

## Half-Yearly Un-Audited Consolidated Financial Statements, as at and for the period ended June 30, 2018

In compliance with the Bangladesh Securities and Exchange Commission (BSEC) letter No. SEC/CFD/Misc./233/2004/615, dated February 2, 2010, the condition No. 4(2) of the notification No. SEC/CMRRCD/2006-158/208/Admin/81, dated June 20, 2018 and Regulation 17(2) of the (Listing) Regulations, 2015 of Dhaka and Chittagong Stock Exchange, we are pleased to present the half-year ended un-audited consolidated financial Statements of IDLC Finance Limited as at and for the period ended June 30, 2018. The consolidated Financial Statements are comprised of the financials of IDLC Finance Limited and its wholly owned subsidiaries: IDLC Securities Limited, 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 June 30, 2018		
Particulars	30.06.2018 Taka	31.12.2017 Taka
<b>PROPERTY AND ASSETS</b>		
Cash		
In hand (including foreign currencies)	430,000	385,000
Balance with Bangladesh Bank and its agent (including foreign currencies)	1,342,743,589	1,095,727,369
	<b>1,343,173,589</b>	<b>1,096,112,369</b>
<b>Balance with other banks and financial institutions</b>		
Inside Bangladesh	16,651,434,656	13,631,778,315
Outside Bangladesh	-	-
	<b>16,651,434,656</b>	<b>13,631,778,315</b>
<b>Money at call and short notice</b>		
	-	-
<b>Investments</b>		
Government	-	-
Others	6,539,503,132	7,922,749,192
	<b>6,539,503,132</b>	<b>7,922,749,192</b>
<b>Loans and advances</b>		
Loans, cash credit, overdraft etc.	78,838,349,242	71,498,548,035
Bills purchased and discounted	-	-
	<b>78,838,349,242</b>	<b>71,498,548,035</b>
<b>Fixed assets including land, building, furniture and fixtures</b>		
	604,920,198	662,791,925
<b>Other assets</b>		
	1,460,453,415	874,963,255
<b>Non-banking assets</b>		
	-	-
<b>Total Assets</b>	<b>105,437,834,233</b>	<b>95,686,943,091</b>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>		
<b>Borrowings from other banks, financial institutions and agents</b>		
	14,425,854,278	11,400,359,336
<b>Deposits and other accounts</b>		
Current accounts and other accounts etc.	-	-
Bills payable	-	-
Savings bank deposits	-	-
Term deposits	66,091,424,183	59,853,619,702
Bearer certificate of deposits	-	-
Other deposits	2,396,245,183	2,238,814,210
	<b>68,487,669,366</b>	<b>62,092,433,912</b>
<b>Other liabilities</b>		
	9,946,475,064	9,596,670,976
<b>Total Liabilities</b>	<b>92,859,998,708</b>	<b>83,089,464,224</b>
<b>Capital/Shareholders' equity</b>		
Paid-up capital	3,770,507,800	3,770,507,800
Share premium	1,260,585,930	1,260,585,930
Statutory reserves	2,098,412,371	2,098,412,371
General reserves	1,000,000,000	1,000,000,000
Dividend equalisation reserves	46,500,000	46,500,000
Retained earnings	4,401,826,341	4,421,469,765
Total Equity attributable to equity holders of the company	<b>12,577,832,442</b>	<b>12,597,475,866</b>
<b>Non-controlling interest</b>		
	3,083	3,001
<b>Total Liabilities and Shareholders' equity</b>	<b>105,437,834,233</b>	<b>95,686,943,091</b>
<b>OFF-BALANCE SHEET ITEMS</b>		
<b>Contingent liabilities</b>		
Acceptances and endorsements	-	-
Letters of guarantee	37,136,546	91,601,562
Irrevocable letters of credit	-	-
Bills for collection	-	-
Indemnity bond	-	-
Corporate guarantee	750,000,000	750,000,000
	<b>787,136,546</b>	<b>841,601,562</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	1,565,981,419	1,184,170,146
	<b>1,565,981,419</b>	<b>1,184,170,146</b>
<b>Total Off-Balance Sheet items including contingent liabilities</b>	<b>2,353,117,965</b>	<b>2,025,771,708</b>
<b>Net Assets Value (NAV) per share</b>	<b>33.36</b>	<b>33.41</b>

Consolidated Profit and Loss Account for the period ended June 30, 2018				
Particulars	Jan to Jun'18 Taka	Jan to Jun'17 Taka	Apr to Jun'18 Taka	Apr to Jun'17 Taka
Interest income	5,207,976,620	4,325,046,633	2,815,952,445	2,237,944,354
Interest on deposits and borrowings etc.	(3,191,415,477)	(2,309,841,314)	(1,767,521,547)	(1,172,599,093)
<b>Net interest income</b>	<b>2,016,561,143</b>	<b>2,015,205,319</b>	<b>1,048,430,898</b>	<b>1,065,345,261</b>
Investment income	414,021,020	526,096,916	149,397,695	193,076,831
Commission, exchange and brokerage	261,639,313	360,308,590	152,827,655	139,111,728
Other operating income	206,261,910	253,730,795	89,848,170	118,652,435
<b>Total operating income</b>	<b>2,898,483,386</b>	<b>3,155,341,620</b>	<b>1,440,504,418</b>	<b>1,516,186,255</b>
Salaries and allowances	613,844,620	626,196,041	311,996,462	316,007,752
Rent, taxes, insurance, electricity etc.	111,244,671	108,919,777	57,335,585	58,020,664
Legal expenses	8,037,983	16,575,971	4,000,604	7,165,251
Postage, stamp, telecommunication etc.	19,520,689	18,530,614	9,850,912	10,112,127
Stationery, printing, advertisements etc.	85,312,116	78,645,372	35,035,609	42,262,717
Managing Director's salary and benefits	6,430,000	6,430,000	3,090,000	3,090,000
Directors' fees	1,000,068	1,171,954	668,008	766,106
Auditors' fees	635,000	704,311	260,000	466,811
Charges on loan losses	-	-	-	-
Depreciation and repair of Company's assets	90,711,668	101,605,931	45,789,241	49,835,017
Other expenses	187,569,137	200,046,034	92,778,209	103,162,946
<b>Total operating expenses</b>	<b>1,124,305,952</b>	<b>1,158,826,005</b>	<b>560,804,630</b>	<b>590,889,391</b>
<b>Profit before provision</b>	<b>1,774,177,434</b>	<b>1,996,515,616</b>	<b>879,699,788</b>	<b>925,296,865</b>
<b>Provision for loans and investments</b>				
General provision	55,955,655	53,401,048	25,667,910	22,527,073
Specific provision	35,225,770	89,666,082	5,636,640	18,988,306
Provision for diminution in value of investments	128,691,142	-	99,818,358	(437,761)
Other provisions	-	-	-	-
<b>Total provision</b>	<b>219,872,567</b>	<b>143,067,130</b>	<b>131,122,908</b>	<b>41,077,618</b>
<b>Total profit before taxation</b>	<b>1,554,304,867</b>	<b>1,853,448,486</b>	<b>748,576,880</b>	<b>884,219,246</b>
Provision for taxation	442,795,869	684,275,679	187,681,312	316,490,767
<b>Net profit after taxation</b>	<b>1,111,508,998</b>	<b>1,169,172,807</b>	<b>560,895,568</b>	<b>567,728,479</b>
<b>Attributable to:</b>				
Shareholders of the Company	1,111,508,916	1,169,172,341	560,895,520	567,728,374
Non-controlling interest	82	466	48	105
	<b>1,111,508,998</b>	<b>1,169,172,807</b>	<b>560,895,568</b>	<b>567,728,479</b>
<b>Retained surplus</b>	<b>1,111,508,916</b>	<b>1,169,172,341</b>	<b>560,895,520</b>	<b>567,728,374</b>
<b>Earnings Per Share (EPS)</b>	<b>2.95</b>	<b>3.20</b>	<b>1.49</b>	<b>1.55</b>

Consolidated Cash Flow Statement for the period ended June 30, 2018		
Particulars	30.06.2018 Taka	30.06.2017 Taka
<b>A) Cash flows from operating activities</b>		
Interest received	4,975,823,256	4,263,029,867
Interest paid	(2,761,427,366)	(2,518,414,425)
Dividend received	69,094,632	75,095,932
Fees and commission received	261,639,313	360,308,590
Paid to employees and suppliers	(1,044,089,853)	(1,073,767,103)
Payment of income tax	(510,916,231)	(496,573,024)
Received from other operating activities	547,392,215	697,674,387
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>1,537,515,966</b>	<b>1,307,354,223</b>
<b>Increase/(decrease) in operating assets and liabilities</b>		
Lease receivable	330,075,043	(33,494,915)
Long-term finance	(6,380,054,644)	(5,631,596,078)
Real estate finance	(1,702,968,090)	(2,085,171,689)
Car loan	257,787,328	177,640,369
Personal loan	(20,479,612)	6,984,355
Loan against deposit	(124,483,533)	103,149,059
Margin loan to portfolio investors	501,844,398	(422,927,864)
Short term finance	(53,922,388)	4,803,125
Other assets	(500,936,506)	(314,155,216)
Term and other deposits	6,395,235,454	4,974,154,659
Net drawdown of short term loan	4,055,000,000	3,025,000,000
Payable and accrued expenses	(286,617,923)	129,244,868
Deferred liability-employee gratuity	12,755,568	26,326,869
Portfolio investors' fund	(335,386,742)	103,474,648
Interest suspense account	(43,433,094)	42,188,658
	<b>2,104,415,260</b>	<b>105,620,847</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>3,641,931,226</b>	<b>1,412,975,070</b>
<b>B) Cash flows from investing activities</b>		
Purchase of fixed assets	(25,607,427)	(82,095,688)
Disposal of fixed assets	7,059,136	17,846,578
Net proceeds of investment in securities	1,383,246,060	(1,029,349,454)
<b>Net cash flows from/(used in) investing activities</b>	<b>1,364,697,769</b>	<b>(1,093,598,564)</b>
<b>C) Cash flows from financing activities</b>		
Drawdown of term loans	797,419,051	1,162,602,735
Repayment of term loans	(1,826,924,108)	(2,156,773,117)
Proceeds from right issue	-	2,513,671,860
Dividend paid	(710,406,377)	(735,521,063)
<b>Net cash flows from/(used in) financing activities</b>	<b>(1,739,911,434)</b>	<b>783,980,416</b>
<b>D) Net increase/(decrease) in cash and cash equivalents (A+ B + C)</b>	<b>3,266,717,561</b>	<b>1,103,356,922</b>
<b>E) Effects of exchange rate changes on cash and cash equivalents</b>		
	-	-
<b>F) Cash and cash equivalents at beginning of the period</b>	<b>14,727,890,684</b>	<b>11,353,339,202</b>
<b>G) Cash and cash equivalents at end of the period (D+E+F)</b>	<b>17,994,608,245</b>	<b>12,456,696,124</b>
<b>Cash and cash equivalents at end of the period</b>		
Cash in hand (including foreign currencies)	430,000	376,000
Balance with Bangladesh Bank and its agent bank(s)	1,342,743,589	1,096,064,956
Balance with other banks and financial institutions	16,651,434,656	11,360,255,168
Money at call and short notice	-	-
	<b>17,994,608,245</b>	<b>12,456,696,124</b>
<b>Net operating cash flow per share</b>	<b>9.66</b>	<b>3.75</b>

Consolidated Statement of Changes in Equity for the period ended June 30, 2018									
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
Balance at January 1, 2018	3,770,507,800	1,260,585,930	2,098,412,371	1,000,000,000	46,500,000	4,421,469,765	12,597,475,866	3,001	12,597,478,867
<b>Dividend for 2017:</b>									
30% cash dividend	-	-	-	-	-	(1,131,152,340)	(1,131,152,340)	-	(1,131,152,340)
Changes in accounting policy	-	-	-	-	-	-	-	-	-
<b>Restated balance</b>	<b>3,770,507,800</b>	<b>1,260,585,930</b>	<b>2,098,412,371</b>	<b>1,000,000,000</b>	<b>46,500,000</b>	<b>3,290,317,425</b>	<b>11,466,323,526</b>	<b>3,001</b>	<b>11,466,326,527</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 the half year ended 2018	-	-	-	-	-	1,111,508,916	1,111,508,916	82	1,111,509,998
Appropriation to reserves	-	-	-	-	-	-	-	-	-
<b>Balance at June 30, 2018</b>	<b>3,770,507,800</b>	<b>1,260,585,930</b>	<b>2,098,412,371</b>	<b>1,000,000,000</b>	<b>46,500,000</b>	<b>4,401,826,341</b>	<b>12,577,832,442</b>	<b>3,083</b>	<b>12,577,835,525</b>
<b>Balance at June 30, 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>3,629,930,950</b>	<b>11,488,529,030</b>	<b>2,851</b>	<b>11,488,531,881</b>

### Other explanatory notes to the accounts

**Reporting**  
 This half yearly 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, 2017, 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, 2017.

**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):**  
 Earnings per share have been calculated based on number of shares outstanding for the period ended June 30, 2018 and profit for the same period. The number of shares outstanding for the period was 377.05 million. Number of shares for the preceding period of 2017 was 365.82 million, which has been calculated based on adjustment factor to reflect Theoretical Ex Right Share Price (TEESP) as per BAS 33 "Earnings Per Share".

**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

Amount in Taka

Particulars	Consolidated (IDLC & Subsidiaries)		IDLC Finance Limited	
	Half year end 2018	Half year end 2017	Half year end 2018	Half year end 2017
Earnings Per Share (EPS)	2.95	3.20	2.12	2.17
Net Operating Cash Flow Per Share (NOCFPS)	9.66	3.75	11.72	2.20

Particulars	Consolidated (IDLC & Subsidiaries)		IDLC Finance Limited	
	As at June 30, 2018	As at December 31, 2017	As at June 30, 2018	As at December 31, 2017</