution of Operational Risk issues. In addition to its usual responsibilities, the Internal Control and Compliance (ICC) department will act as a separate line of defence against operational risks under the new framework.

Details about our risk management policies and practices are discussed in the 'Statement of risk management report' on page no 75.

## **CORPORATE AND FINANCIAL REPORTING FRAMEWORK**

The Directors of IDLC, in conformance with the BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 7, 2012, confirm compliance with the financial reporting framework for the following:

- The financial statements, prepared by the management of IDLC make a fair presentation of its activities, operational details and results, cash flow information and changes in equity structure.
- Proper books and accounts of the Company have been maintained.
- Appropriate accounting policies, including International Accounting Standards (IASs)/International Financial Reporting Standards (IFRSs) as adopted by Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh, have been consistently applied in preparation of the financial statements. Any change or deviation has been adequately disclosed.
- Accounting estimates are based on reasonable and prudent judgment.
- Internal control processes have been properly designed and effectively implemented and monitored.
- No significant doubt exists upon the Company's ability to continue as a going concern.

## **KEY OPERATIONAL AND FINANCIAL INFORMATION**

Key operational and financial information over the last five years, as per the requirements of SEC/CMRRCD/2006-158/134/Admin/44 dated August 7, 2012, has been presented on page no. 126-127.

Highlights of the Company's operations as per the DFIM Circular No. 11 dated December 23, 2009, have also been presented on page no. 132.



## RELATED PARTY TRANSACTIONS

Disclosure of all related party transactions, including basis for such transactions, has been provided in Note 37 of financial statements on page no 217.

## SHAREHOLDING PATTERN

IDLC's shareholding pattern as on December 31, 2015, is disclosed as per the revised CGG of BSEC in Annexure-I of this report on page no. 141.

## BOARD MEETINGS AND ATTENDANCE BY THE DIRECTORS

During the year 2015, a total of sixteen meetings of the Board were held. Attendance by the Directors and remuneration to the Directors has been summarised in Annexure-II of this report on page no. 142.

## PROPOSED DIVIDEND

The Board has proposed cash dividend @25% (Taka 2.50) per share for the year 2015.

## DIRECTORS

A brief profile of all directors, including newly appointed/re-appointed, are provided in the section "Brief Profile of the Directors" of this report on page no. 61-65. Further disclosure is given in page no. 217, which encompasses names of companies in which they hold directorship. The directors also lend their expertise as members of two permanent Committees of the Board as per BSEC and Bangladesh Bank Guidelines; the details of which are appended in the "Statement of Corporate Governance" on page no. 90.

As per Article 116 of the Articles of Association of the Company, the following Directors will retire from the office of the Company at the 31<sup>st</sup> Annual General Meeting:

- Mr. Faruq M. Ahmed, Director Nominated by The City Bank Limited
- Mr. Md. Kamrul Hassan, FCA, Director Nominated by Transcom Group of Companies
- Mr. Md. Shahidul Ahsan, Director Nominated by Mercantile Bank Limited
- Mr. Md. Rezaul Karim, Director Nominated by Sadharan Bima Corporation

However, they are also eligible for re-election.

## AUDITORS

The auditors of the Company, ACNABIN, Chartered Accountants, has completed their second years of audit as the statutory auditors of the Company, as appointed at the 30<sup>th</sup> Annual General Meeting. As per the stipulation of FID Circular No. 03, dated March 02, 1999, they are eligible for reappointment for three consecutive years. On the basis of the proposal of the Board's Audit Committee, the Board recommends the appointment of ACNABIN, Chartered Accountants, as the auditors of the Company for the year 2016 at an existing remuneration of Taka 400,000 (Taka four lac only).

## STATUS OF COMPLIANCE

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44, dated August 7, 2012, along with a certificate from a practicing Chartered Accountant has been enclosed in Annexure-III on page no. 143.

We also enclose a statement of compliance on the good governance guidelines issued by the Bangladesh Bank as Annexure-IV on page no. 151.

On behalf of the Board of Directors,

Sd/-

**Aziz Al Mahmood**

Chairman

IDLC Finance Limited

# Annexure-I

Shareholding pattern as on December 31, 2015 as required by the revised Corporate Governance Guidelines issued by BSEC

Particulars	No. of shares Held	% of total shares of IDLC	Remarks
<b>Shares Held by:</b>			
Directors, their spouses and minor children*	35,687	0.0014	
Chief Executive officer (CEO) and his spouse and minor children	Nil		
Chief Financial Officer (CFO) and his spouse and minor children	Nil		
Company Secretary (CS) and his spouse and minor children	Nil		
Head of Internal control and Compliance (HICC)	Nil		
<b>Executives (Top five person other than CEO, CFO, CS, HICC):</b>			
1. H. M. Ziaul Hoque Khan, FCA, Deputy Managing Director	Nil		
2. M. Jamal Uddin, Deputy Managing Director	Nil		
3. Mir Tariquzzaman, Chief Technology Officer	Nil		
4. Asif Saad Bin Shams, Head of Credit and Collection	Nil		
5. Bilquis Jahan, Head of Human Resources	3,553	0.0001	
<b>Shareholders holding 10% or more voting right:</b>			
The City Bank Limited	60,854,056	24.2092	
Transcom Group	33,515,443	13.3333	
<b>Total</b>	<b>94,369,499</b>	<b>37.5425</b>	

\*All the Directors except Independent Directors are Directors nominated by institutions and they do not hold any shares in their personal name.

# Annexure-II

Meeting attended by the Directors of IDLC Finance Limited during 2015

Name of Director	Board of Directors Meeting				Executive Committee Meeting				Audit Committee Meeting				Total Remuneration paid for the year 2015 (Taka)
	Total BOD meeting Held during Director's tenure	Meeting Attended	Attendance as % of total meeting held	Remuneration paid for attending the meeting (Taka)	Total EC meeting Held during Director's tenure	Meeting Attended	Attendance as % of total meeting held	Remuneration paid for attending the meeting (Taka)	Total AC meeting Held during Director's tenure	Meeting Attended	Attendance as % of total meeting held	Remuneration paid for attending the meeting (Taka)	
Mr. Anwarul Huq *	12	12	100	60,000	-	-	-	-	5	5	100.00	25,000	85,000
Mr. Rubel Aziz	16	9	56.25	48,000	10	7	70.00	35,000	6	3	50.00	15,000	98,000
Mr. Md. Shahidul Ahsan	16	13	81.25	68,000	4	4	100.00	20,000	-	-	-	-	88,000
Mr. Farooq Sobhan	16	11	68.75	58,000	-	-	-	-	3	3	100.00	15,000	73,000
Mr. Aziz Al Kaiser	16	2	12.5	10,000	-	-	-	-	-	-	-	-	10,000
Ms. Meherun Haque	16	6	37.5	30,000	-	-	-	-	-	-	-	-	30,000
Mr. Hossain Mehmood	16	14	87.5	73,000	-	-	-	-	-	-	-	-	73,000
Mr. Faruq M. Ahmed	16	10	62.5	50,000	14	11	78.57	55,000	-	-	-	-	105,000
Mr. Md. Kamrul Hassan, FCA	16	16	100	83,000	-	-	-	-	6	6	100.00	30,000	113,000
Mr. Atiqur Rahman **	2	2	100	13,000	-	-	-	-	-	-	-	-	13,000
Mr. Md. Rezaul Karim	16	2	12.5	10,000	14	3	21.43	15,000	6	-	-	-	25,000
Mr. Syed Abu Naser Bukhtear Ahmed***	8	7	87.5	35,000	7	7	100.00	35,000	-	-	-	-	70,000
Mr. Monower Uddin Ahmed	16	12	75	60,000	-	-	-	-	3	3	100.00	15,000	75,000
Mr. A.K.M. Shahidul Haque ****	5	4	80	23,000	5	5	100.00	25,000	-	-	-	-	48,000
<b>Total Remuneration paid</b>				<b>621,000</b>				<b>185,000</b>				<b>100,000</b>	<b>906,000</b>

Noted: Remuneration paid for attending the meeting are exclusive of VAT amount

Leave of absence was granted to the Directors those who could not attend at the meeting.

\* Nomination of Mr. Anwarul Huq withdrew on September 17, 2015.

\*\* Mr. Atiqur Rahman was appointed as Director in place of Mr. Anwarul Huq on October 13, 2015.

\*\*\* Mr. Syed Abu Naser Bukhtear Ahmed, Independent Director, resigned on June 30, 2015.

\*\*\*\* Mr. A.K.M. Shahidul Haque was appointed as Independent Director in place of Mr. Syed Abu Naser Bukhtear Ahmed on August 12, 2015.

\*\*\*\*\* Mr. Monower Uddin Ahmed chaired the meeting in absence of Mr. Farooq Sobhan, Chairman of the Audit Committee.