

## 1<sup>st</sup> Quarterly Un-Audited Consolidated Financial Statements, as at and for the period ended March 31, 2017

In compliance with the Bangladesh Securities and Exchange Commission (BSEC) letter No. SEC/CFD/Misc/233/2004/615, dated February 2, 2010 and Regulation 17 (1) of the Dhaka and Chittagong Stock Exchange (Listing) Regulations, 2015, we are pleased to present the 1<sup>st</sup> quarter un-audited Consolidated Financial Statements of IDLC Finance Limited as at and for the quarter ended March 31, 2017. 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 IDLC Asset Management Limited, and are prepared as per International Accounting Standard (IAS)/ Bangladesh Accounting Standard 34 "Interim Financial Reporting".

Consolidated Balance Sheet as at March 31, 2017		
Particulars	31.03.2017 Taka	31.12.2016 Taka
<b>PROPERTY AND ASSETS</b>		
<b>Cash</b>		
In hand (including foreign currencies)	376,000	376,000
Balance with Bangladesh Bank and its agent (including foreign currencies)	952,084,192	975,781,535
	<b>952,460,192</b>	<b>976,157,535</b>
<b>Balance with other banks and financial institutions</b>		
Inside Bangladesh	13,083,638,490	10,377,181,667
Outside Bangladesh	-	-
	<b>13,083,638,490</b>	<b>10,377,181,667</b>
<b>Money at call and short notice</b>		
	-	-
<b>Investments</b>		
Government	-	-
Others	4,887,895,171	4,348,316,767
	<b>4,887,895,171</b>	<b>4,348,316,767</b>
<b>Loans and advances</b>		
Loans, cash credit, overdraft etc.	67,651,395,256	62,264,891,877
Bills purchased and discounted	-	-
	<b>67,651,395,256</b>	<b>62,264,891,877</b>
<b>Fixed assets including land, building, furniture and fixtures</b>		
Other assets	626,638,068	654,273,352
Non-banking assets	791,344,905	738,284,186
	<b>1,418,000,000</b>	<b>1,392,557,538</b>
<b>Total Assets</b>	<b>87,993,372,081</b>	<b>79,359,105,384</b>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>		
<b>Borrowings from other banks, financial institutions and agents</b>	<b>13,407,283,841</b>	<b>12,564,377,442</b>
<b>Deposits and other accounts</b>		
Current accounts and other accounts etc.	-	-
Bills payable	-	-
Savings bank deposits	-	-
Term deposits	51,318,881,225	47,474,930,697
Bearer certificate of deposits	-	-
Other deposits	2,065,826,140	1,849,394,133
	<b>53,384,707,365</b>	<b>49,324,324,830</b>
<b>Other liabilities</b>		
Total liabilities	<b>10,279,577,474</b>	<b>8,532,563,556</b>
<b>Capital/Shareholders' equity</b>		
Paid-up capital	3,770,507,800	2,513,671,870
Share premium	1,260,585,930	3,750,000
Statutory reserves	1,782,004,350	1,782,004,350
General reserves	1,000,000,000	1,000,000,000
Dividend equalisation reserves	46,500,000	46,500,000
Retained earnings	3,062,202,576	3,591,910,951
Total Equity attributable to equity holders of the company	<b>10,921,800,656</b>	<b>8,937,837,171</b>
<b>Non-controlling interest</b>	<b>2,746</b>	<b>2,385</b>
<b>Total Liabilities and Shareholders' equity</b>	<b>87,993,372,081</b>	<b>79,359,105,384</b>
<b>OFF-BALANCE SHEET ITEMS</b>		
<b>Contingent liabilities</b>		
Acceptances and endorsements	-	-
Letters of guarantee	160,158,660	199,206,314
Irrevocable letters of credit	-	-
Bills for collection	-	-
Indemnity bond	-	-
Corporate guarantee	750,000,000	750,000,000
	<b>910,158,660</b>	<b>949,206,314</b>
<b>Other commitments</b>		
Documentary credits and short term trade related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Un-drawn note issuance and revolving underwriting facilities	-	-
Un-drawn formal standby facilities, credit lines	-	-
Un-disbursed contracted loans and leases	935,725,429	784,630,423
	<b>935,725,429</b>	<b>784,630,423</b>
<b>Total Off-Balance Sheet items including contingent liabilities</b>	<b>1,845,884,089</b>	<b>1,733,836,737</b>
<b>Net Assets Value (NAV) per share</b>	<b>28.97</b>	<b>23.70</b>

Consolidated Profit and Loss Account for the period ended March 31, 2017		
Particulars	31.03.2017 Taka	31.03.2016 Taka
Interest income	2,087,102,279	2,117,136,756
Interest on deposits and borrowings etc.	(1,137,242,221)	(1,190,849,338)
<b>Net interest income</b>	<b>949,860,058</b>	<b>926,287,418</b>
Investment income	333,020,085	90,633,286
Commission, exchange and brokerage	221,196,862	71,755,733
Other operating income	135,078,360	174,660,999
<b>Total operating income</b>	<b>1,639,155,365</b>	<b>1,263,337,437</b>
Salaries and allowances	310,188,289	219,870,051
Rent, taxes, insurance, electricity etc.	50,899,113	57,962,272
Legal expenses	9,398,220	4,932,825
Postage, stamp, telecommunication etc.	8,418,487	8,504,969
Stationery, printing, advertisements etc.	35,897,506	16,862,658
Managing Director's salary and benefits	3,340,000	780,000
Directors' fees	405,848	550,250
Auditors' fees	250,000	224,688
Charges on loan losses	-	-
Depreciation and repair of Company's assets	51,770,914	47,089,940
Other expenses	97,368,237	72,741,780
<b>Total operating expenses</b>	<b>567,936,614</b>	<b>429,519,432</b>
<b>Profit before provision</b>	<b>1,071,218,751</b>	<b>833,818,004</b>
<b>Provision for loans and investments</b>		
General provision	26,026,169	17,999,895
Specific provision	70,677,776	79,508,848
Provision for diminution in value of investments	5,285,567	51,237,029
Other provisions	-	-
<b>Total provision</b>	<b>101,989,512</b>	<b>148,745,772</b>
<b>Total profit before taxation</b>	<b>969,229,239</b>	<b>685,072,232</b>
Provision for taxation	367,784,912	324,480,622
<b>Net profit after taxation</b>	<b>601,444,328</b>	<b>360,591,610</b>
<b>Attributable to:</b>		
Shareholders of the Company	601,443,967	360,591,632
Non-controlling interest	361	(22)
	<b>601,444,328</b>	<b>360,591,610</b>
<b>Retained surplus</b>	<b>601,443,967</b>	<b>360,591,632</b>
<b>Basic Earnings Per Share (EPS)</b>	<b>1.86</b>	<b>1.12</b>
<b>Diluted Earnings Per Share (EPS)</b>	<b>1.80</b>	<b>1.11</b>

Consolidated Cash Flow Statement for the period ended March 31, 2017		
Particulars	31.03.2017 Taka	31.03.2016 Taka
<b>A) Cash flows from operating activities</b>		
Interest received	2,009,397,192	1,983,461,804
Interest paid	(1,119,394,300)	(1,184,772,103)
Dividend received	16,096,979	20,047,950
Fees and commission received	221,196,862	71,755,733
Paid to employees and suppliers	(524,757,410)	(390,778,770)
Payment of income tax	(254,059,590)	(331,915,789)
Received from other operating activities	448,274,882	241,031,288
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>796,754,616</b>	<b>408,830,113</b>
<b>Increase/(decrease) in operating assets and liabilities</b>		
Lease receivable	(225,720,116)	247,705,991
Long-term finance	(3,889,983,488)	(3,231,404,337)
Real estate finance	(929,264,539)	(258,021,334)
Car loan	63,924,135	(44,946,597)
Personal loan	7,625,849	1,710,534
Loan against deposit	32,007,185	(19,840,641)
Margin loan to portfolio investors	(455,462,439)	186,434,825
Short term finance	48,023,287	74,242,738
Other assets	(13,008,885)	(29,011,731)
Term and other deposits	4,060,382,534	(1,027,145,689)
Net drawdown of short term loan	1,679,999,999	700,000,000
Payable and accrued expenses	(96,730,011)	78,533,810
Deferred liability-employee gratuity	13,462,976	6,062,564
Portfolio investors' fund	429,609,968	(95,769,061)
Interest suspense account	35,955,889	53,881,667
	<b>760,822,346</b>	<b>(3,357,567,262)</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>1,557,576,961</b>	<b>(2,948,737,149)</b>
<b>B) Cash flows from investing activities</b>		
Purchase of fixed assets	(22,935,805)	(73,193,639)
Disposal of fixed assets	11,118,469	10,466,774
Net proceeds of investment in securities	(539,578,404)	16,066,972
<b>Net cash used in investing activities</b>	<b>(551,395,740)</b>	<b>(46,659,893)</b>
<b>C) Cash flows from financing activities</b>		
Drawdown of term loans	301,303,880	1,851,124,527
Repayment of term loans	(1,138,397,482)	(861,183,202)
Proceeds from right issue	2,513,671,860	-
<b>Net cash flows from financing activities</b>	<b>1,676,578,258</b>	<b>989,941,325</b>
<b>D) Net increase/(decrease) in cash and cash equivalents (A+ B + C)</b>	<b>2,682,759,480</b>	<b>(2,005,455,717)</b>
<b>E) Effects of exchange rate changes on cash and cash equivalents</b>	-	-
<b>F) Cash and cash equivalents at beginning of the year</b>	<b>11,353,339,202</b>	<b>13,435,192,282</b>
<b>G) Cash and cash equivalents at end of the period (D+E+F)</b>	<b>14,036,098,682</b>	<b>11,429,736,565</b>
<b>Cash and cash equivalents at end of the period</b>		
Cash in hand (including foreign currencies)	376,000	366,000
Balance with Bangladesh Bank and its agent bank(s)	952,084,192	977,984,557
Balance with other banks and financial institutions	13,083,638,490	10,451,386,008
Money at call and short notice	-	-
	<b>14,036,098,682</b>	<b>11,429,736,565</b>
<b>Net operating cash flow per share</b>	<b>4.13</b>	<b>(7.82)</b>

Consolidated Statement of Changes in Equity for the period ended March 31, 2017								
Particulars	Attributable to equity holders of the Company						Non-controlling interest	Total equity
	Paid-up capital	Share premium	Statutory reserves	General reserves	Dividend equalisation reserves	Retained earnings		
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance at January 1, 2017	2,513,671,870	3,750,000	1,782,004,350	1,000,000,000	46,500,000	3,591,910,951	8,937,837,171	2,385
Dividend for 2016:								
30% cash dividend	-	-	-	-	-	(1,131,152,342)	(1,131,152,342)	(1,131,152,342)
Rights issue	1,256,835,930	1,256,835,930	-	-	-	-	2,513,671,860	2,513,671,860
Changes in accounting policy	-	-	-	-	-	-	-	-
<b>Restated balance</b>	<b>3,770,507,800</b>	<b>1,260,585,930</b>	<b>1,782,004,350</b>	<b>1,000,000,000</b>	<b>46,500,000</b>	<b>2,460,758,609</b>	<b>10,320,356,689</b>	<b>2,385</b>
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-	-
Net gain and losses not recognised in the profit and loss accounts	-	-	-	-	-	-	-	-
Net profit for 1st quarter ended 2017	-	-	-	-	-	601,443,967	601,443,967	361
Appropriation to reserves	-	-	-	-	-	-	-	-
<b>Balance at March 31, 2017</b>	<b>3,770,507,800</b>	<b>1,260,585,930</b>	<b>1,782,004,350</b>	<b>1,000,000,000</b>	<b>46,500,000</b>	<b>3,062,202,576</b>	<b>10,921,800,656</b>	<b>2,746</b>

### Other explanatory notes to the accounts

**Reporting:**  
 This first 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, 2016, 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 year ended December 31, 2016.

**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):**  
 Basic earnings per share has been calculated based on number of shares outstanding for the period ended March 31, 2017 and profit for the same period. The number of shares outstanding for the period was 322.59 million, which is calculated based on time weight. Diluted earnings per share is required to be calculated as there was issuance of right share for that particular period. Basic & diluted earnings per shares for the preceding period of 2016 has also been calculated based on 322.59 million shares & 324.02 million shares respectively.

**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.

**Reclassification:**  
 To facilitate comparison, certain relevant balances pertaining to the previous period have been rearranged/restated/reclassified, whenever considered necessary, to conform to current period's presentation.

Summarised information for shareholders' convenience:		
Particulars	Consolidated (IDLC & Subsidiaries)	
	1 <sup>st</sup> quarter end 2017	1 <sup>st</sup> quarter end 2016
Earnings Per Share (EPS)-Basic	1.86	1.12
Earnings Per Share (EPS)-Diluted	1.80	1.11
Net Operating Cash Flow Per Share (NOCFPS)	4.13	(7.82)
Consolidated (IDLC & Subsidiaries)		
Particulars	As at March 31, 2017	As at December 31, 2016
Net Asset Value (NAV) Per Share	28.97	23.70
Return on Asset (ROA)*	2.88%	2.33%
Return on Equity (ROE)*	24.23%	21.29%

\*Annualised

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
CEO & Managing Director

Sd/-  
Chief Financial Officer

Sd/-  
Company Secretary