

Q2 2017

Earnings Disclosure

20 July 2017



Forward Looking Statements



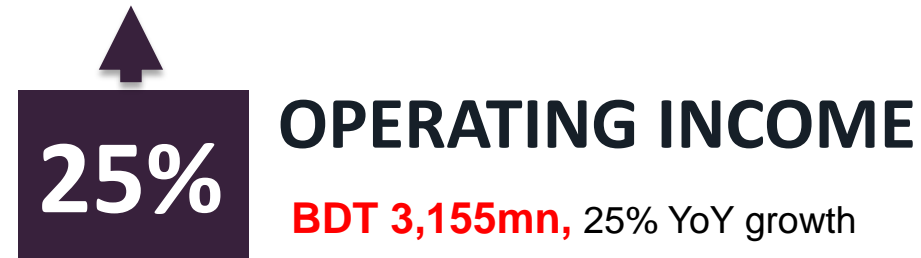
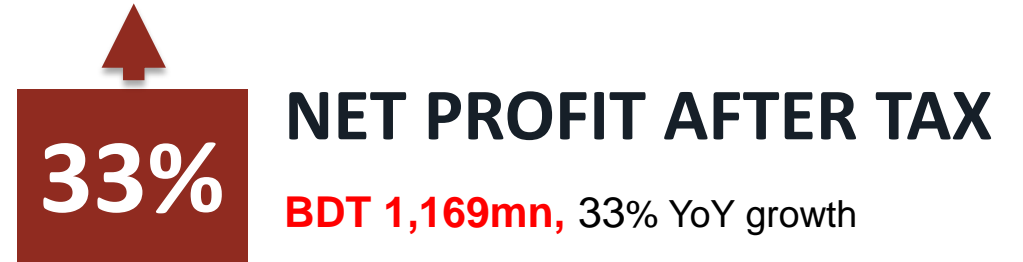
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H1 (Jan–Jun 2017) Performance Highlights

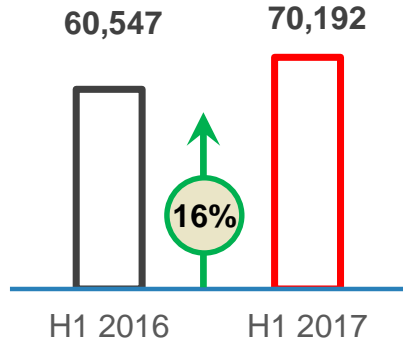


YoY Performance Metrics: H1 (Jan-Jun)

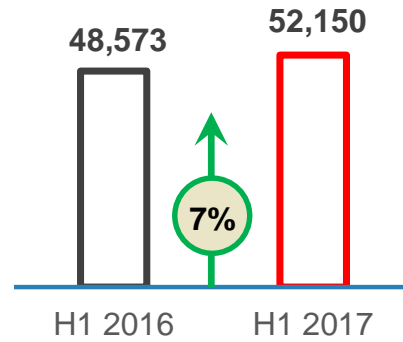


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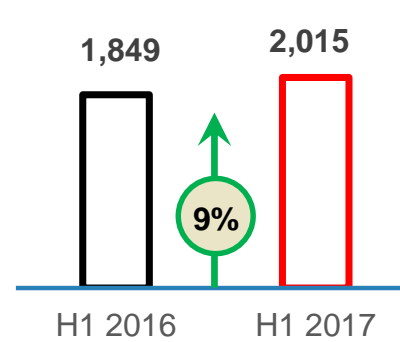
Customer Assets



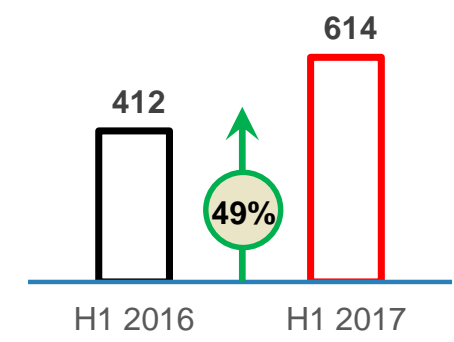
Customer Deposits



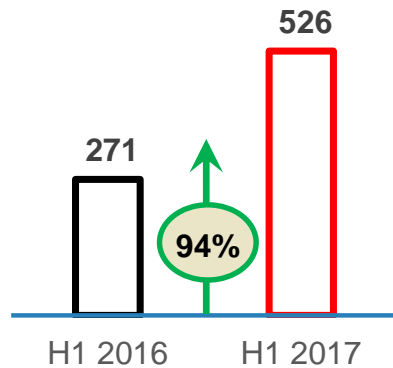
Net Interest Income



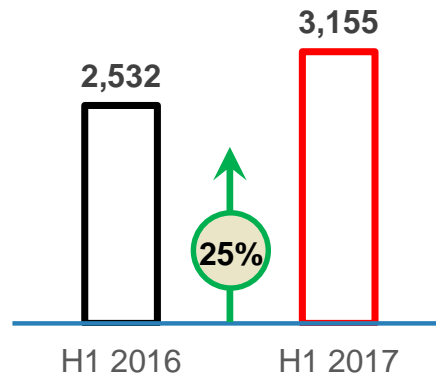
Fee & Other Income



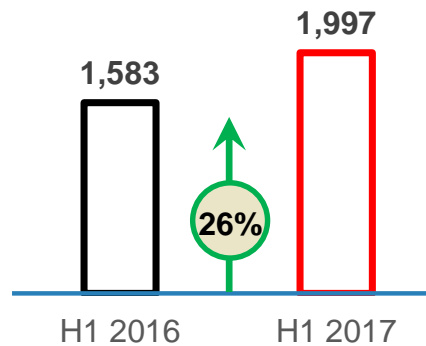
Investment Income



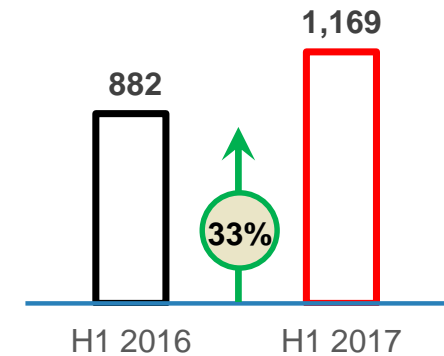
Operating Income



Operating Profit



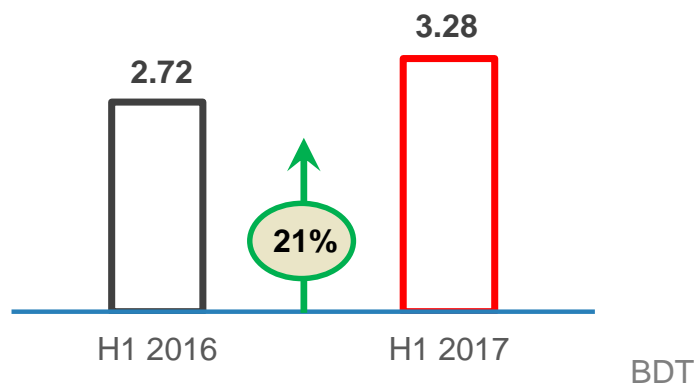
Net Profit



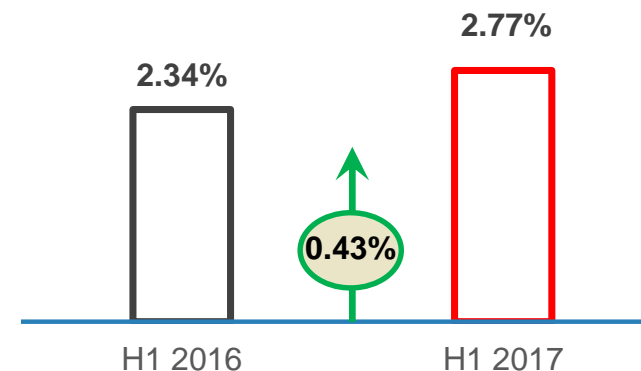
YoY Shareholder Returns: H1 (Jan-Jun)



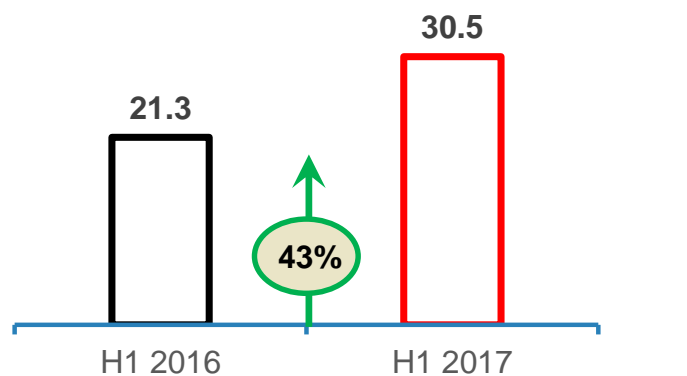
Earnings Per Share (Diluted)



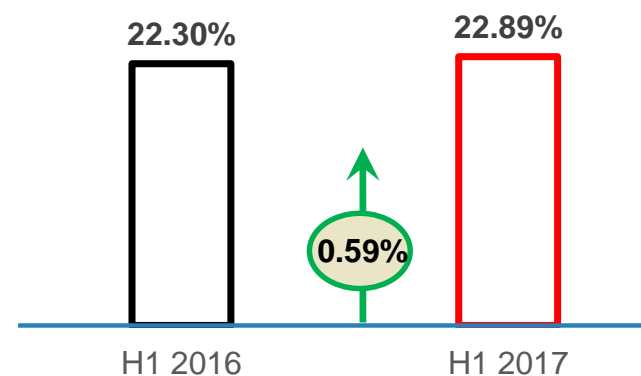
Return on Asset (Annualized)



Book Value Per Share



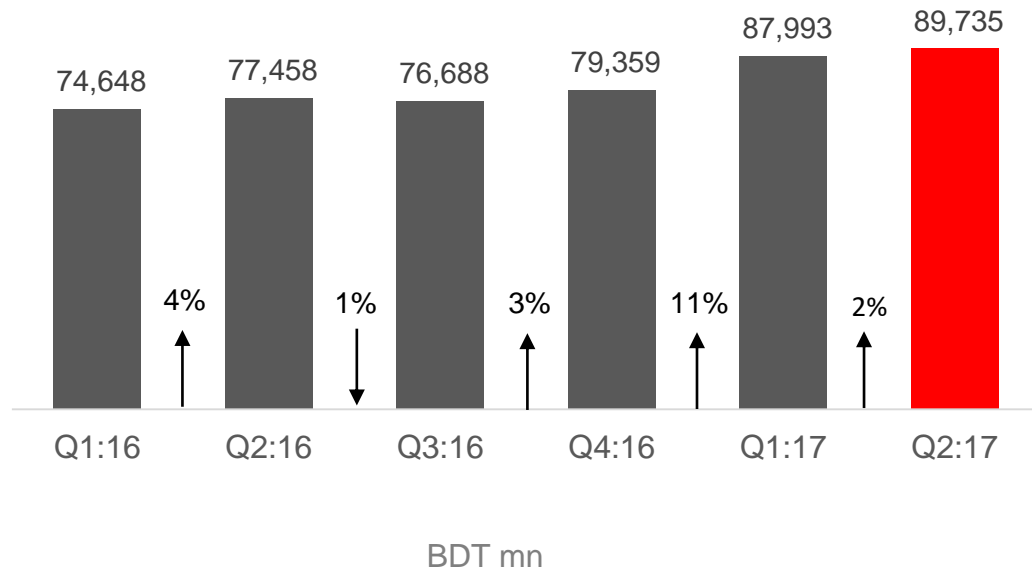
Return on Equity (Annualized)



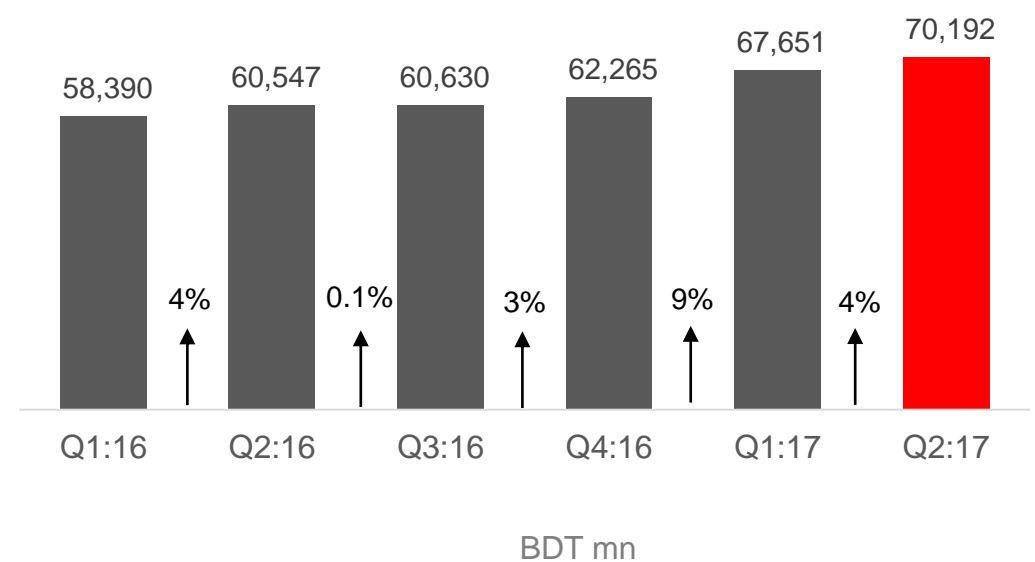
Business Continues Growth Phase



Balance Sheet



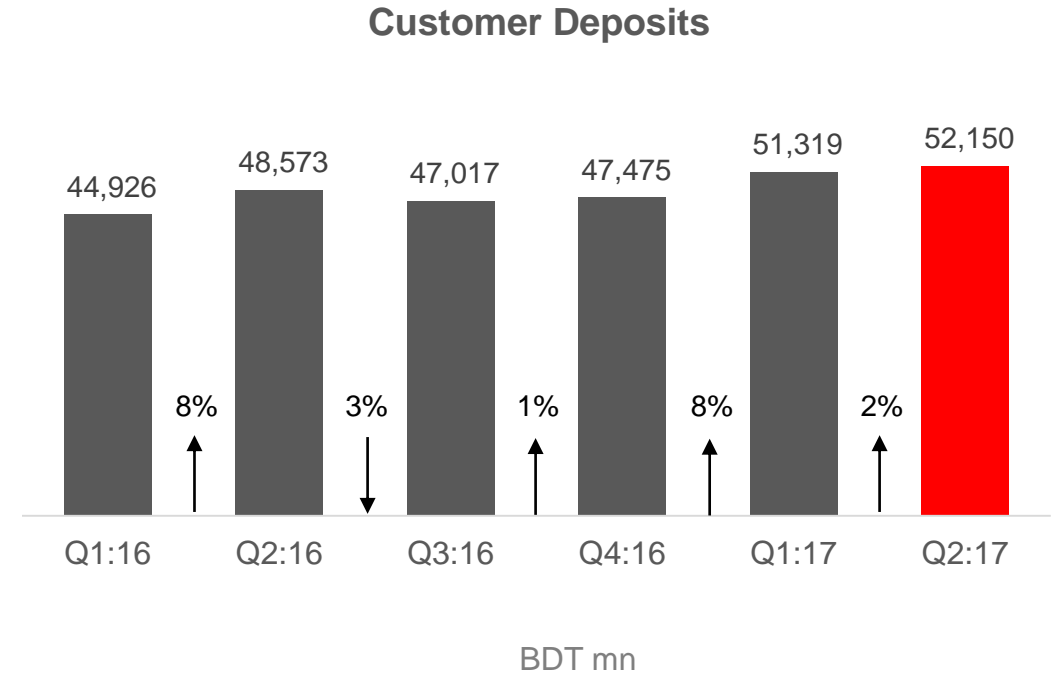
Customer Advances



Deposits On the Rise



- Growth in customer assets funded primarily by growth in deposits
- Deposits contribute 79% to the total funding basket

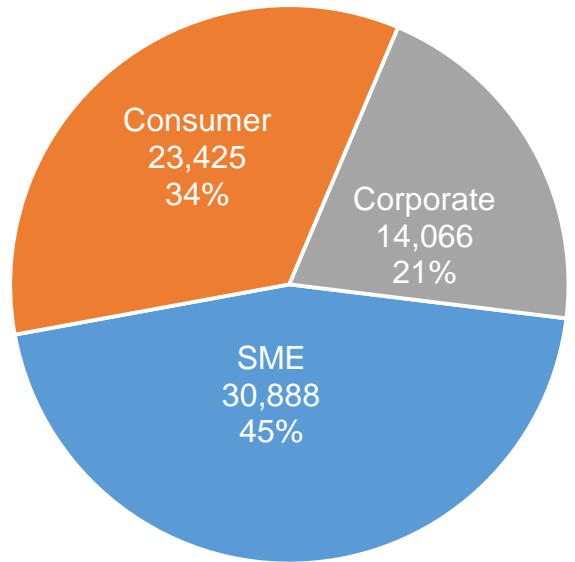


Optimized Portfolio Growth



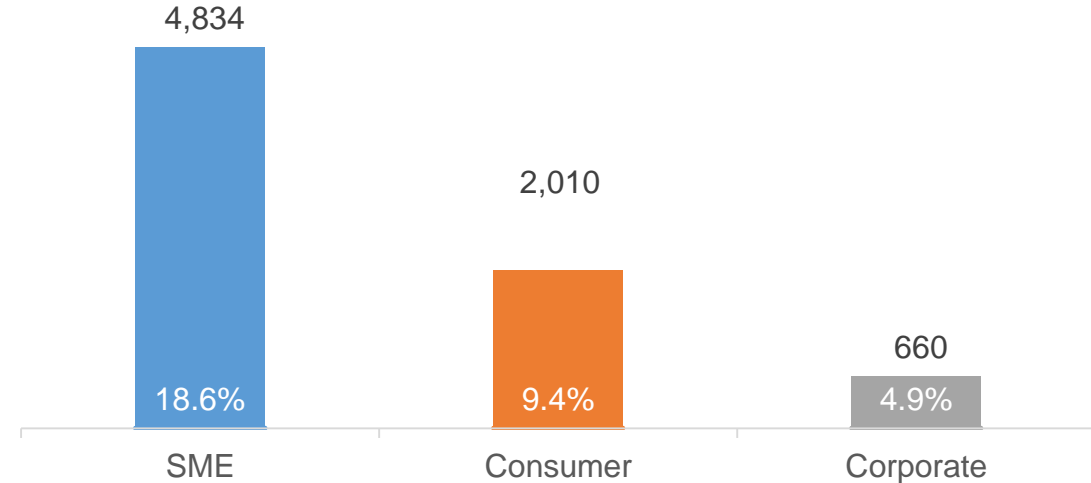
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Portfolio Composition: 30 June 2017

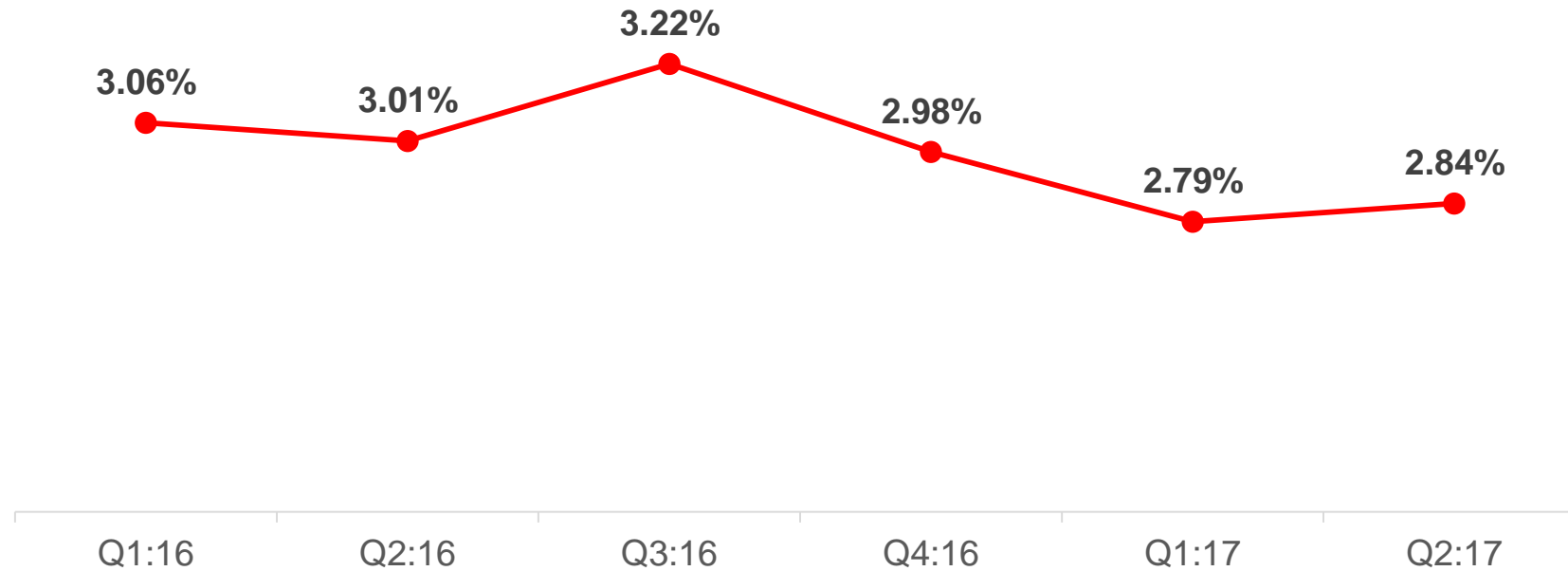


■ SME ■ Consumer ■ Corporate

Portfolio Growth in 2017



Controlled NPL Level

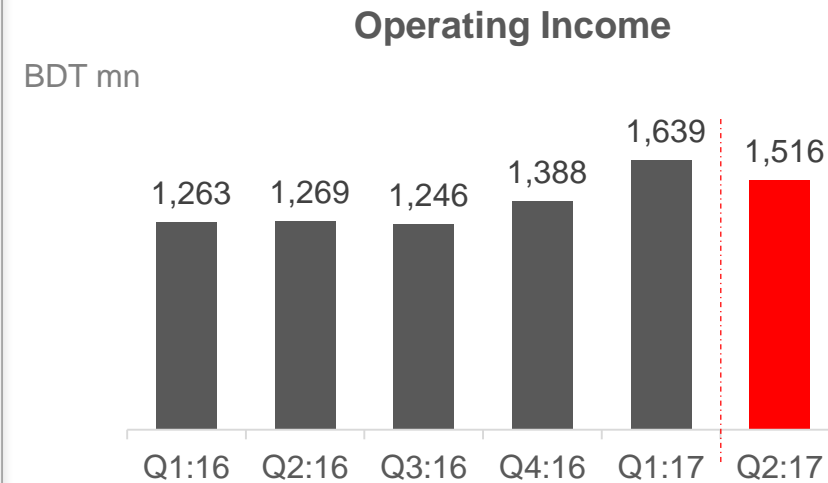
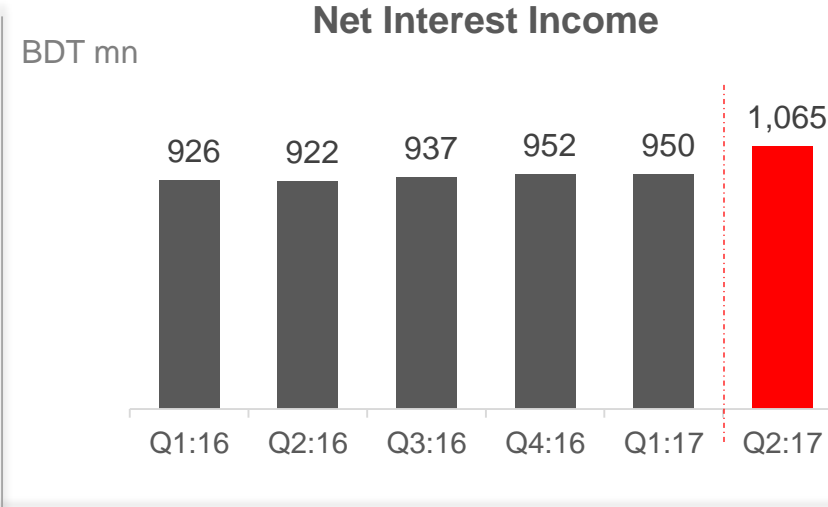


- NPL improvement remains a key focus area
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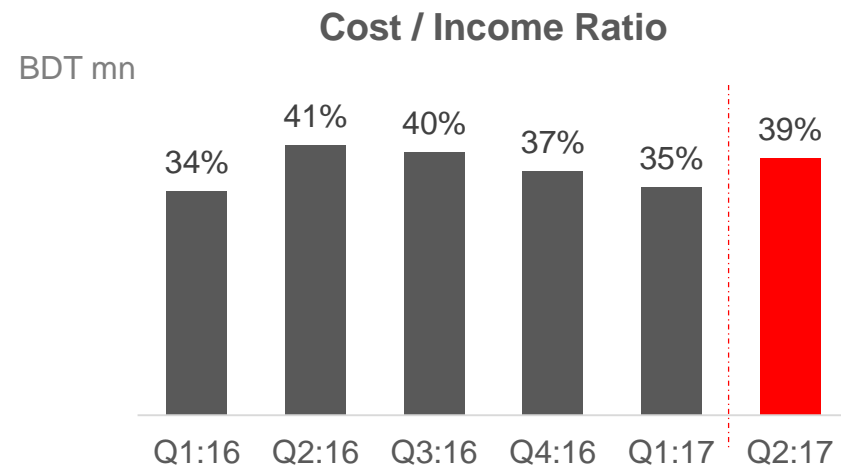
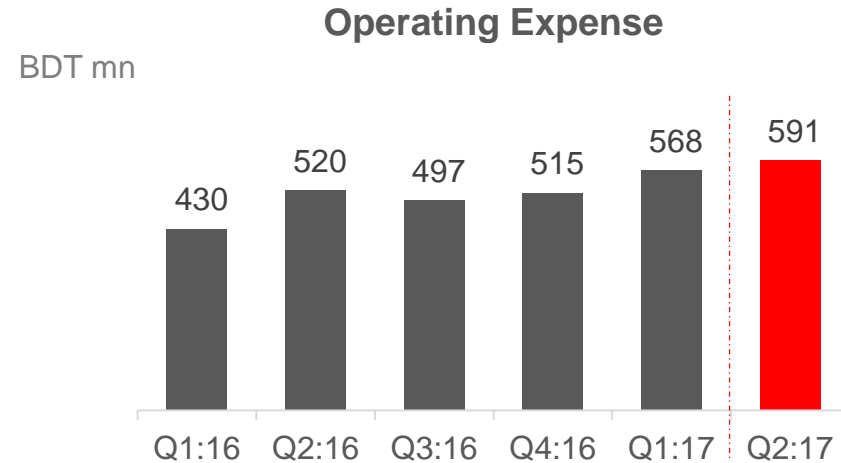
Significant Increase in Net Interest Income



- Net Interest Income rose 12.2% QoQ, riding on a larger portfolio and improved collection efforts
- Slight margin correction expected as deposit rates bottom out and show signs of reversal
- Operating Income saw mild erosion QoQ with Investment Income coming down following extraordinary growth in the prior quarter



Opex Contained Within Targeted Level Despite Q2 Hike

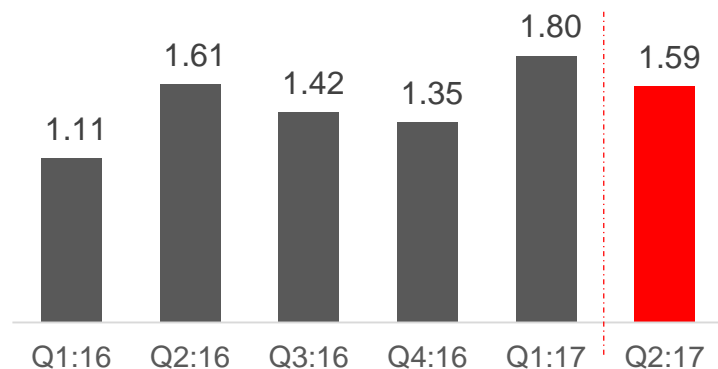


- Slight hike in Opex from the last quarter due to increase in premises cost and few one off expenses
- Cost/Income is expected to gradually come down in the couple of years after implementation of efficiency measures

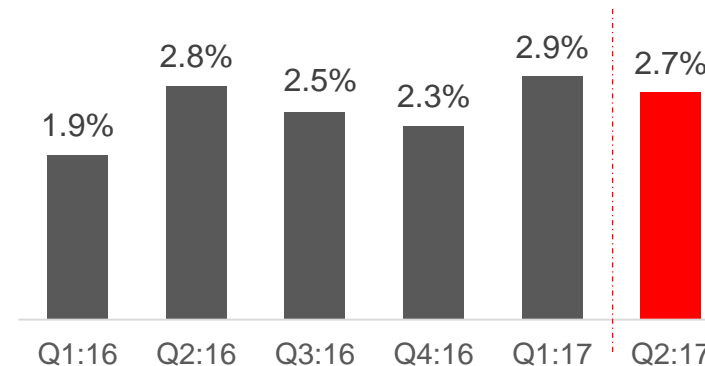
QoQ Shareholder Returns



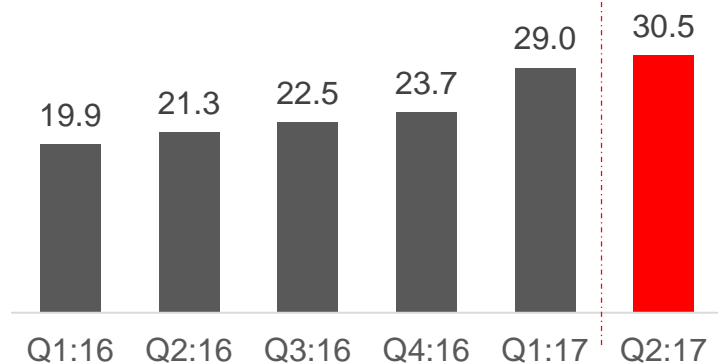
Earnings Per Share (Diluted)



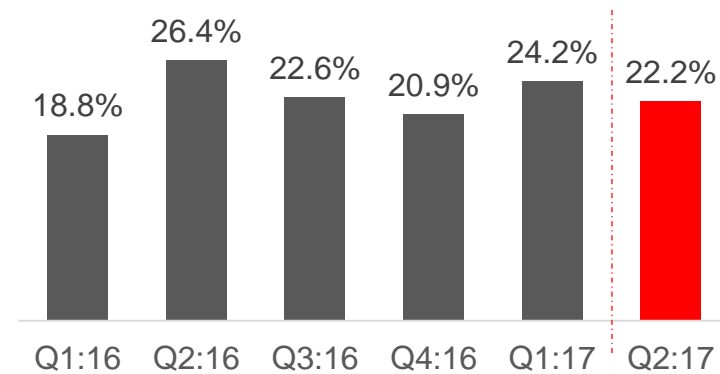
Return on Asset (Annualized)



Book Value Per Share



Return on Equity (Annualized)



Non-Financial Highlights: H1 2017



CUSTOMER ACQUISITION

5,779 new customers added to take total number of customers in the group to **47,095**

NEW BRANCHES

New branches in Rajshahi, Barishal, Chowmuhony and Elephant Road ready for operation

IDLC BALANCED FUND

Successfully closed IPO of IDLC Balanced Fund – 1st open end mutual fund managed by IDLC Asset Management Limited

PEOPLE & CULTURE

Training to employees: **4,734 man hours**

Improved performance management system and enhanced appraisal model

TECHNOLOGY

Centralized operational platform to go live in Q3

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






WEBSITE REVAMP

Revamped IDLC website

Plans to launch web-based services for all customers in future

Outlook



-  Slight margin correction is expected; With pressure on margins, focus will be on 'value driven' portfolio growth
 -  Fee Income from lending business will be in the decline industry-wide; More focus will be on investment banking, advisory and other services to increase NFI
 -  NPL management to remain a priority
 -  Process revamps and other efficiency improvement measures expected to bear fruits in the next couple of years
 -  After successful launching of "IDLC Balanced Fund", few other funds with differing investment philosophies are planned at regular interval
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Q & A
