

**Q2 2016**

# **Earnings Disclosure**

31 July 2016

# Forward Looking Statements

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This presentation may contain statements that constitute forward-looking statements about the Company, within the general meaning of the term and within the meaning of applicable securities laws, including financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations. These statements may appear in a number of places in this document and may include statements regarding our intent, belief or current expectations regarding our customer base, estimates regarding future growth in our different business lines, market share, financial results and other aspects of our activity and situation relating to the Company. The forward looking statements in this document can be identified, in some instances, by the use of words such as “expects”, “anticipates”, “intends”, “believes”, and similar language or the negative thereof or by the forward-looking nature of discussions of strategy, plans or intentions.

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Finally, be advised that this document may contain summarized information or information that has not been audited. In this sense, this information is subject to, and must be read in conjunction with, all other publicly available information.

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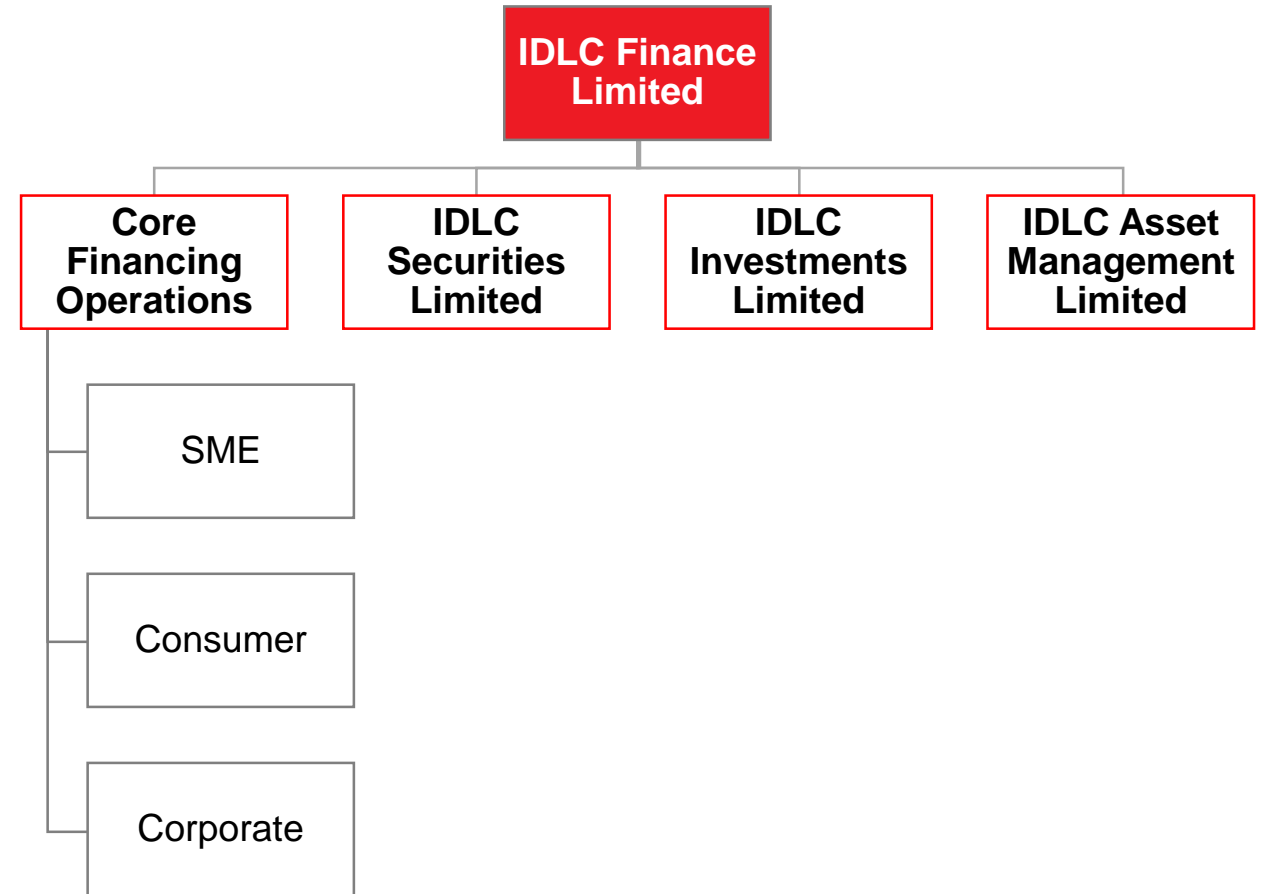
# Overview of IDLC

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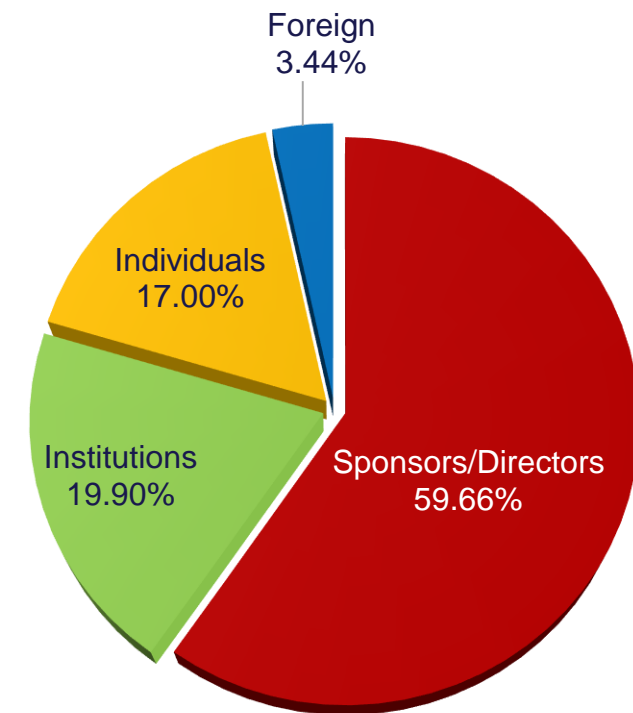
# Overview



Snapshot (as on June 30, 2016)	BDT mn
Total Assets	77,458
Customer Assets	60,547
Total Deposits	50,371
Shareholders' Equity	8,040
Number of Branches	35
Number of Employees	1,262
NPL%	3.01%



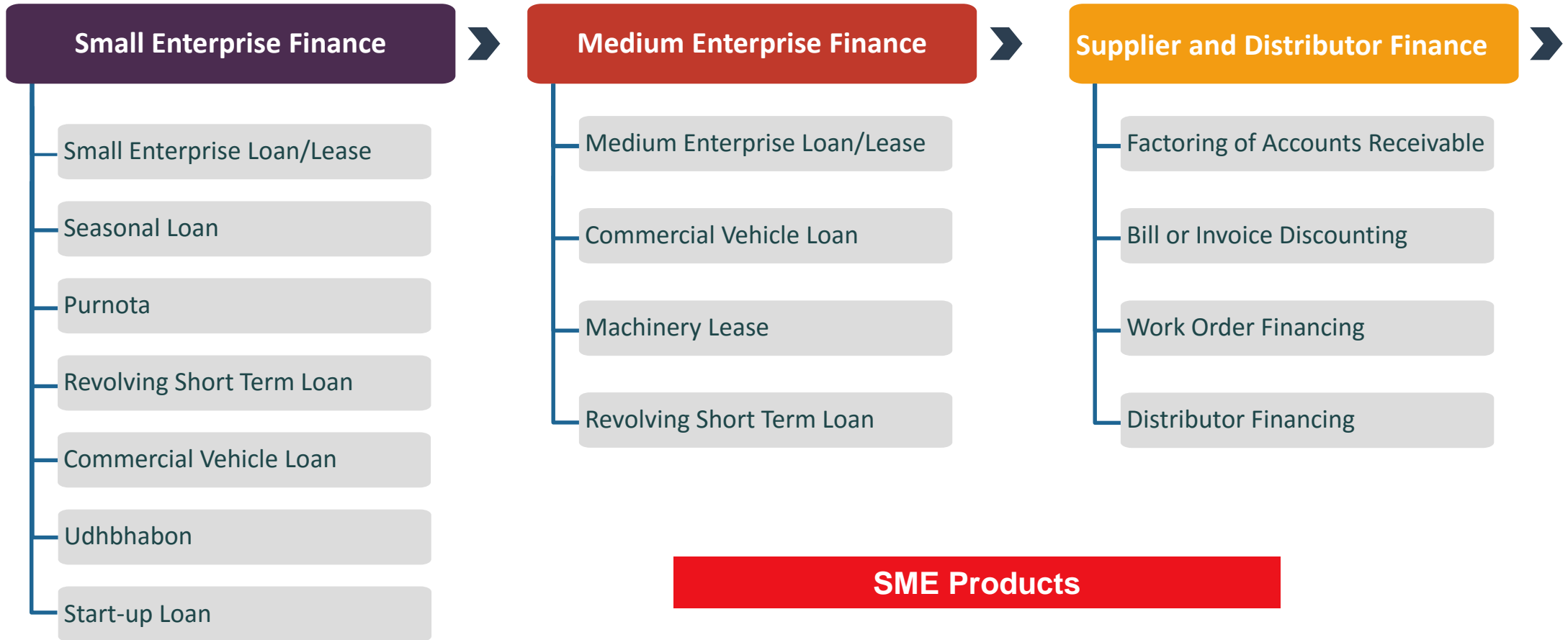
# Shareholding Composition (As on 30 June 2016)



■ Sponsors/Directors    ■ Institutions  
■ Individuals            ■ Foreign

SL. NO.	NAME OF SHAREHOLDERS'	NO.OF SHARES	AS % OF TOTAL
1	<b><u>Sponsors/Directors</u></b>		
	<b>The City Bank Limited and its wholly owned subsidiaries:</b>	<b>60,854,056</b>	<b>24.21</b>
	The City Bank Limited	25,137,225	10.00
	City Bank Capital Resources Ltd. (CBCRL)	24,885,352	9.90
	City Brokerage Ltd.	10,831,479	4.31
	<b>Transcom Group:</b>	<b>33,515,443</b>	<b>13.33</b>
	Eskayef Bangladesh Limited	20,109,375	8.00
	Transcraft Limited	10,088,022	4.01
	Bangladesh Lamps Limited	3,318,046	1.32
	<b>Sadharan Bima Corporation</b>	<b>19,151,663</b>	<b>7.62</b>
	<b>Mercantile Bank Limited</b>	<b>18,852,538</b>	<b>7.50</b>
	<b>Reliance Insurance Co. Limited</b>	<b>17,595,702</b>	<b>7.00</b>
		<b>Sub-Total</b>	<b>149,969,402</b>
2	<b><u>GENERAL</u></b>		
	Institutions	50,012,700	19.90
	Individuals	42,731,900	17.00
	Foreign	8,653,185	3.44
	<b>Sub-Total</b>	<b>101,397,785</b>	<b>40.34</b>
	<b>Total Holdings</b>	<b>251,367,187</b>	<b>100</b>

# Products



# Products



## Consumer Products

### Loans

- Home Loans
  - Fixed Rate
  - Variable rate benchmarked to CoFE
- Car Loans
- Personal Loans
- Loan Against Deposit

### Deposits

- Flexible Term Deposit Package
- Regular Earner Package

## Corporate Products

### Corporate Finance

- Lease Financing
- Term Loan Financing
- Commercial Space Financing
- Project Financing
- Short Term Loans
- Specialised Products
- Green Financing

### Structured Finance

- Fund arrangement/syndication
- Advisory Service
- Trusteeship



## Capital Market Products

### IDLC Investments Limited

- Corporate Advisory
- Issue Management
- Underwriting
- Research
- Margin Loan
- Discretionary Portfolio Management

### IDLC Securities Limited

- Cash Account
- Margin account
- Easy IPO
- Premium brokerage
- Custodial & CDBL services
- Bloomberg terminal for foreign clients
- Research & advisory services.

### IDLC Asset Management Limited

- Institutional Fund Management
- Mutual Funds
- Advisory



# Footprints



IDLC Finance Limited	IDLC Securities Limited	IDLC Investment Limited	IDLC Asset Management Limited
<ul style="list-style-type: none"> <li>□ Dhaka- 14                             <ul style="list-style-type: none"> <li>Corporate Head Office</li> <li>Dilkusha</li> <li>Dhanmondi</li> <li>Gulshan</li> <li>Uttara</li> <li>Gazipur</li> <li>Imamganj</li> <li>Savar</li> <li>Narayangonj</li> <li>Narsingdi</li> <li>Keranigonj</li> <li>Mirpur</li> <li>Tongi</li> <li>Bhulta</li> </ul> </li> <li>□ Chittagong- 2                             <ul style="list-style-type: none"> <li>Agrabad</li> <li>Nandankanon</li> </ul> </li> <li>□ Comilla</li> <li>□ Bogra</li> <li>□ Sylhet</li> <li>□ Jessore</li> <li>□ Khulna</li> <li>□ Natore</li> <li>□ Kushtia</li> <li>□ Hobiganj</li> <li>□ Mymensingh</li> <li>□ Rangpur</li> </ul>	<ul style="list-style-type: none"> <li>□ Dhaka - 7                             <ul style="list-style-type: none"> <li>Head Office</li> <li>Gulshan</li> <li>DOHS</li> <li>Mohakhali</li> <li>Uttara</li> <li>Dhanmondi</li> <li>Narayangonj</li> <li>Gazipur</li> </ul> </li> <li>□ Chittagong-2                             <ul style="list-style-type: none"> <li>Agrabad</li> <li>Khatoongonj</li> </ul> </li> <li>□ Sylhet</li> </ul>	<ul style="list-style-type: none"> <li>□ Dhaka                             <ul style="list-style-type: none"> <li>Head Office</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>□ Dhaka                             <ul style="list-style-type: none"> <li>Head Office</li> </ul> </li> </ul>
			<u>Total Offices</u>
			IDLC Finance Limited : 25
			IDLC Group : 35

# Commitment towards Sustainability



Sustainable development by creating long-term value –

- value for our stakeholders
- value for the environment and
- value for the community



**Strategic Tool: 3P**

People

Planet

Profit

- Skills Development & Education
- Healthcare
- Environmental & Climate Resilient Initiative
- Extended Responsibility

Core CSR

Green  
Banking

- Green Finance
- Green Office Guideline
- Employee customer engagement

ESMS\*

From March 2016, additional to credit worthiness, disbursements are rated on environmental and social factors

# Awards & Accolades



SME NBFY of the year 2014



ICAB<sup>1</sup> National Awards:  
2000 to 2014



ICMAB<sup>2</sup> Award:  
2008 to 2014



DHL-Daily Star  
Best Financial Institution  
Award 2012



SAFA<sup>3</sup> Award:  
2006, 2007, 2011,  
2012, 2013, 2014



COMMWARD 2009



Superbrands 2009

<sup>1</sup> ICAB: Institute of Chartered Accountants of Bangladesh    <sup>2</sup> ICMAB: Institute of Cost and Management Accountants of Bangladesh  
<sup>3</sup> SAFA: South Asian Federation of Accountants



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# H1 2016 Performance

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# H1 2016 Highlights

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## IDLC AML

Started operation of the 3<sup>rd</sup> subsidiary – IDLC Asset management Limited



## NEW BRANCHES

Inaugurated 4 new Branches in – Kushtia, Habiganj, Mymensing and Rangpur



## RELOCATION

Relocated two major operational centers (Gulshan and Dilkusha) to much bigger premises



## ADVANCES GROWTH

Grew Customer Assets by BDT 5,336 mn (10%)



## CUSTOMER DEPOSITS

Grew Customer Deposits by BDT 2,534 mn (6%)



## CUSTOMER INCLUSION

3,726 new customers added to take total number of customers to 25,703



## NEW PRODUCT

Launched Easy Invest



## FUND RAISING

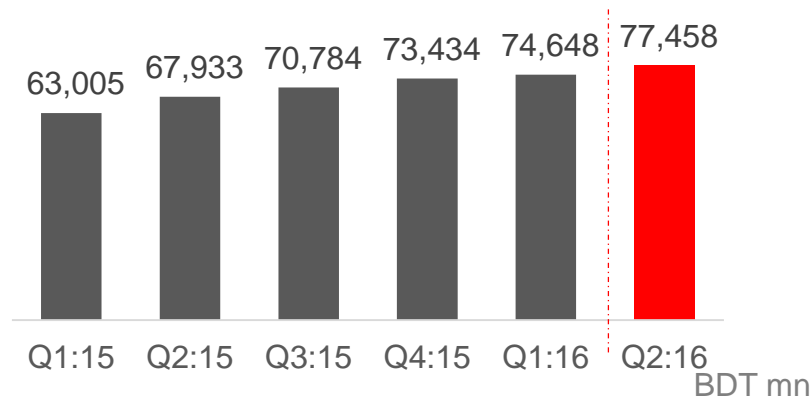
Raised funds (BDT 1.41 bn) through issuance of IDLC SME Zero Coupon Bond



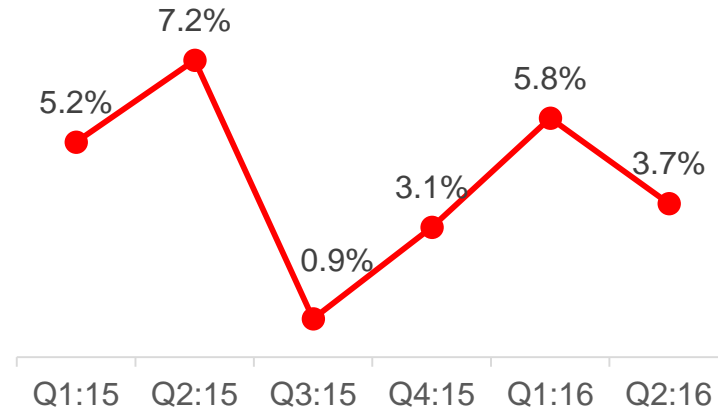
# Continued Business Growth



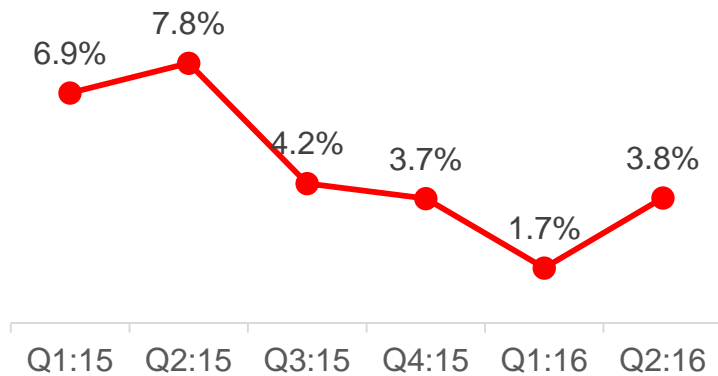
### Balance Sheet



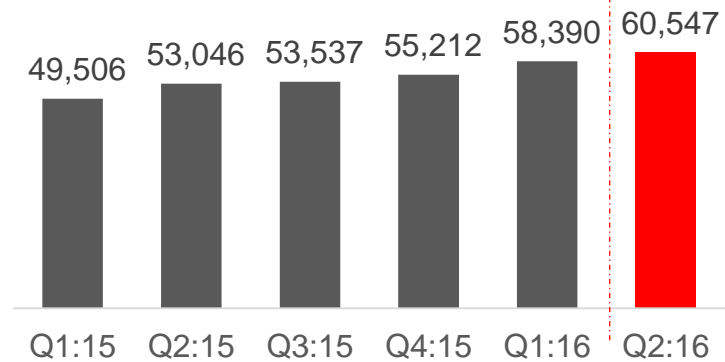
### Customer Advances Growth



### Balance Sheet Growth



### Customer Advances



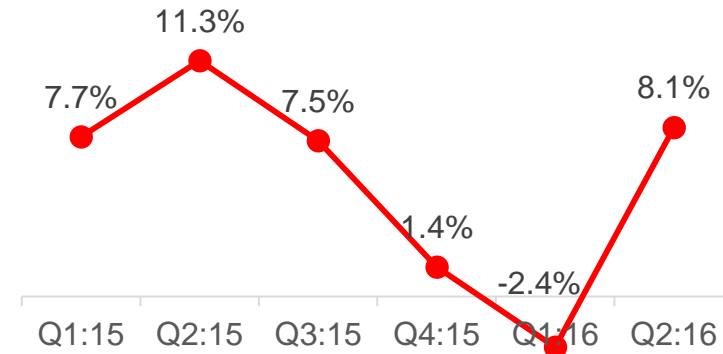
Delivering continued growth on key balance sheet parameters

# Deposit franchise continues to be robust



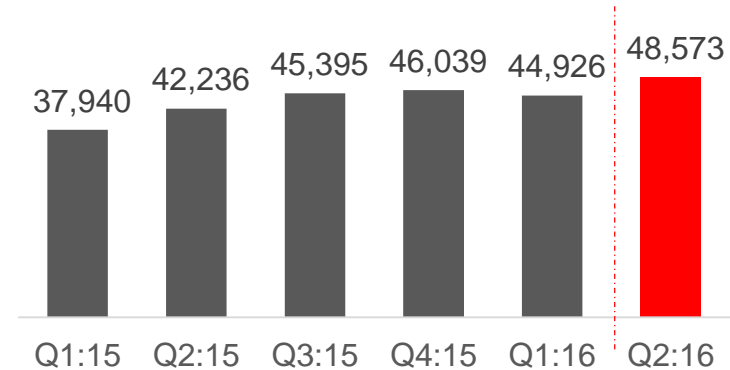
- Diversified funding sources moderate the need for growth in customer deposits
- Deposit price continue to be revised downwards

Customer Deposits Growth

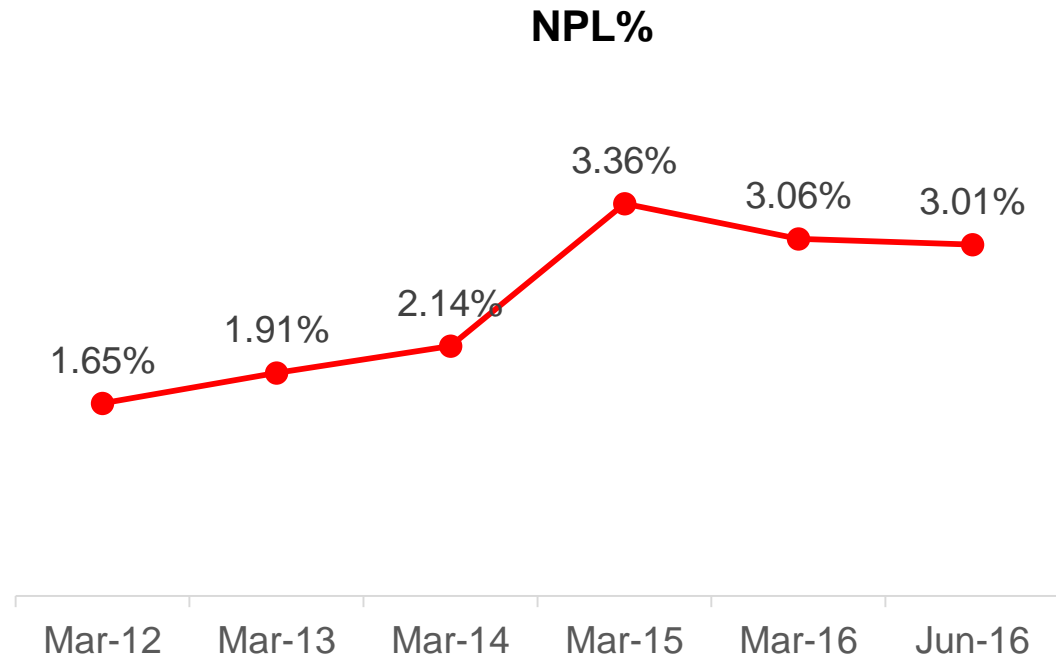
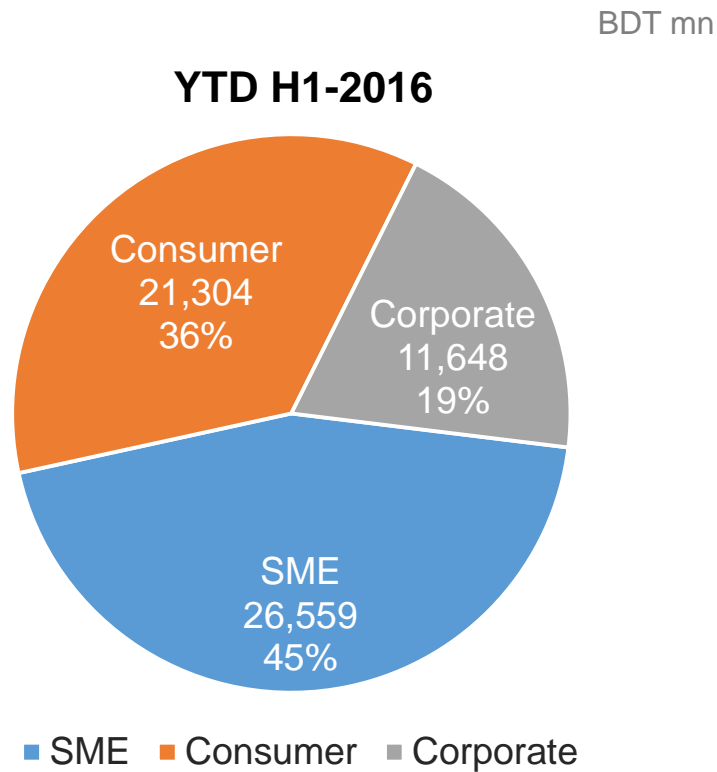


BDT mn

Customer Deposits



# Diversified loan mix with growth driven by SME



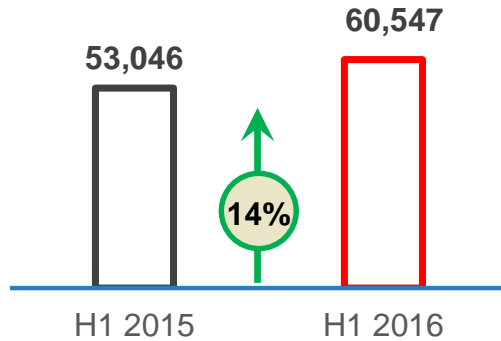


# Key Performance Metrics

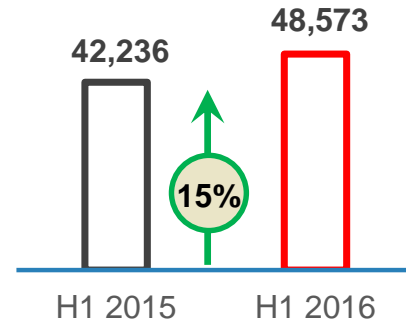


BDT mn

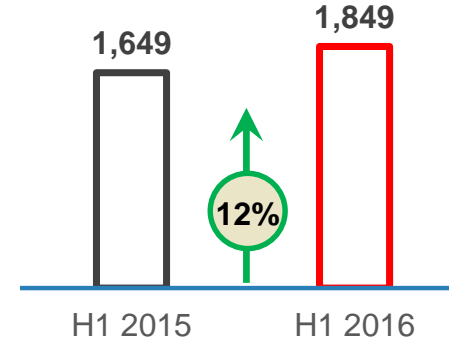
### Customer Assets



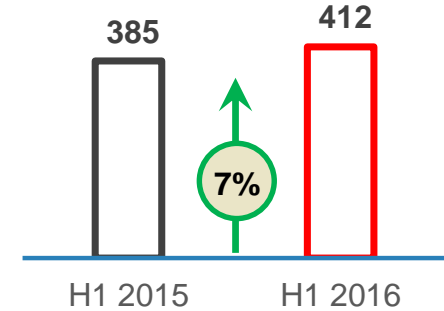
### Customer Deposits



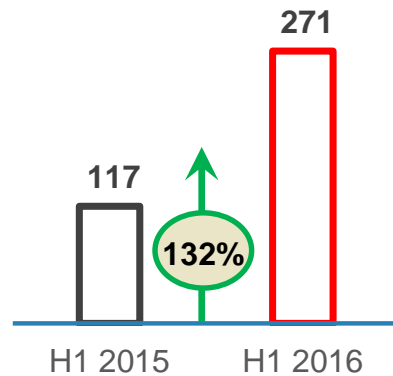
### Net Interest Income



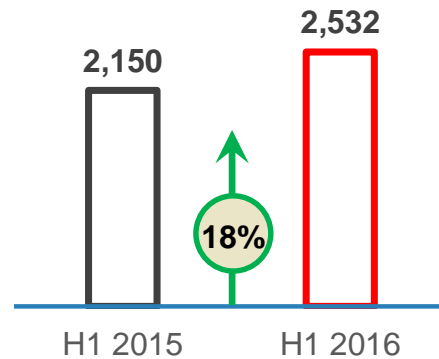
### Fee & Other Income



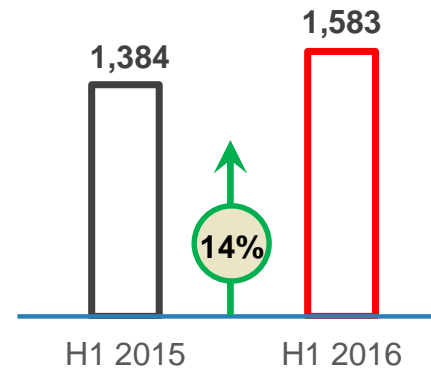
### Investment Income



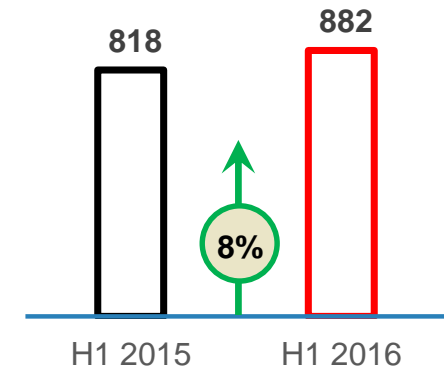
### Operating Income



### Operating Profit



### Net Profit

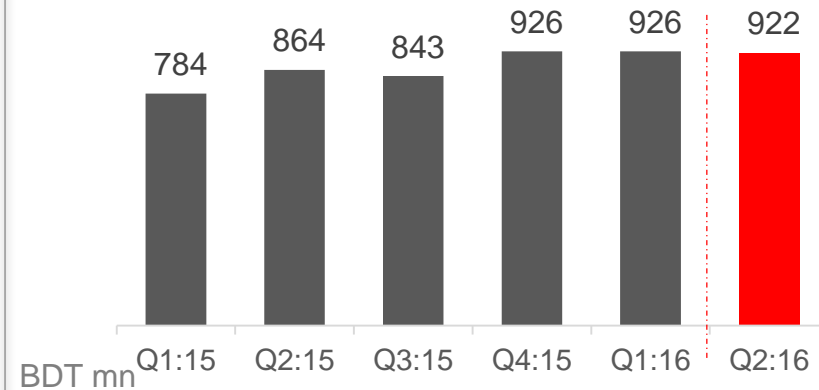


# Stable Earnings Growth



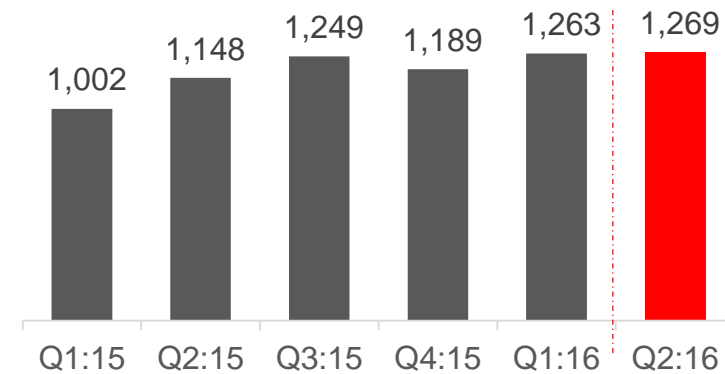
- Major industry wide downward revision in pricing impacting top line growth
- Margins, that increased in 2015 due to shorter tenor of liability than assets, are reverting to mean

Net Interest Income



BDT mn

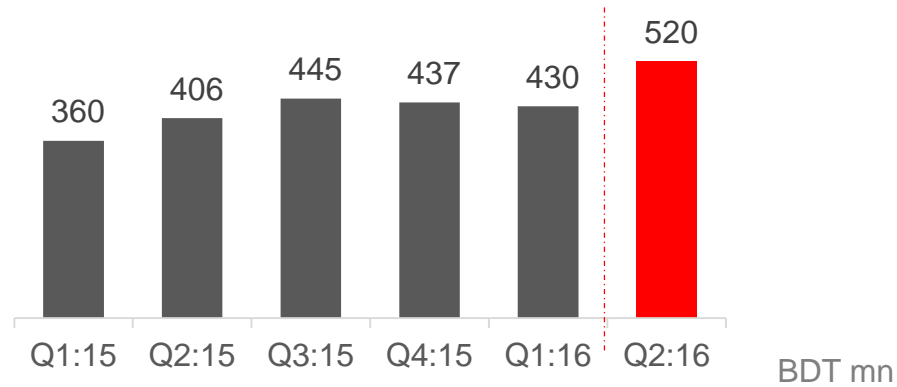
Operating Income



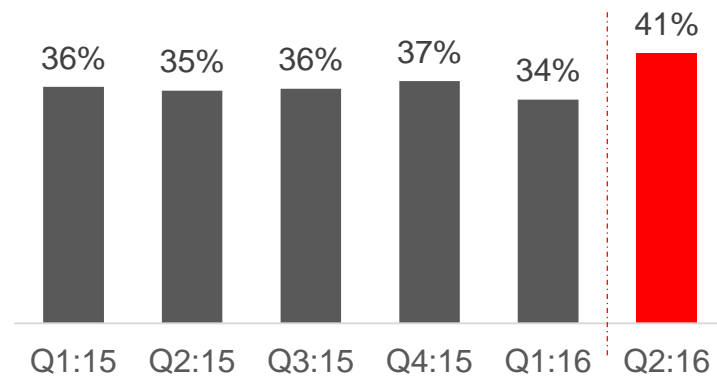
# Cost Efficiency balanced with Investment for Growth



Operating Expense



Cost / Income Ratio

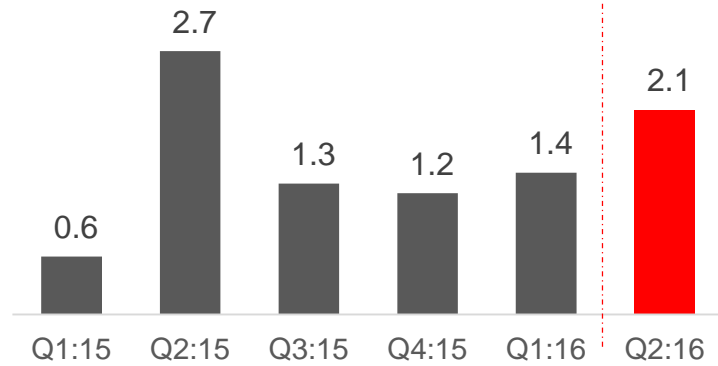


- Expansion of 2 offices and 4 new branches put a squeeze in the short term profitability (3% increase in Cost/Income)
- However, Cost/Income is expected to revert to mean over the next few quarters

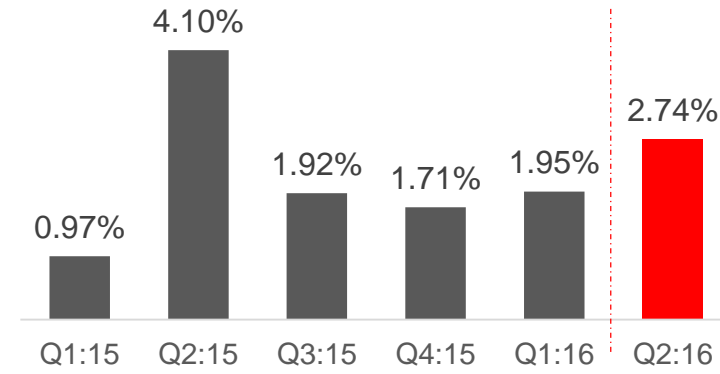
# Shareholder Returns continue to be robust



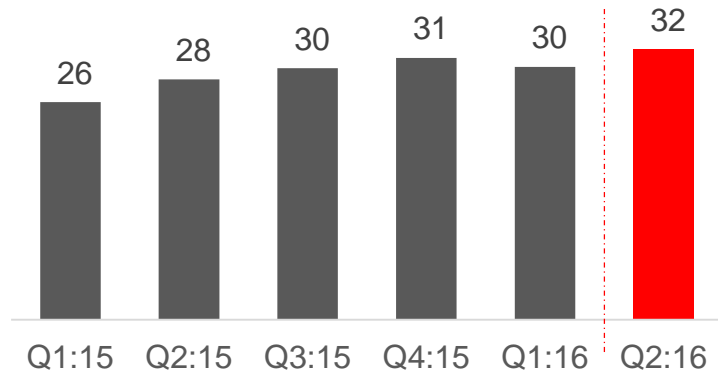
### Earnings per Share



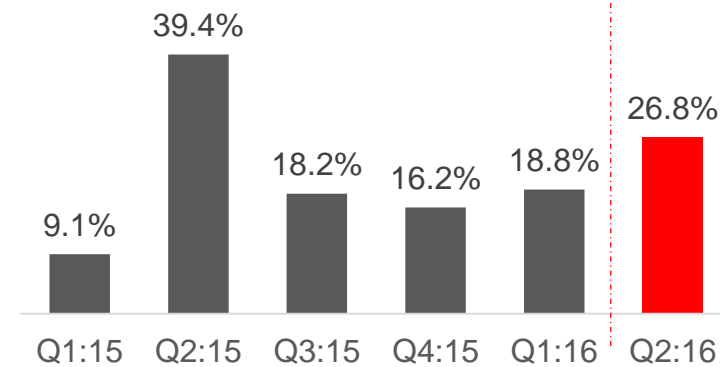
### Return on Asset (annualized)



### Book Value per Share



### Return on Equity (annualized)




# Outlook

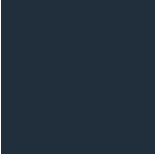
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 **MACROECONOMIC INDICATORS CONTINUE PROMISE STRONG GROWTH POTENTIAL**

 **GROWTH MOMENTUM OF IDLC TO CONTINUE WITH EXPANDED BRANCH NETWORK AND ENHANCED OPERATIONAL CAPABILITY**

 **FURTHER MARGIN EROSION DUE TO PRICE WAR, ESPECIALLY IN RETAIL SEGMENT**

 **CAPITAL MARKET OPERATIONS EXPECTED TO FURTHER STRENGTHEN THEIR Foothold AND DELIVER STRONG PERFORMANCE**

 **RENEWED FOCUS ON ADVISORY AND FEE BASED SERVICES**

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Q & A

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