

**IDLC Finance Limited**  
**Financial Statements**  
for the period ended September 30, 2013

**IDLC Finance Limited**  
**Consolidated Balance Sheet as at September 30, 2013**

	<u>30-Sep-13</u> <u>Taka</u>	<u>31-Dec-12</u> <u>Taka</u>
<b>PROPERTY AND ASSETS</b>		
<b>Cash</b>		
In hand	301,000	251,000
Balance with Bangladesh Bank	627,862,842	565,343,055
	628,163,842	565,594,055
<b>Balance with other banks and financial institutions in Bangladesh</b>	4,782,646,461	3,275,459,753
<b>Money at call and short notice</b>	-	40,000,000
<b>Investments</b>	439,821,767	387,543,923
<b>Loans, advances and leases</b>	40,666,675,791	32,595,178,553
<b>Fixed assets including land, building, furniture and fixtures</b>	417,593,394	471,830,413
<b>Other assets</b>	453,328,788	448,259,040
<b>Total Assets</b>	<u>47,388,230,043</u>	<u>37,783,865,737</u>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>		
<b>Borrowings from other banks and financial institutions</b>	8,110,814,669	4,333,821,600
<b>Deposits and other accounts</b>		
Term deposits	26,544,148,157	22,008,203,723
Other deposits	1,167,471,972	990,695,376
	27,711,620,129	22,998,899,099
<b>Other liabilities</b>	6,510,792,892	5,757,851,191
<b>Total liabilities</b>	<u>42,333,227,690</u>	<u>33,090,571,890</u>
<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	1,743,700,248	1,753,241,814
Total equity attributable to equity holders of the company	5,055,000,494	4,693,292,060
<b>Non-controlling interest</b>	1,859	1,787
<b>Total liabilities and Shareholders' equity</b>	<u>47,388,230,043</u>	<u>37,783,865,737</u>
<b>OFF - BALANCE SHEET ITEMS</b>		
<b>Contingent liabilities</b>		
Letters of guarantee	-	1,051,435
Irrevocable letters of credit	349,807,790	127,193,600
Indemnity Bond	8,811,279	8,811,279
	358,619,069	137,056,314
<b>Other commitments</b>		
Undisbursed contracted loans and leases	485,634,782	94,523,911
<b>Total Off-Balance Sheet items</b>	<u>844,253,851</u>	<u>231,580,225</u>
<b>Net assets value per share</b>	<u>31.42</u>	<u>29.17</u>

  
CEO & Managing Director

Dated : October 29, 2013

  
Chief Financial Officer

**IDLC Finance Limited**  
**Consolidated Profit and Loss Account for the period ended September 30, 2013**

	<u>Jan to Sep '13</u>	<u>Jan to Sep '12</u>	<u>Jul to Sep '13</u>	<u>Jul to Sep '12</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Interest income	4,475,680,800	3,573,877,204	1,619,050,982	1,224,036,477
Interest expenses	(2,979,166,530)	(2,238,883,919)	(1,046,305,579)	(771,157,447)
<b>Net interest income</b>	<b>1,496,514,270</b>	<b>1,334,993,285</b>	<b>572,745,403</b>	<b>452,879,030</b>
Investment income	50,528,118	40,579,839	46,611,676	43,024,739
Commission and brokerage	213,222,846	245,270,910	80,842,202	78,968,207
Other operating income	249,335,261	202,516,466	83,585,054	51,446,819
<b>Total operating income</b>	<b>2,009,600,495</b>	<b>1,823,360,500</b>	<b>783,784,335</b>	<b>626,318,795</b>
Salaries and allowances	419,453,584	372,238,199	156,925,317	150,473,999
Rent, taxes, insurance, electricity, etc.	81,837,399	83,054,376	27,841,265	28,558,222
Legal expenses	8,114,568	7,351,311	1,510,627	3,648,195
Postage, stamp, telecommunication, etc.	24,900,401	20,927,397	9,080,583	7,583,277
Stationery, printing, advertisements, etc.	60,273,297	57,757,734	22,966,441	14,140,516
Managing Director's salary and benefits	8,770,000	6,577,300	3,090,000	1,859,100
Directors' fees	678,250	655,500	178,000	172,500
Auditors' fees	697,235	325,000	396,735	100,000
Charges on loan losses	-	-	-	-
Depreciation and repair of Company's assets	123,928,871	101,290,177	37,554,827	48,299,551
Other expenses	189,834,285	124,007,146	61,232,640	44,649,463
<b>Total operating expenses</b>	<b>918,487,890</b>	<b>774,184,140</b>	<b>320,776,435</b>	<b>299,484,822</b>
<b>Profit before provision</b>	<b>1,091,112,605</b>	<b>1,049,176,360</b>	<b>463,007,900</b>	<b>326,833,972</b>
<b>Provision for loans / investments</b>				
General provision	80,939,522	63,317,061	30,805,532	23,539,429
Specific provision	184,986,181	66,568,019	27,444,250	33,924,832
Provision for diminution in value of investments	692,995	(85,170,214)	41,183,098	(29,548,431)
<b>Total provision</b>	<b>266,618,698</b>	<b>44,714,866</b>	<b>99,432,880</b>	<b>27,915,829</b>
<b>Total profit before taxes</b>	<b>824,493,907</b>	<b>1,004,461,494</b>	<b>363,575,020</b>	<b>298,918,143</b>
Provision for taxation	462,785,401	443,630,425	202,457,539	127,525,487
<b>Net profit after taxation</b>	<b>361,708,506</b>	<b>560,831,069</b>	<b>161,117,481</b>	<b>171,392,656</b>
<b>Attributable to:</b>				
Shareholders of the Company	361,708,434	560,830,913	161,117,437	171,392,596
Non-controlling interest	72	156	44	60
	<b>361,708,506</b>	<b>560,831,069</b>	<b>161,117,481</b>	<b>171,392,656</b>
<b>Earnings per share (EPS)</b>	<b>2.25</b>	<b>3.49</b>	<b>1.00</b>	<b>1.07</b>



CEO & Managing Director

Dated : October 29, 2013




Chief Financial Officer

**IDLC Finance Limited**  
**Consolidated Cash Flow Statement**  
**for the period ended September 30, 2013**

Particulars	30-Sep-13	30-Sep-12
	Taka	Taka
<b>A) Cash flows from operating activities</b>		
Interest received	3,876,967,082	3,139,906,471
Interest paid	(2,979,166,530)	(2,238,883,919)
Dividend received	2,223,900	3,247,700
Fees and commission received	26,981,573	245,270,910
Paid to employees and suppliers	(830,275,367)	(692,083,415)
Payment of income tax	(384,252,963)	(355,481,695)
Received from other operating activities	293,116,545	229,470,363
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>5,594,240</b>	<b>331,446,415</b>
<b>Increase / (decrease) in operating assets and liabilities</b>		
Lease receivable	(825,877,922)	(469,481,892)
Long-term finance	(5,459,447,525)	(4,072,815,078)
Real estate finance	(2,261,559,881)	(971,750,734)
Car loans	(255,627,465)	9,635,909
Personal loan	20,248,547	15,849,597
Loan against deposit	191,314,700	-
Margin loan to portfolio investors	694,059,099	196,049,243
Short term finance	(57,377,284)	28,480,685
Net proceeds of investment in marketable securities	(72,277,844)	(197,333,199)
Other assets	688,456,990	137,013,872
Term and other deposits	4,712,721,031	3,382,692,684
Net drawdown of short term loan	2,060,000,000	(630,840,397)
Payable and accrued expenses	480,074,635	1,418,959,284
Deferred liability-employee gratuity	21,283,566	16,683,719
Portfolio investors' fund	(111,922,519)	-
Deferred tax liability	-	-
Interest suspense account	4,746,601	516,496
	(171,185,272)	(1,136,339,810)
<b>Net cash from operating activities</b>	<b>(165,591,032)</b>	<b>(804,893,395)</b>
<b>B) Cash flows from investing activities</b>		
Purchase of property and equipment	(52,065,516)	(234,683,833)
Disposal of property and equipment	10,413,295	26,097,157
Net proceeds of investment in non marketable securities	20,000,000	71,120,968
<b>Net cash used in investing activities</b>	<b>(21,652,220)</b>	<b>(137,465,708)</b>
<b>C) Cash flows from financing activities</b>		
Drawdown of term loans	2,896,271,938	1,349,439,730
Repayment of term loans	(1,179,278,869)	(902,381,354)
Payment against lease obligation	-	(46,367)
Dividend paid	6,679	(37,480)
<b>Net Cash from financing activities</b>	<b>1,716,999,748</b>	<b>446,974,529</b>
<b>D) Net increase / (decrease) in cash and cash equivalents (A+ B)</b>	<b>1,529,756,495</b>	<b>(495,384,574)</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>5,410,810,303</b>	<b>2,725,076,197</b>
<b>Cash and cash equivalents at end of the year</b>		
Cash in hand (including foreign currencies)	301,000	251,000
Money at call and short notice	-	-
Balance with Bangladesh Bank and its agent bank (s)	627,862,842	378,257,268
Balance with other banks and financial institutions	4,782,646,461	2,346,567,929
	<b>5,410,810,303</b>	<b>2,725,076,197</b>
<b>Net operating cash flow per share</b>	<b>(1.03)</b>	<b>(5.00)</b>

  
CEO & Managing Director

Dated : October 29, 2013

  
Chief Financial Officer

**IDLC Finance Limited**  
Consolidated Statement of Changes in Equity  
for the period ended September 30, 2013

	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	Non-controlling interest 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	1,787	4,693,293,847
Dividend for 2012: 30% stock dividend	371,250,000	-	-	-	-	(371,250,000)	-	-
Net profit for period ended September 30, 2013	1,608,750,000	3,750,000	841,050,246	811,250,000	46,500,000	1,743,700,248	72	361,708,506
<b>Balance at September 30, 2013</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>1,859</b>	<b>5,055,002,353</b>
<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>1,770</b>	<b>4,541,303,690</b>



CEO & Managing Director

Dated : October 29, 2013



Chief Financial Officer

**IDLC Finance Limited**  
**Balance Sheet as at September 30, 2013**

	<u>30-Sep-13</u> Taka	<u>31-Dec-12</u> Taka
<b>PROPERTY AND ASSETS</b>		
<b>Cash</b>		
In hand	201,000	151,000
Balance with Bangladesh Bank	627,862,842	565,343,055
	628,063,842	565,494,055
<b>Balance with other banks and financial institutions in Bangladesh</b>	4,105,642,760	2,980,373,758
<b>Money at call and short notice</b>	-	40,000,000
<b>Investments</b>		
Government	-	-
Others	285,979,224	205,195,378
	285,979,224	205,195,378
<b>Loans, advances and leases</b>	39,315,176,458	30,938,682,259
<b>Fixed assets including land, building, furniture and fixtures</b>	367,008,142	405,780,043
<b>Other assets</b>	626,842,958	612,646,289
<b>Total Assets</b>	<u>45,328,713,384</u>	<u>35,748,171,782</u>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>		
<b>Borrowings from other banks and financial institutions</b>	8,110,814,669	4,333,821,600
<b>Deposits and other accounts</b>		
Term deposits	26,544,148,157	22,008,203,723
Other deposits	1,167,471,972	990,695,376
	27,711,620,130	22,998,899,099
<b>Other liabilities</b>	5,253,687,751	4,605,735,240
<b>Total liabilities</b>	<u>41,076,122,549</u>	<u>31,938,455,939</u>
<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	941,290,589	869,665,597
<b>Total equity</b>	4,252,590,835	3,809,715,843
<b>Total liabilities and Shareholders' equity</b>	<u>45,328,713,384</u>	<u>35,748,171,782</u>
<b>OFF - BALANCE SHEET ITEMS</b>		
<b>Contingent liabilities</b>		
Letters of guarantee	-	1,051,435
Irrevocable letters of credit	349,807,790	127,193,600
Indemnity Bond	8,811,279	8,811,279
	358,619,069	137,056,314
<b>Other commitments</b>		
Undisbursed contracted loans and leases	485,634,782	94,523,911
<b>Total Off-Balance Sheet items</b>	<u>844,253,851</u>	<u>231,580,225</u>
<b>Net assets value per share</b>	<u>26.43</u>	<u>23.68</u>



CEO & Managing Director

Dated : October 29, 2013



Chief Financial Officer

**IDLC Finance Limited**  
**Profit and Loss Account for the period ended September 30, 2013**

	<u>Jan to Sep'13</u>	<u>Jan to Sep '12</u>	<u>Jul to Sep '13</u>	<u>Jul to Sep '12</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Interest income	4,525,710.142	3,437,921.923	1,637,264,179	1,183,132,800
Interest expenses	(2,959,713,403)	(2,226,065,602)	(1,041,157,209)	(766,814,203)
<b>Net interest income</b>	<b>1,565,996,739</b>	<b>1,211,856,321</b>	<b>596,106,970</b>	<b>416,318,597</b>
Investment income	51,706,012	32,169,001	33,761,580	16,951,168
Commission and brokerage	35,911,953	2,500,000	804,440	-
Other operating income	247,989,686	201,543,580	82,936,919	51,546,091
<b>Total operating income</b>	<b>1,901,604,390</b>	<b>1,448,068,902</b>	<b>713,609,909</b>	<b>484,815,856</b>
Salaries and allowances	343,829,668	288,750,515	131,874,059	111,451,643
Rent, taxes, insurance, electricity, etc.	48,454,784	45,411,433	16,088,673	16,505,725
Legal expenses	5,923,295	4,736,390	492,670	2,402,377
Postage, stamp, telecommunication, etc.	16,884,501	12,446,907	6,410,733	4,858,035
Stationery, printing, advertisements, etc.	55,988,870	55,113,802	20,888,496	13,419,612
Managing Director's salary and benefits	8,770,000	6,577,300	3,090,000	1,859,100
Directors' fees	454,250	488,750	115,000	120,750
Auditors' fees	517,500	325,000	230,000	100,000
Charges on loan losses	-	-	-	-
Depreciation and repair of Company's assets	104,586,726	78,610,727	30,767,322	40,738,885
Other expenses	171,194,091	103,751,577	52,632,836	37,930,290
<b>Total operating expenses</b>	<b>756,603,686</b>	<b>596,212,400</b>	<b>262,589,790</b>	<b>229,386,415</b>
<b>Profit before provisions</b>	<b>1,145,000,705</b>	<b>851,856,502</b>	<b>451,020,120</b>	<b>255,429,440</b>
<b>Provision for loans / investments</b>				
General provision	80,939,522	63,317,061	30,805,532	23,539,429
Specific provision	184,986,181	66,568,019	27,444,250	33,924,832
Provision for diminution in value of investments	22,884,149	(46,404,737)	25,026,733	(34,245,830)
<b>Total provision</b>	<b>288,809,852</b>	<b>83,480,343</b>	<b>83,276,515</b>	<b>23,218,431</b>
<b>Total profit before taxes</b>	<b>856,190,852</b>	<b>768,376,159</b>	<b>367,743,604</b>	<b>232,211,010</b>
Provision for taxation	413,315,861	353,198,365	181,868,663	103,957,673
<b>Net profit after taxation</b>	<b>442,874,992</b>	<b>415,177,794</b>	<b>185,874,942</b>	<b>128,253,337</b>
<b>Earnings per share (EPS)</b>	<b>2.75</b>	<b>2.58</b>	<b>1.16</b>	<b>0.80</b>



CEO & Managing Director

Dated : October 29, 2013



Chief Financial Officer

**IDLC Finance Limited**  
**Cash Flow Statement**  
for the period ended September 30, 2013

Particulars	30-Sep-13	30-Sep-12
	Taka	Taka
<b>A) Cash flows from operating activities</b>		
Interest received	3,937,150,577	3,003,951,190
Interest paid	(2,959,713,403)	(2,226,065,602)
Dividend received	1,481,400	2,218,100
Fees and commission received	35,911,953	2,500,000
Paid to employees and suppliers	(674,746,391)	(535,393,430)
Payment of income tax	(333,662,682)	(355,481,695)
Received from other operating activities	293,743,785	222,214,664
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>300,165,239</b>	<b>113,943,227</b>
<b>Increase / (decrease) in operating assets and liabilities</b>		
Lease receivable	(825,877,922)	(469,481,892)
Long-term finance	(5,459,447,525)	(4,072,815,078)
Real estate finance	(2,261,559,881)	(971,750,734)
Car loans	(255,627,465)	9,635,909
Personal loan	20,248,547	15,849,597
Loan against deposit	191,314,700	-
Margin loan to portfolio investors	-	-
Loan to IDLC Investments Limited	389,000,000	560,219,060
Short term finance	(57,377,284)	28,480,685
Net proceeds of investment in marketable securities	(100,783,846)	6,854,984
Other assets	457,195,527	653,396,090
Term and other deposits	4,712,721,031	3,382,692,684
Net drawdown of short term loan	2,060,000,000	(630,840,397)
Payable and accrued expenses	262,340,526	816,815,205
Inter-company payables	(7,649,379)	9,790,369
Deferred liability-employee gratuity	19,812,113	12,511,825
Interest suspense account	4,746,601	516,496
	(850,944,256)	(648,125,196)
<b>Net cash from operating activities</b>	<b>(550,779,017)</b>	<b>(534,181,969)</b>
<b>B) Cash flows from investing activities</b>		
Purchase of property and equipment	(48,630,501)	(224,274,718)
Disposal of property and equipment	10,248,559	11,850,412
Net proceeds of investment in non marketable securities	20,000,000	71,120,968
<b>Net cash used in investing activities</b>	<b>(18,381,941)</b>	<b>(141,303,338)</b>
<b>C) Cash flows from financing activities</b>		
Drawdown of term loans	2,896,271,938	1,349,439,730
Repayment of term loans	(1,179,278,869)	(902,381,354)
Payment against lease obligation	-	(46,367)
Dividend paid	6,679	(37,480)
<b>Net Cash from financing activities</b>	<b>1,716,999,748</b>	<b>446,974,529</b>
<b>D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)</b>	<b>1,147,838,789</b>	<b>(228,510,778)</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>3,585,867,813</b>	<b>2,492,332,830</b>
<b>G) Cash and cash equivalents at end of the year (D+E+F)</b>	<b>4,733,706,602</b>	<b>2,263,822,052</b>
<b>Cash and cash equivalents at end of the year</b>		
Cash in hand (including foreign currencies)	201,000	151,000
Money at call and short notice	-	-
Balance with Bangladesh Bank and its agent bank (s)	627,862,842	378,257,268
Balance with other banks and financial institutions	4,105,642,760	1,885,413,784
	4,733,706,602	2,263,822,052
<b>Net operating cashflow per share</b>	<b>(3.42)</b>	<b>(3.32)</b>

  
CEO & Managing Director

Dated : October 29, 2013

  
Chief Financial Officer



**IDLC Finance Limited**  
**Statement of Changes in Equity**  
**for the period ended September 30, 2013**

	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, 2013	1,237,500,000	3,750,000	841,050,246	811,250,000	46,500,000	869,665,597	3,809,715,843
Dividend for 2012: 30% stock dividend	371,250,000	-	-	-	-	(371,250,000)	-
Net profit for the period ended September 30, 2013	-	-	-	-	-	442,874,992	442,874,992
<b>Balance at September 30, 2013</b>	<b>1,608,750,000</b>	<b>3,750,000</b>	<b>841,050,246</b>	<b>811,250,000</b>	<b>-6,500,000</b>	<b>941,290,589</b>	<b>4,252,590,835</b>
<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>-6,500,000</b>	<b>813,483,175</b>	<b>3,001,837,412</b>

  
CEO & Managing Director

Dated : October 29, 2013

  
Chief Financial Officer

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

This third 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'.

**Approval of third quarterly report:**

The financial statements for the period ended September 30, 2013 were approved by the Board of Directors in its 207th meeting held on October 29, 2013.

**Earnings Per Share (EPS):**

Earning per share has been calculated based on number of shares outstanding for the period ended September 30, 2013 and profit for the same period. The number of shares outstanding for the period was 160.875 million. Earning per share for the preceding period of 2012 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.

**Reclassifications:**

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.

  
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CEO & Managing Director

Dated : October 29, 2013

  
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Chief Financial Officer