

Q3 2017

Earnings Disclosure

17 October 2017



Forward Looking Statements



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.

Such forward-looking statements, by their nature, are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors.

Neither this presentation nor any of the information contained herein constitutes an offer of purchase, sale or exchange, nor a request for an offer of purchase, sale or exchange of securities, or any advice or recommendation with respect to such securities.

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.

YTD Q3 (Jan–Sep 2017) Performance Highlights



NET PROFIT AFTER TAX

BDT 1,809mn, 35% YoY growth



OPERATING INCOME

BDT 4,863mn, 29% YoY growth



CUSTOMER ADVANCES

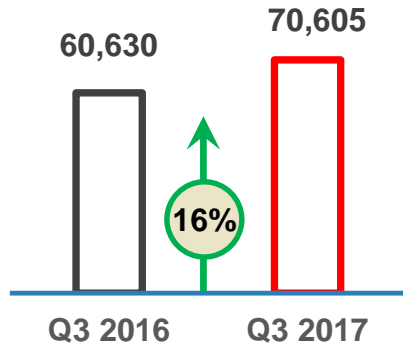
BDT 8,341mn growth in Customer Assets in 2017 till Q3

YoY Performance Metrics: YTD Q3 (Jan-Sep)

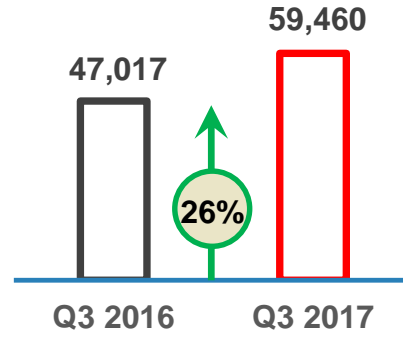


BDT mn

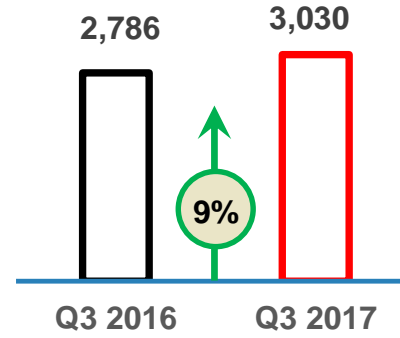
Customer Assets



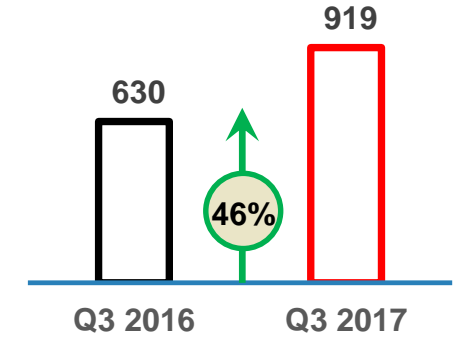
Customer Deposits



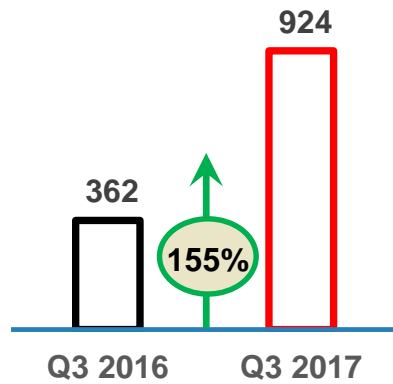
Net Interest Income



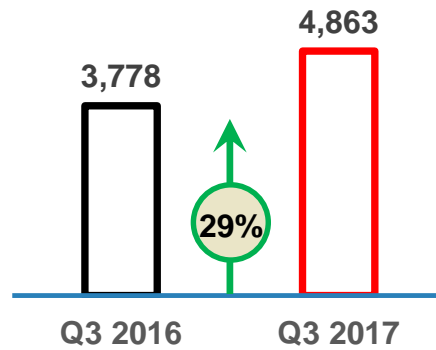
Fee & Other Income



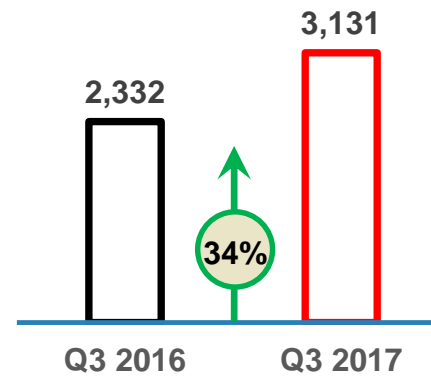
Investment Income



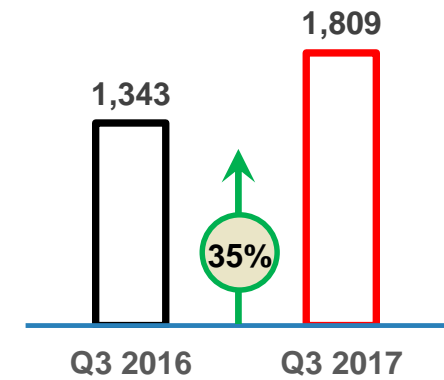
Operating Income



Operating Profit



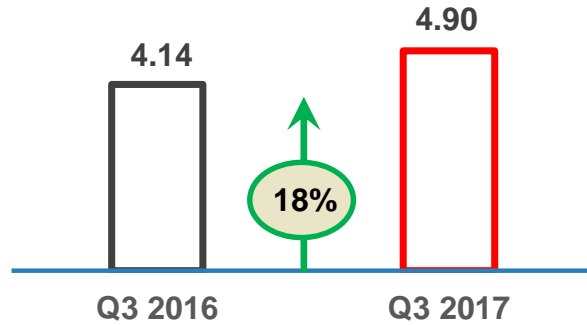
Net Profit



YoY Shareholder Returns: YTD Q3 (Jan-Sep)

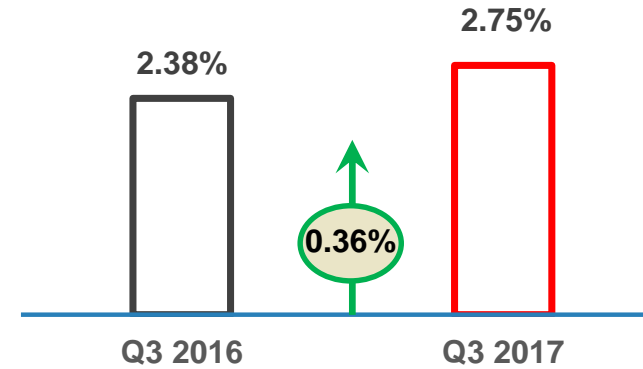


Earnings Per Share

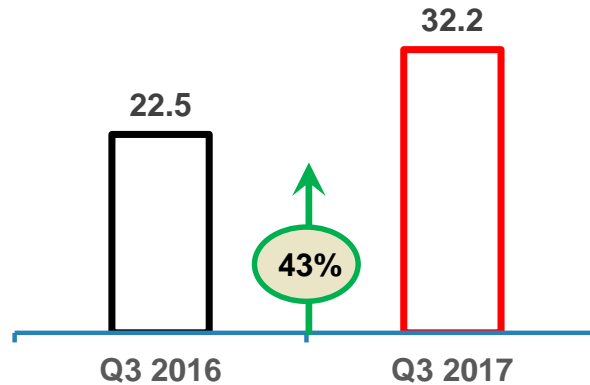


BDT

Return on Asset (Annualized)

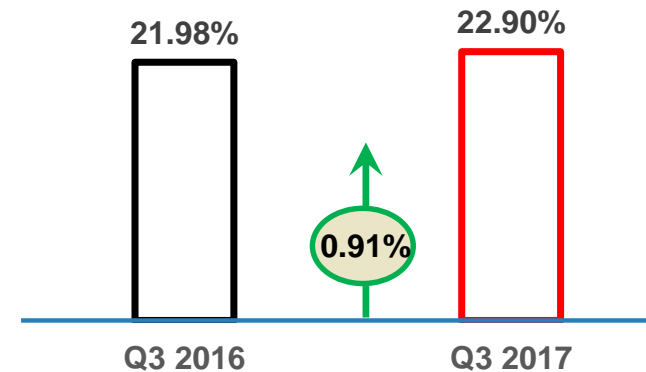


Book Value Per Share



BDT

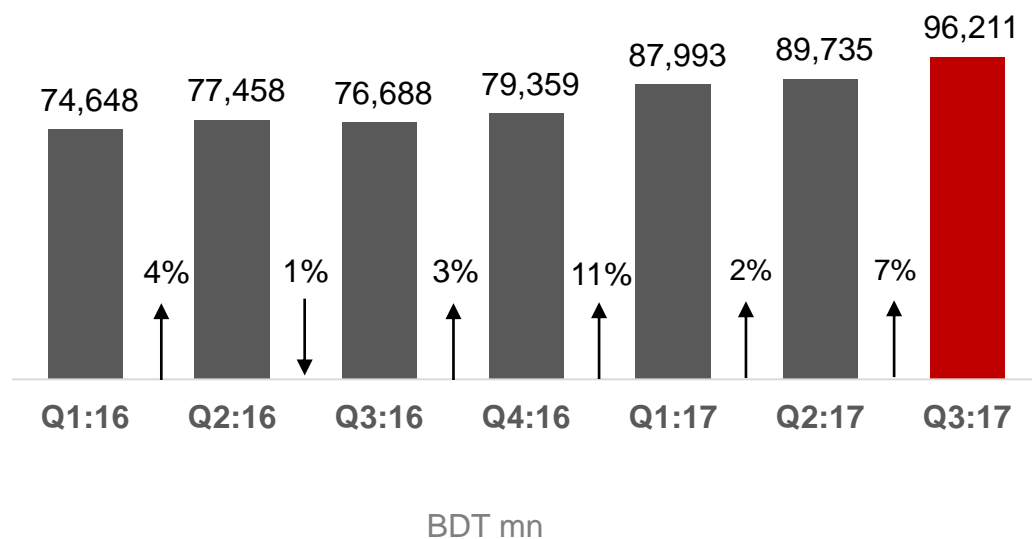
Return on Equity (Annualized)



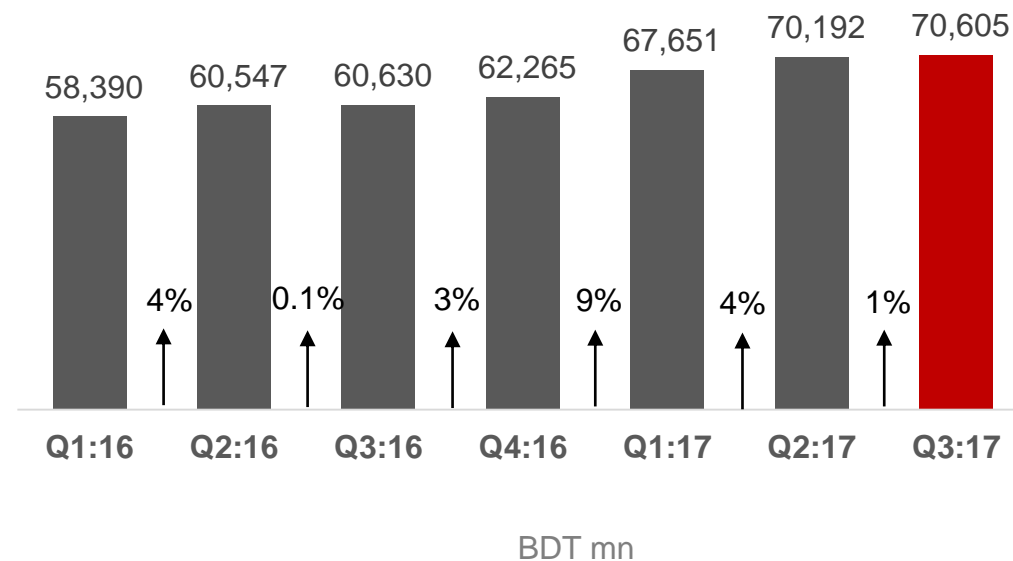
Loan Portfolio remained flat in Q3 amid festive season



Balance Sheet



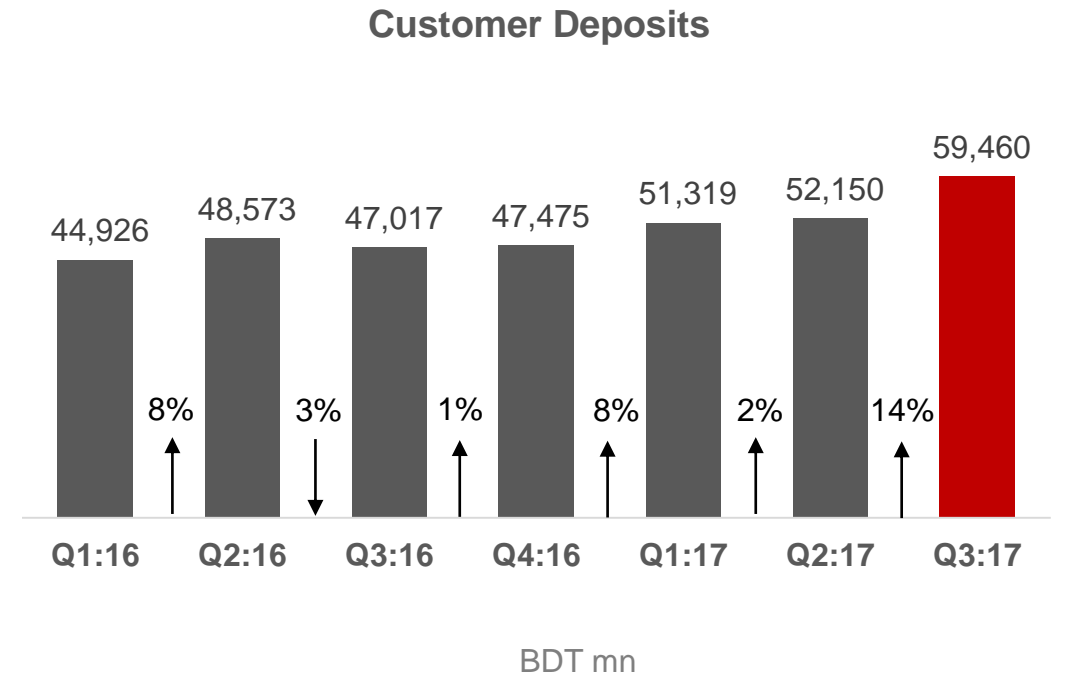
Customer Advances



Deposit growth continued



- Deposits now contribute 83% to the total funding basket

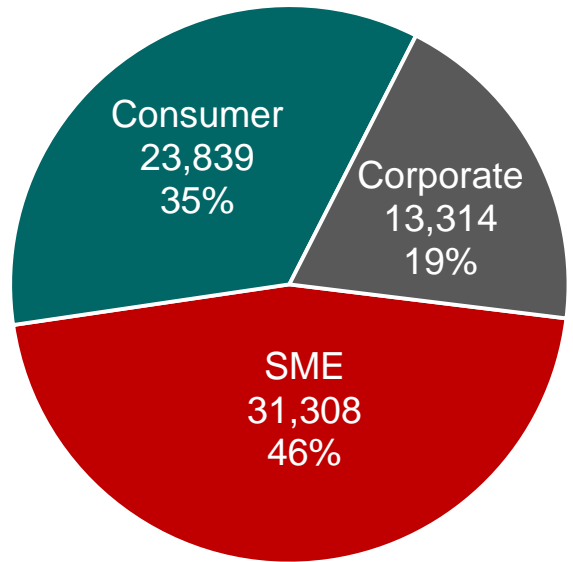


Portfolio Growth driven by SME & Home Loans



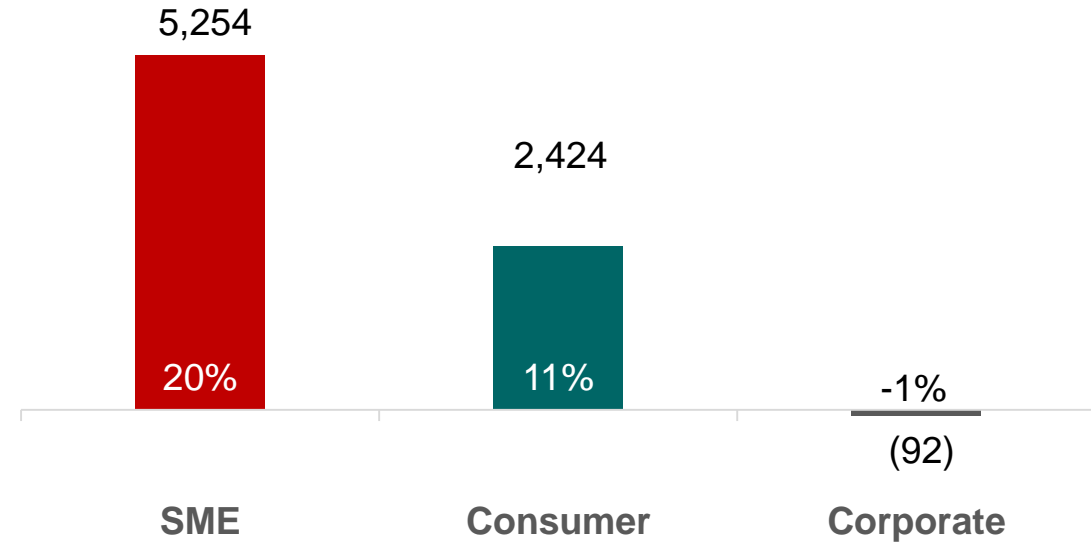
BDT mn

Portfolio Composition: 30 September 2017

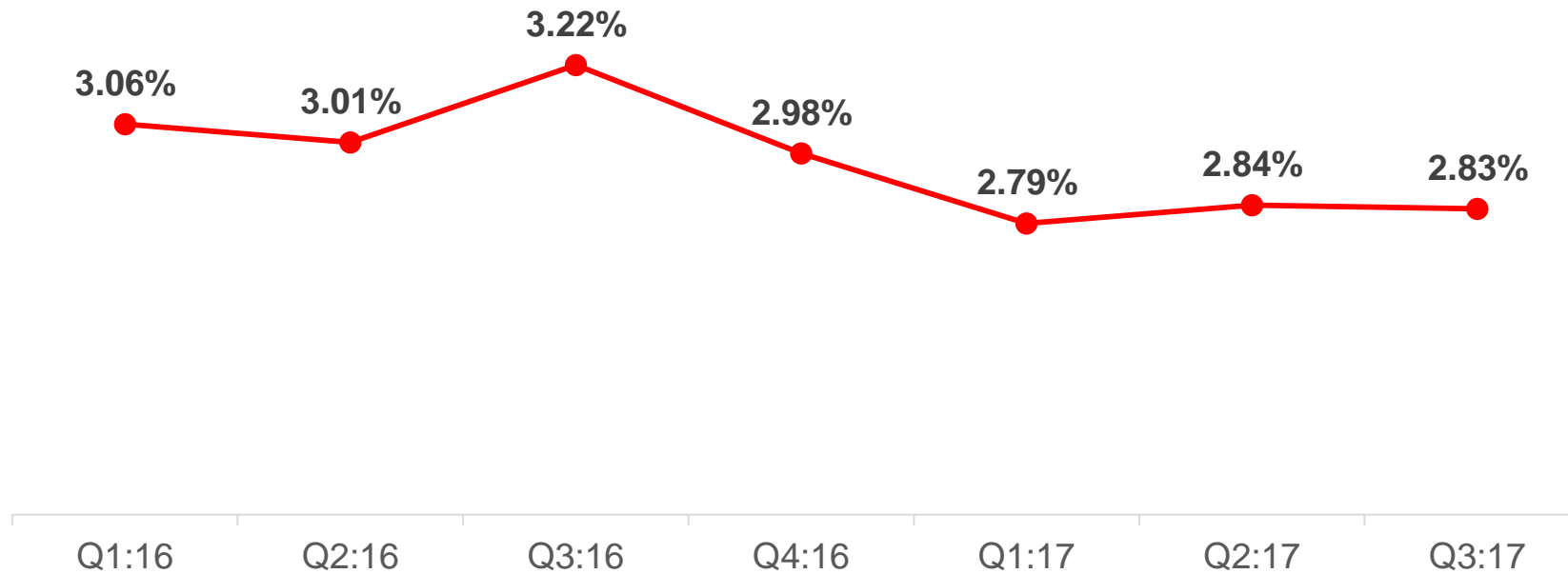


■ SME ■ Consumer ■ Corporate

Portfolio Growth in 2017



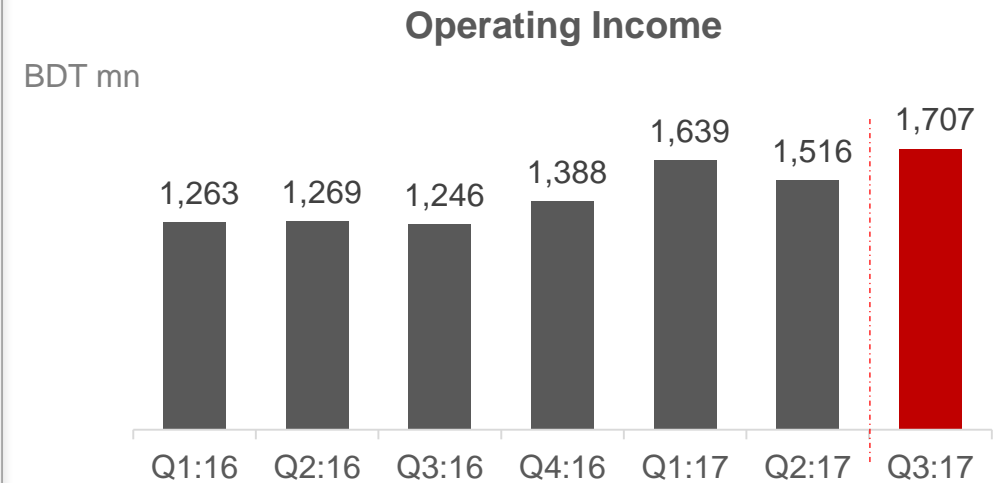
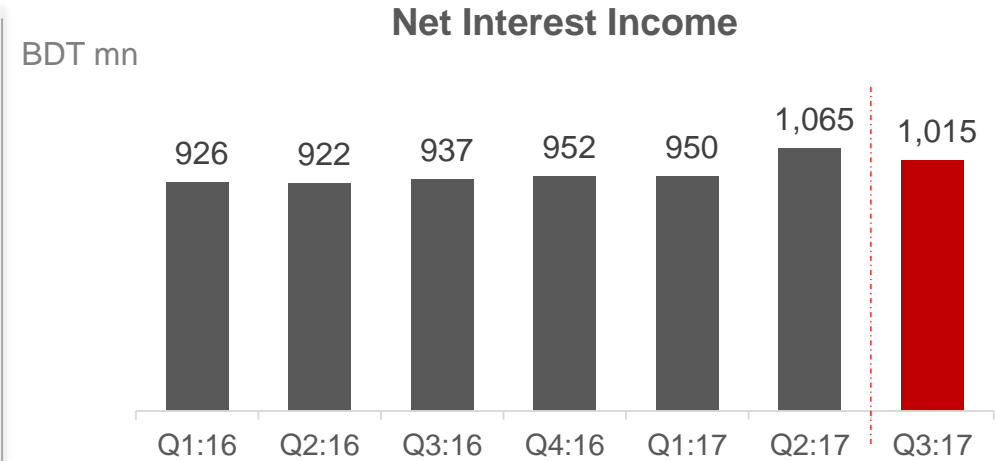
Slight decrease in NPL% as tighter controls are being put in place



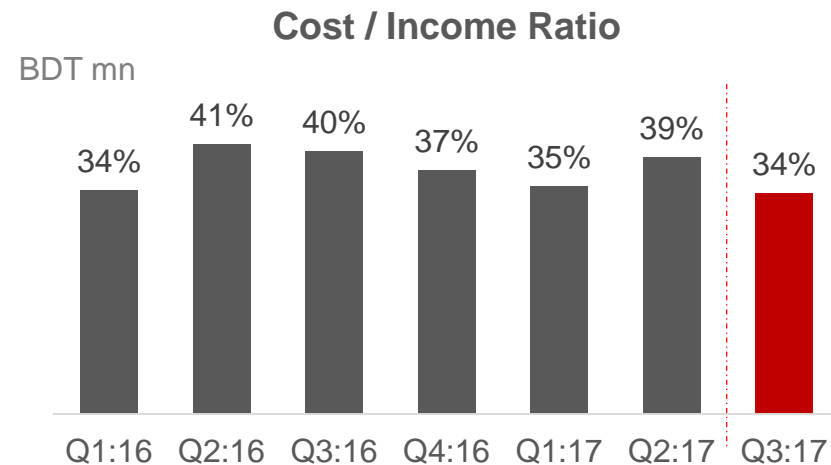
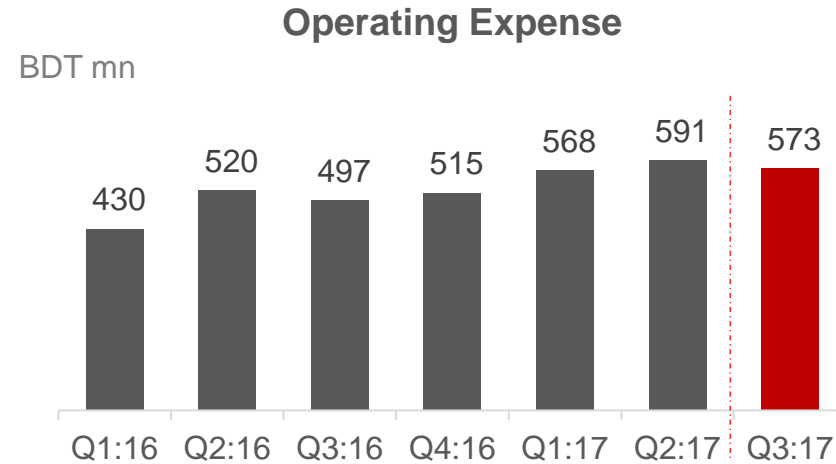
Significant Increase in Operating Income



- Net Interest Income fell QoQ as margin correction continues throughout the year
- Operating Income rose 13% QoQ with significant growth in Investment Income recorded during the quarter



Controlled Cost/Income Ratio

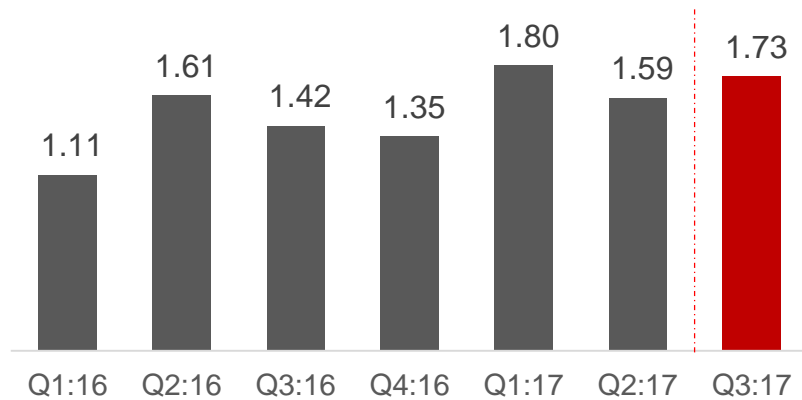


- Opex fell slightly from the last quarter, when few one-off expenditures were incurred, to the normal level
- Cost to income ratio for the quarter shows significant improvement due to lower Opex coupled with 13% QoQ growth in Operating Income

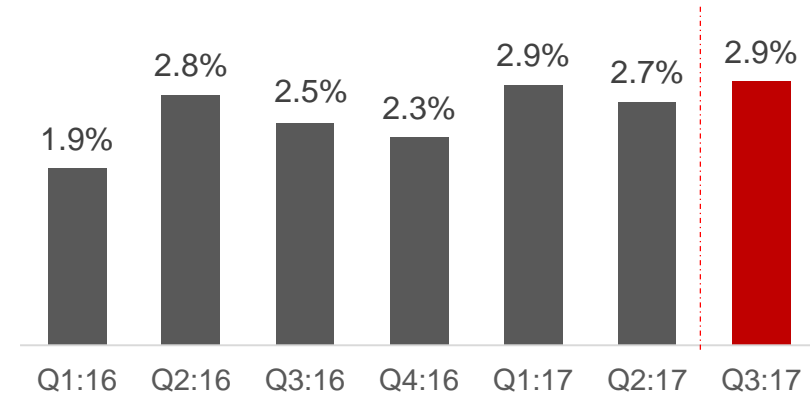
QoQ Shareholder Returns



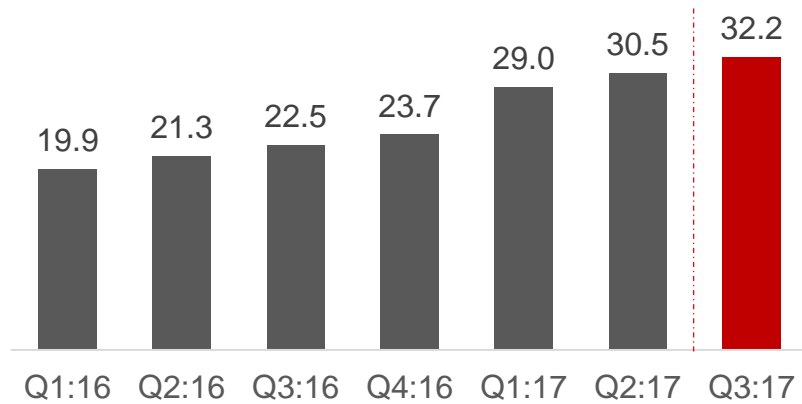
Earnings Per Share



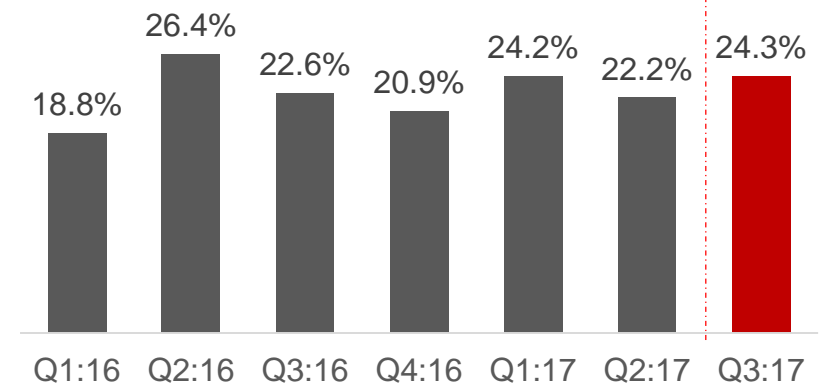
Return on Asset (Annualized)



Book Value Per Share



Return on Equity (Annualized)



Non-Financial Highlights: Q3 2017



CUSTOMER ACQUISITION

2,784 new customers added to take total number of customers in the group to **48,128**

WEALTH MANAGEMENT

Reshaped Wealth Management team aiming to increase the % of retail customers in both deposits and other Wealth Management customer base

STRUCTURED FINANCE

Raised BDT 4,000 million for Standard Bank coupon bearing non-convertible subordinated bond

PEOPLE & CULTURE

Training to employees: **6,493 hours**

Launched IDLC Sales Academy – an internal training & certification system for sales employees

TECHNOLOGY

Centralized operational platform went live in Q3




Several process improvement efforts, aimed at increasing efficiency, are ongoing

KHUSHIR KHEYA

First online Volunteer-based Community Service platform in the industry launched in Q3

Outlook



-  Further margin correction is expected in the last quarter as interest rates are expected to keep a slight increasing trend till Q2 2018 while market competition keeps lending rates flat
 -  Retail businesses (predominantly SME & Home Loan) will dominate the growth in the coming years despite increased competition and pressure on margins. A large share of the growth is expected to come from markets outside Dhaka & Chittagong
 -  Amid compressed margins and stiff competition, improvement in customer service, portfolio quality and operating efficiency will be the key winning factors. Several initiatives undertaken in all these areas are expected to deliver results in the next couple of years
-



Q & A
