


**IDLC Finance Limited**  
  
Financial Statements  
  
for the period ended September 30, 2012

**IDLC Finance Limited**  
**Consolidated Profit and Loss Account for the period ended September 30, 2012**

	<u>Jan to Sep 12</u>	<u>Jan to Sep 11</u>	<u>Jul to Sep 12</u>	<u>Jul to Sep 11</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Interest income	3,573,877,204	2,802,452,494	1,224,036,477	1,065,105,053
Interest expenses	(2,238,883,919)	(1,759,936,175)	(771,157,447)	(733,936,420)
<b>Net interest income</b>	<b>1,334,993,285</b>	<b>1,042,516,319</b>	<b>452,879,030</b>	<b>331,168,633</b>
Investment income	40,579,839	2,193,893	43,024,739	36,079,625
Commission and brokerage	322,840,296	404,301,238	87,303,942	165,557,094
Other operating income	124,947,080	127,694,116	43,111,084	49,416,522
<b>Total operating income</b>	<b>1,823,360,500</b>	<b>1,576,705,566</b>	<b>626,318,795</b>	<b>582,221,874</b>
Salaries and allowances	372,238,199	298,073,949	150,473,999	94,906,304
Rent, taxes, insurance, electricity, etc.	104,243,369	80,874,682	35,767,892	25,312,635
Legal expenses	11,431,009	10,063,736	5,674,576	6,083,835
Postage, stamp, telecommunication, etc.	20,927,397	23,207,786	7,583,277	12,996,130
Stationery, printing, advertisements, etc.	50,691,322	33,639,783	12,337,118	7,931,740
Managing Director's salary and benefits	6,577,300	6,577,300	1,859,100	1,859,100
Directors' fees	655,500	626,750	172,500	300,000
Auditors' fees	325,000	525,900	100,000	167,900
Charges on loan losses	-	-	-	-
Depreciation and repair of Company's assets	83,598,420	70,440,813	32,973,168	23,688,018
Other expenses	123,496,624	146,031,507	52,543,192	40,583,700
<b>Total operating expenses</b>	<b>774,184,140</b>	<b>670,062,206</b>	<b>299,484,822</b>	<b>213,829,362</b>
<b>Profit before provision</b>	<b>1,049,176,359</b>	<b>906,643,360</b>	<b>326,833,972</b>	<b>368,392,512</b>
<b>Provision for loans / investments</b>				
General provision	63,317,061	39,644,243	23,539,429	1,501,273
Specific provision	66,568,019	(6,839,752)	33,924,832	96,135,707
Provision for diminution in value of investments	(85,170,214)	73,437,097	(29,548,431)	28,203,645
<b>Total provision</b>	<b>44,714,865</b>	<b>106,241,588</b>	<b>27,915,829</b>	<b>125,840,625</b>
<b>Total profit before taxes</b>	<b>1,004,461,494</b>	<b>800,401,772</b>	<b>298,918,143</b>	<b>242,551,887</b>
Provision for taxation	443,630,425	464,307,563	127,525,487	183,469,574
<b>Net profit after taxation</b>	<b>560,831,069</b>	<b>336,094,209</b>	<b>171,392,656</b>	<b>59,082,313</b>
<b>Attributable to:</b>				
Shareholders of the Company	560,830,913	336,094,339	171,392,596	59,082,353
Non-controlling interest	156	(130)	60	(40)
	560,831,069	336,094,209	171,392,656	59,082,313
<b>Earnings per share (EPS)</b>	<b>4.53</b>	<b>2.72</b>	<b>1.38</b>	<b>0.48</b>

  
CEO & Managing Director

Dated: October 22, 2012

  
Chief Financial Officer  
(Acting)

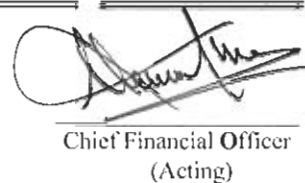
**IDLC Finance Limited**  
**Consolidated Balance Sheet as at September 30, 2012**

	<u>30-Sep-12</u> Taka	<u>31-Dec-11</u> Taka
<b>PROPERTY AND ASSETS</b>		
<b>Cash</b>		
In hand	251,000	246,000
Balance with Bangladesh Bank	378,257,268	417,207,356
	378,508,268	417,453,356
<b>Balance with other banks and financial institutions in Bangladesh</b>	2,346,567,929	2,133,007,415
<b>Money at call and short notice</b>	-	670,000,000
<b>Investments</b>	523,321,258	549,596,742
<b>Loans, advances and leases</b>	31,863,268,643	26,357,104,245
<b>Fixed assets including land, building, furniture and fixtures</b>	494,346,708	355,694,293
<b>Other assets</b>	747,493,478	681,684,403
<b>Total Assets</b>	<u>36,353,506,283</u>	<u>31,164,540,454</u>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>		
<b>Borrowings from other banks and financial institutions</b>	4,323,039,134	4,565,821,153
<b>Deposits and other accounts</b>		
Term deposits	20,146,966,269	16,828,267,206
Other deposits	945,826,340	810,581,392
	21,092,792,609	17,638,848,598
<b>Other liabilities</b>	6,396,370,850	4,979,398,082
<b>Total liabilities</b>	<u>31,812,202,593</u>	<u>27,184,067,833</u>
<b>Capital / Shareholders' equity</b>		
Paid-up capital	1,237,500,000	990,000,000
Share premium	3,750,000	3,750,000
Statutory reserves	723,210,192	723,210,192
General reserves	811,250,000	811,250,000
Dividend equalisation reserves	46,500,000	46,500,000
Retained earnings	1,719,091,728	1,405,760,814
Total equity attributable to equity holders of the company	4,541,301,920	3,980,471,006
<b>Non-controlling interest</b>	1,770	1,615
<b>Total liabilities and Shareholders' equity</b>	<u>36,353,506,283</u>	<u>31,164,540,454</u>
<b>OFF - BALANCE SHEET ITEMS</b>		
<b>Contingent liabilities</b>		
Letters of guarantee	-	-
Irrevocable letters of credit	24,534,400	126,958,540
Indemnity Bond	8,811,279	8,811,279
	33,345,679	135,769,819
<b>Other commitments</b>		
Undisbursed contracted loans and leases	231,680,978	1,274,012,995
<b>Total Off-Balance Sheet items</b>	<u>265,026,657</u>	<u>1,409,782,814</u>
<b>Net assets value per share</b>	<u>36.70</u>	<u>32.17</u>



CEO & Managing Director

Dated: October 22, 2012



Chief Financial Officer  
(Acting)

**IDLC Finance Limited**  
**Consolidated Statement of Changes in Equity**  
**for the period ended September 30, 2012**

	Attributable to equity holders of the company							Total equity Taka
	Share capital Taka	Share premium Taka	Statutory reserve Taka	General reserve Taka	Dividend equalisation reserve Taka	Retained earnings Taka	Total Taka	
Balance at January 1, 2012	990,000,000	3,750,000	723,210,192	811,250,000	46,500,000	1,405,760,814	3,980,471,006	3,980,472,621
Dividend for 2011:								
25% stock dividend	247,500,000	-	-	-	-	(247,500,000)	-	-
Dividend of subsidiary	-	-	-	-	-	-	-	-
Net profit for the period ended September 30, 2012	-	-	-	-	-	560,830,913	560,830,913	560,831,069
<b>Balance at September 30, 2012</b>	<b>1,237,500,000</b>	<b>3,750,000</b>	<b>723,210,192</b>	<b>811,250,000</b>	<b>46,500,000</b>	<b>1,719,091,727</b>	<b>4,541,301,920</b>	<b>4,541,303,698</b>
<b>Balance at September 30, 2011</b>	<b>990,000,000</b>	<b>3,750,000</b>	<b>562,364,396</b>	<b>811,250,000</b>	<b>46,500,000</b>	<b>1,402,417,682</b>	<b>3,816,282,078</b>	<b>3,816,283,876</b>

  
**CEO & Managing Director**

Dated: October 22, 2012

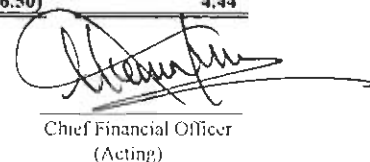
  
**Chief Financial Officer**  
 (Acting)

**IDLC Finance Limited**  
Consolidated Cash Flow Statement  
for the period ended September 30, 2012

Particulars	30-Sep-12 Taka	30-Sep-11 Taka
<b>A) Cash flows from operating activities</b>		
Interest received	3,139,906,471	2,802,452,494
Interest paid	(2,238,883,919)	(1,759,936,175)
Dividend received	3,247,700	17,608,677
Fees and commission received	322,840,296	404,301,238
Paid to employees and suppliers	(692,083,415)	(647,723,898)
Payment of income tax	(355,481,695)	(390,323,975)
Received from other operating activities	151,900,977	110,620,697
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>331,446,416</b>	<b>536,999,058</b>
<b>Increase / (decrease) in operating assets and liabilities</b>		
Lease receivable	(469,481,892)	(377,361,881)
Long-term finance	(4,072,815,078)	(2,708,284,930)
Real estate finance	(971,750,734)	(1,087,071,121)
Car loans	9,635,909	(37,181,748)
Personal loan	15,849,597	(1,475,332)
Margin loan to portfolio investors	196,049,243	616,073,022
Short term finance	28,480,685	(244,159,020)
Net proceeds of investment in marketable securities	(197,333,199)	(522,431,891)
Other assets	137,013,872	(12,571,913)
Term and other deposits	3,382,692,684	5,194,685,775
Net drawdown of short term loan	(630,840,397)	(832,951,049)
Payable and accrued expenses	1,418,959,284	(5,316,710)
Deferred liability-employee gratuity	16,683,719	4,019,540
Portfolio investors' fund	-	-
Interest suspense account	516,496	27,070,671
	(1,136,339,811)	13,043,413
<b>Net cash from operating activities</b>	<b>(804,893,395)</b>	<b>550,042,471</b>
<b>B) Cash flows from investing activities</b>		
Purchase of property and equipment	(234,683,833)	(130,907,484)
Disposal of property and equipment	26,097,157	26,195,517
Net proceeds of investment in non marketable securities	71,120,968	66,016,508
<b>Net cash used in investing activities</b>	<b>(137,465,708)</b>	<b>(38,695,459)</b>
<b>C) Cash flows from financing activities</b>		
Drawdown of term loans	1,349,439,730	719,473,524
Repayment of term loans	(902,381,354)	(1,173,133,908)
Payment against lease obligation	(46,367)	(2,110,751)
Dividend paid	(37,480)	(107,334,587)
<b>Net Cash from financing activities</b>	<b>446,974,529</b>	<b>(563,105,722)</b>
<b>D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)</b>	<b>(495,384,575)</b>	<b>(51,758,710)</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>3,220,460,771</b>	<b>3,722,887,896</b>
<b>G) Cash and cash equivalents at end of the period (D+E+F)</b>	<b>2,725,076,196</b>	<b>3,671,129,186</b>
<b>Cash and cash equivalents at end of the period</b>		
Cash in hand (including foreign currencies)	251,000	241,000
Money at call and short notice	-	340,000,000
Balance with Bangladesh Bank and its agent bank (s)	378,257,268	513,513,016
Balance with other banks and financial institutions	2,346,567,929	2,817,375,170
	<b>2,725,076,196</b>	<b>3,671,129,186</b>
<b>Net operating cashflow per share</b>	<b>(6.50)</b>	<b>4.44</b>

  
CEO & Managing Director

Dated October 22, 2012

  
Chief Financial Officer  
(Acting)

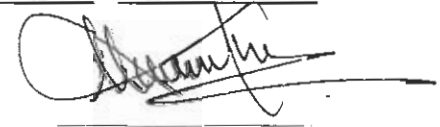
**IDLC Finance Limited**  
**Balance Sheet as at September 30, 2012**

	<u>30-Sep-12</u> <u>Taka</u>	<u>31-Dec-11</u> <u>Taka</u>
<b>PROPERTY AND ASSETS</b>		
<b>Cash</b>		
In hand	151,000	136,000
Balance with Bangladesh Bank	378,257,268	417,207,356
	378,408,268	417,343,356
<b>Balance with other banks and financial institutions in Bangladesh</b>	1,885,413,784	1,404,989,474
<b>Money at call and short notice</b>	-	670,000,000
<b>Investments</b>		
Government	-	-
Others	319,132,923	397,108,875
	319,132,923	397,108,875
<b>Loans, advances and leases</b>	30,441,513,223	25,540,199,582
<b>Fixed assets including land, building, furniture and fixtures</b>	419,562,989	259,707,167
<b>Other assets</b>	583,743,692	829,466,848
<b>Total Assets</b>	<u>34,027,774,879</u>	<u>29,518,815,302</u>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>		
<b>Borrowings from other banks and financial institutions</b>	4,382,039,134	4,565,821,153
<b>Deposits and other accounts</b>		
Term deposits	20,146,966,269	16,828,267,206
Other deposits	945,826,340	810,581,392
	21,092,792,609	17,638,848,598
<b>Other liabilities</b>	4,917,249,768	4,093,629,977
<b>Total liabilities</b>	<u>30,392,081,511</u>	<u>26,298,299,728</u>
<b>Capital / Shareholders' equity</b>		
Paid-up capital	1,237,500,000	990,000,000
Share premium	3,750,000	3,750,000
Statutory reserves	723,210,192	723,210,192
General reserves	811,250,000	811,250,000
Dividend equalisation reserves	46,500,000	46,500,000
Retained earnings	813,483,175	645,805,382
<b>Total equity</b>	<u>3,635,693,367</u>	<u>3,220,515,574</u>
<b>Total liabilities and Shareholders' equity</b>	<u>34,027,774,879</u>	<u>29,518,815,302</u>
<b>OFF - BALANCE SHEET ITEMS</b>		
<b>Contingent liabilities</b>		
Letters of guarantee	-	-
Irrevocable letters of credit	24,534,400	126,958,540
Indemnity Bond	8,811,279	8,811,279
	33,345,679	135,769,819
<b>Other commitments</b>		
Undisbursed contracted loans and leases	231,680,978	1,274,012,995
<b>Total Off-Balance Sheet items</b>	<u>265,026,657</u>	<u>1,409,782,814</u>
<b>Net assets value per share</b>	<u>29.38</u>	<u>26.02</u>

  
CEO & Managing Director

Dated: October 22, 2012

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Chief Financial Officer  
(Acting)

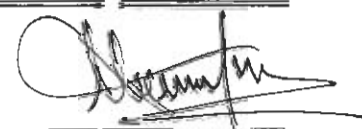


**IDLC Finance Limited**  
**Profit and Loss Account for the period ended September 30, 2012**

	<u>Jan to Sep 12</u>	<u>Jan to Sep 11</u>	<u>Jul to Sep 12</u>	<u>Jul to Sep 11</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Interest income	3,437,921,923	2,654,462,256	1,183,132,800	949,832,541
Interest expenses	(2,226,065,602)	(1,668,351,389)	(766,814,203)	(644,210,545)
<b>Net interest income</b>	<b>1,211,856,321</b>	<b>986,110,867</b>	<b>416,318,597</b>	<b>305,621,996</b>
Investment income	32,169,001	237,518,160	16,951,168	32,446,923
Commission and brokerage	80,069,386	193,451,367	8,335,735	72,336,432
Other operating income	123,974,194	123,353,309	43,210,356	45,856,405
<b>Total operating income</b>	<b>1,448,068,901</b>	<b>1,540,433,703</b>	<b>484,815,855</b>	<b>456,261,756</b>
Salaries and allowances	288,750,515	239,601,889	111,451,643	72,735,166
Rent, taxes, insurance, electricity, etc.	66,600,426	42,455,935	23,715,395	14,178,457
Legal expenses	8,816,088	5,797,049	4,428,758	4,021,411
Postage, stamp, telecommunication, etc.	12,446,907	13,767,370	4,858,035	4,413,808
Stationery, printing, advertisements, etc.	48,047,390	29,990,166	11,616,214	7,403,219
Managing Director's salary and benefits	6,577,300	6,577,300	1,859,100	1,859,100
Directors' fees	488,750	460,000	120,750	178,250
Auditors' fees	325,000	436,000	100,000	135,500
Charges on loan losses	-	-	-	-
Depreciation and repair of Company's assets	60,918,970	52,079,828	25,412,502	16,966,123
Other expenses	103,241,055	117,363,608	45,824,019	54,936,144
<b>Total operating expenses</b>	<b>596,212,400</b>	<b>508,529,145</b>	<b>229,386,415</b>	<b>176,827,178</b>
<b>Profit before provisions</b>	<b>851,856,501</b>	<b>1,031,904,558</b>	<b>255,429,440</b>	<b>279,434,578</b>
<b>Provision for loans / investments</b>				
General provision	63,317,061	39,644,243	23,539,429	1,501,273
Specific provision	66,568,019	(64,797,561)	33,924,832	65,380,656
Provision for diminution in value of investments	(46,404,737)	73,437,097	(34,245,830)	28,203,645
<b>Total provision</b>	<b>83,480,343</b>	<b>48,283,779</b>	<b>23,218,431</b>	<b>95,085,574</b>
<b>Total profit before taxes</b>	<b>768,376,158</b>	<b>983,620,779</b>	<b>232,211,009</b>	<b>184,349,004</b>
Provision for taxation	353,198,365	398,069,962	103,957,673	120,891,251
<b>Net profit after taxation</b>	<b>415,177,793</b>	<b>585,550,817</b>	<b>128,253,336</b>	<b>63,457,753</b>
<b>Earnings per share (EPS)</b>	<b>3.35</b>	<b>4.73</b>	<b>1.04</b>	<b>0.51</b>

  
CEO & Managing Director

Dated: October 22, 2012

  
Chief Financial Officer  
(Acting)

**IDLC Finance Limited**  
**Statement of Changes in Equity**  
**for the period ended September 30, 2012**

	Share capital Taka	Share premium Taka	Statutory reserve Taka	General reserve Taka	Dividend equalisation reserve Taka	Retained earnings Taka	Total Taka
Balance at January 1, 2012	990,000,000	3,750,000	723,210,192	811,250,000	46,500,000	645,805,382	3,220,515,574
Dividend for 2011:							
25% stock dividend	247,500,000	-	-	-	-	(247,500,000)	-
Net profit for the period ended September 30, 2012	-	-	-	-	-	415,177,793	415,177,793
<b>Balance at September 30, 2012</b>	<b>1,237,500,000</b>	<b>3,750,000</b>	<b>723,210,192</b>	<b>811,250,000</b>	<b>46,500,000</b>	<b>813,483,175</b>	<b>3,635,693,367</b>
<b>Balance at September 30, 2011</b>	<b>990,000,000</b>	<b>3,750,000</b>	<b>562,364,396</b>	<b>811,250,000</b>	<b>46,500,000</b>	<b>587,973,016</b>	<b>3,001,837,412</b>

  
CEO & Managing Director

  
Chief Financial Officer  
(Acting)

Dated: October 22, 2012



**IDLC Finance Limited**  
Cash Flow Statement  
for the period ended September 30, 2012

Particulars	<u>30-Sep-12</u> Taka	<u>30-Sep-11</u> Taka
<b>A) Cash flows from operating activities</b>		
Interest received	3,003,951,190	2,420,433,142
Interest paid	(2,226,065,602)	(1,668,351,389)
Dividend received	2,218,160	210,085,082
Fees and commission received	80,069,386	193,451,367
Paid to employees and suppliers	(535,293,430)	(458,701,802)
Payment of income tax	(355,481,695)	(390,323,975)
Received from other operating activities	144,545,278	149,069,808
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>113,943,227</b>	<b>455,662,233</b>
<b>Increase / (decrease) in operating assets and liabilities</b>		
Lease receivable	(469,481,892)	(377,361,881)
Long-term finance	(4,072,815,078)	(2,708,284,930)
Real estate finance	(971,750,734)	(1,087,071,122)
Car loans	9,635,909	(37,181,748)
Personal loan	15,849,597	(1,475,332)
Margin loan to portfolio investors	-	5,633,191,635
Loan to IDLC Investments Limited	560,219,060	(244,159,020)
Short term finance	28,480,685	(4,158,276,021)
Net proceeds of investment in marketable securities	6,854,984	(259,619,480)
Other assets	653,396,090	(502,725,703)
Term and other deposits	3,382,692,684	5,194,685,774
Net drawdown of short term loan	(630,840,397)	(832,951,049)
Payable and accrued expenses	816,815,205	(504,925,281)
Inter-company payables	9,790,369	7,117,099
Deferred liability-employee gratuity	12,511,825	4,019,540
Portfolio investors' fund	-	-
Interest suspense account	516,496	27,070,671
	(648,125,196)	152,053,152
<b>Net cash from operating activities</b>	<b>(534,181,969)</b>	<b>607,715,385</b>
<b>B) Cash flows from investing activities</b>		
Purchase of property and equipment	(224,274,718)	(99,400,281)
Disposal of property and equipment	11,850,412	24,713,297
Net proceeds of investment in non marketable securities	71,120,968	66,016,508
<b>Net cash used in investing activities</b>	<b>(141,303,338)</b>	<b>(8,670,476)</b>
<b>C) Cash flows from financing activities</b>		
Drawdown of term loans	1,349,439,730	719,473,524
Repayment of term loans	(902,381,354)	(1,173,133,908)
Payment against lease obligation	(46,367)	(2,110,751)
Dividend paid	(37,480)	(107,334,587)
<b>Net Cash from financing activities</b>	<b>446,974,529</b>	<b>(563,105,722)</b>
<b>D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)</b>	<b>(228,510,778)</b>	<b>35,939,187</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>2,492,332,830</b>	<b>2,800,777,757</b>
<b>G) Cash and cash equivalents at end of the period (D+E+F)</b>	<b>2,263,822,052</b>	<b>2,836,716,944</b>
<b>Cash and cash equivalents at end of the period</b>		
Cash in hand (including foreign currencies)	151,000	131,000
Money at call and short notice	-	340,000,000
Balance with Bangladesh Bank and its agent bank (s)	378,257,268	513,513,016
Balance with other banks and financial institutions	1,885,413,784	1,983,072,928
	<b>2,263,822,052</b>	<b>2,836,716,944</b>
<b>Net operating cashflow per share</b>	<b>(4.32)</b>	<b>4.91</b>

CEO & Managing Director

Date: October 22, 2012

Chief Financial Officer  
(Acting)

**IDLC FINANCE LIMITED**  
**Selected explanatory notes to the accounts**

**Reporting**

This 3rd 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, 2011, 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, 2011.

**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'.

**Net profit after tax of IDLC Finance Limited:**

Net profit after tax of IDLC Finance Limited for the period January to September 30, 2011 included profit from merchant banking activities of the company. As the activities of merchant banking operations of the company was transferred to a newly formed subsidiary "IDLC Investments Limited" with effect from August 16, 2011, the net profit for the period ended on September 30, 2012 does not include the profit earned from merchant banking operations.

**Earnings Per Share (EPS):**

Earnings per share has been calculated based on number of shares outstanding for the period ended September 30, 2012 and profit for the same period. The number of shares outstanding for the period was 123.75 million. Earnings per shares for the preceding period of 2011 has also been calculated based on 123.75 million shares.

**Approval of 3rd quarterly report:**

The financial statements for the period ended September 30, 2012 were approved by the Board of Directors in its 198th meeting held on October 22, 2012.

**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.

**Reclassifications:**

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

