

Q1 2018

Earnings Disclosure

26 April 2018

Forward Looking Statements



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Q1 (Jan–Mar 2018) Performance Highlights



8%

NET PROFIT AFTER TAX

BDT 551 mn, 8% YoY de-growth



7%

CUSTOMER ADVANCES

BDT 76.5 bn, 7% YoY growth



3 bps

NON PERFORMING LOANS

2.80%

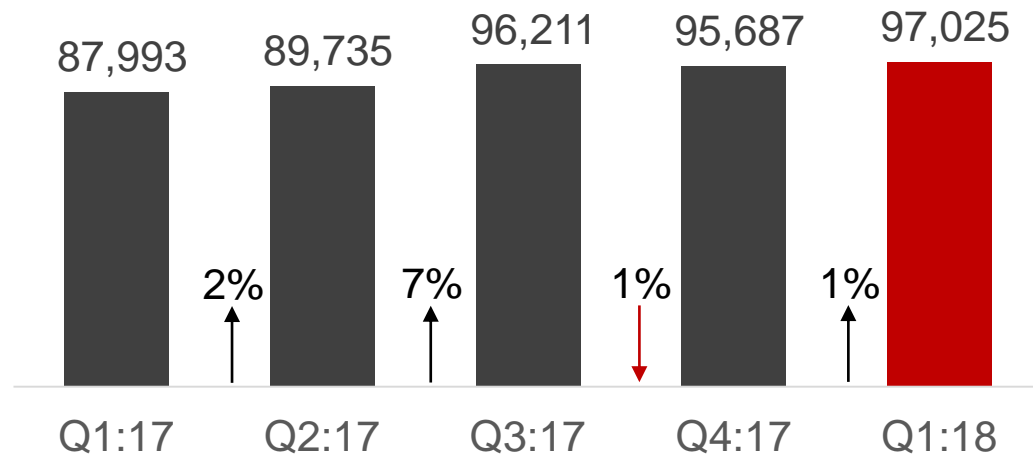


Strong loan growth amid liquidity pressure in the market

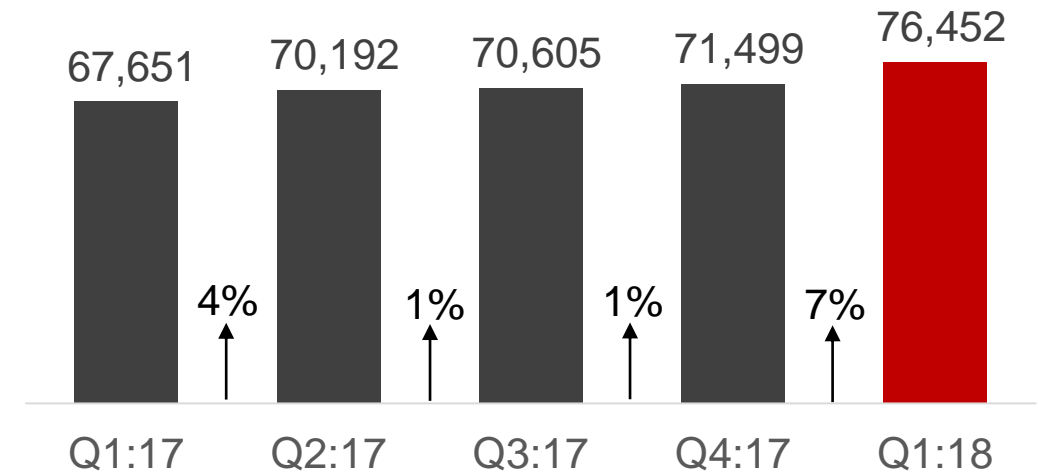


BDT mn

Balance Sheet



Customer Loans

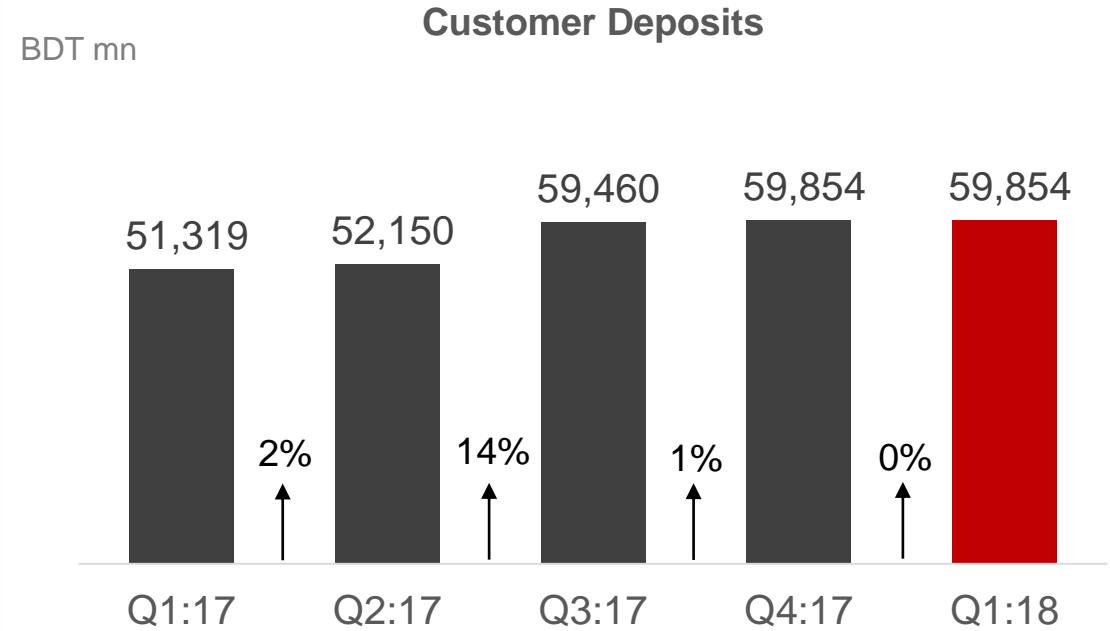


- Highest quarterly growth in customers loans for the last four quarters, achieved through re-allocating assets from low-yielding placements

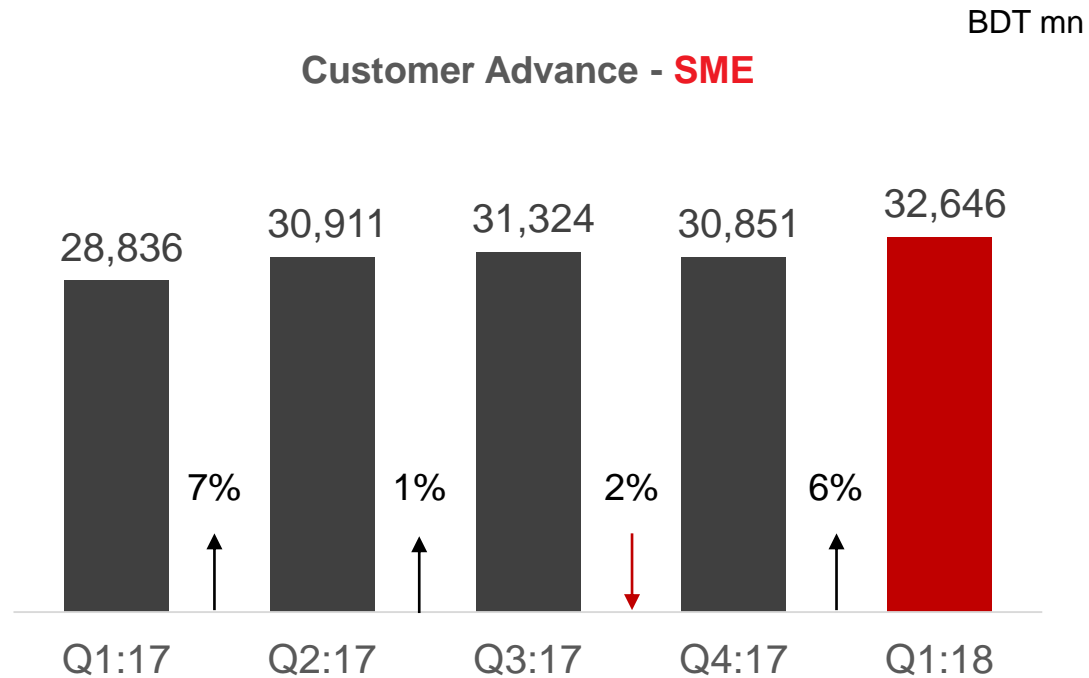


Deposits remained flat

- Money market tightened during the quarter prompting a 227 bps increase in marginal cost of deposits in Q1
- Competition for deposits expected to remain intense throughout the year

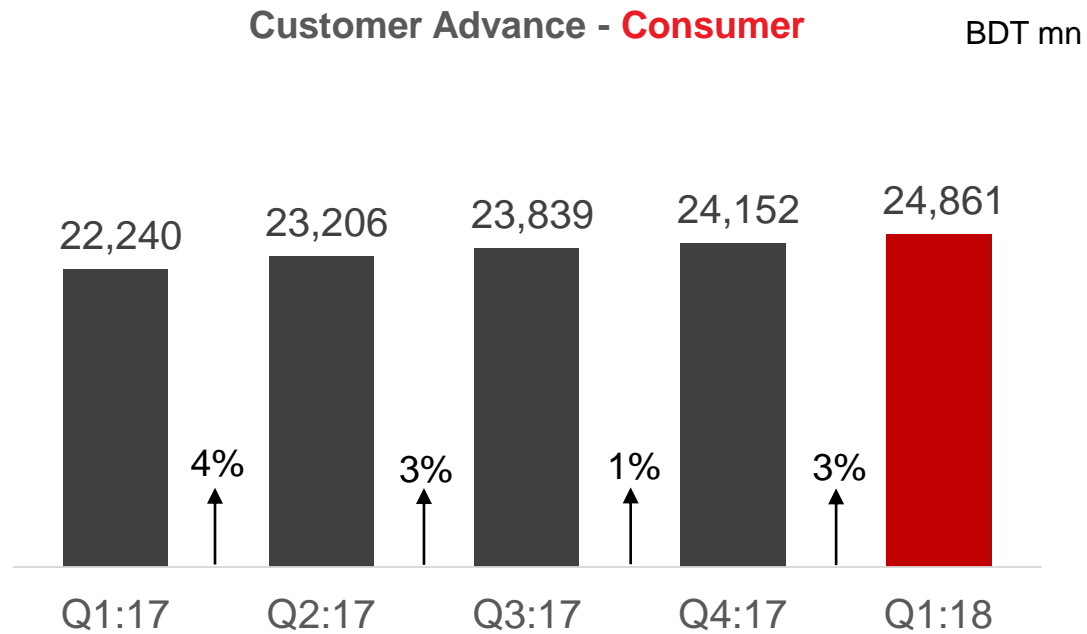


SME continued impressive growth



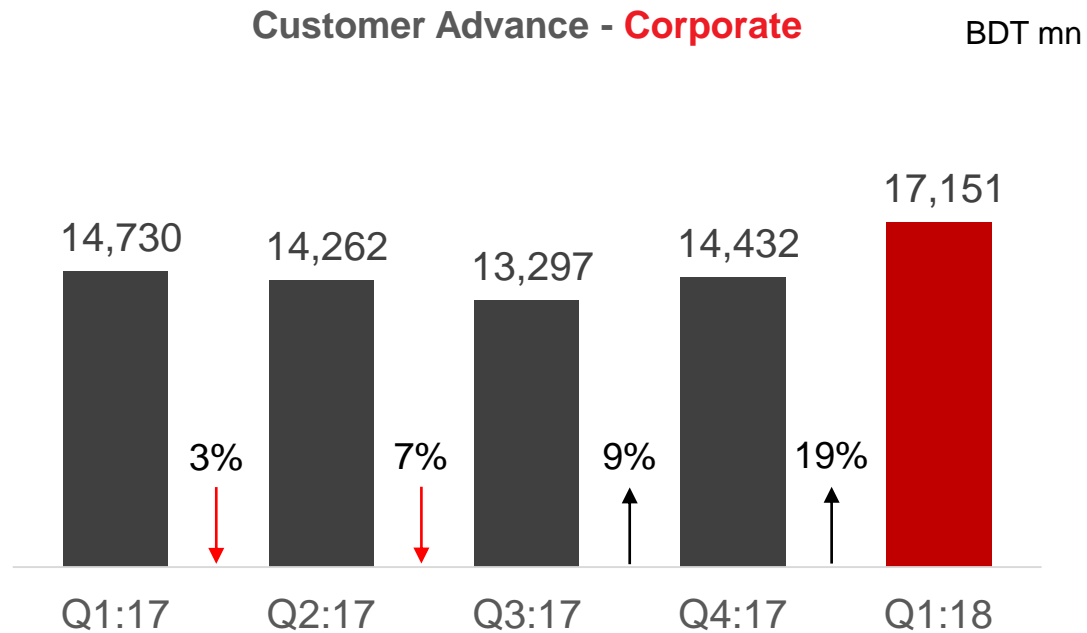
- Majority of the growth delivered by *Small Enterprise Finance (SEF)*, which now stands at BDT 24,642mn - having grown 7% during the first quarter

Consumer loan growth remains consistent



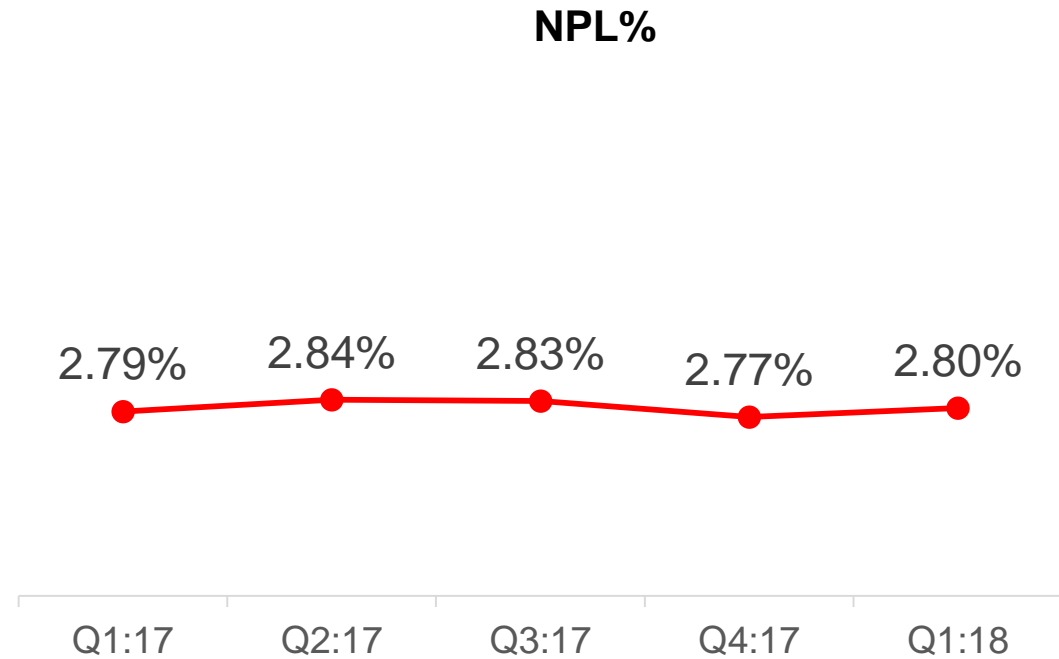
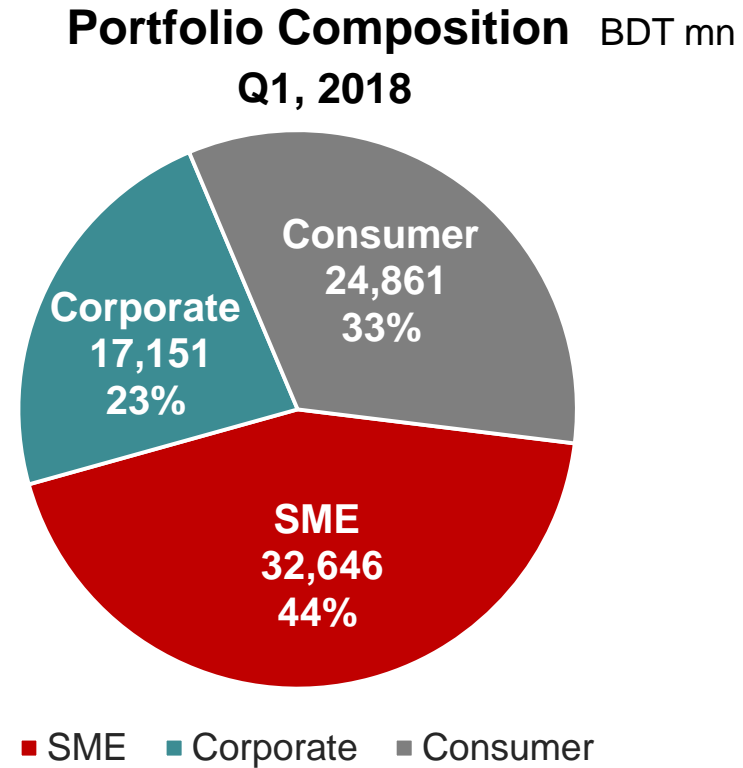
- Consistent growth maintained during the quarter - Home Loans grew by 4% to BDT 22,614mn
- Home loan growth pan industry might suffer this year due to significant increase in interest rates and construction costs

Corporate portfolio grew despite rate hike



- Corporate portfolio experienced significant growth in Q1 with most customers opting to draw the committed facilities
- The portfolio grew by 16% Y-o-Y

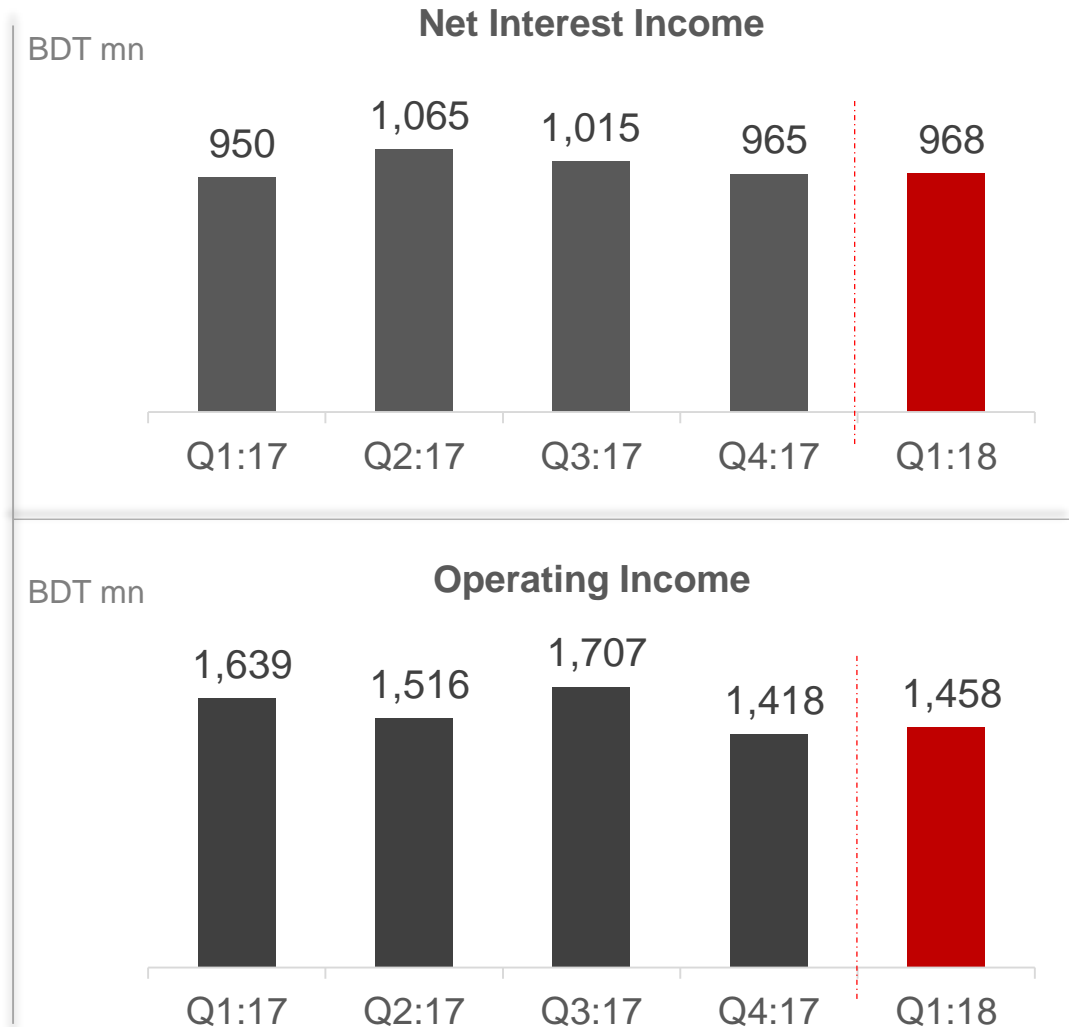
NPL remained controlled



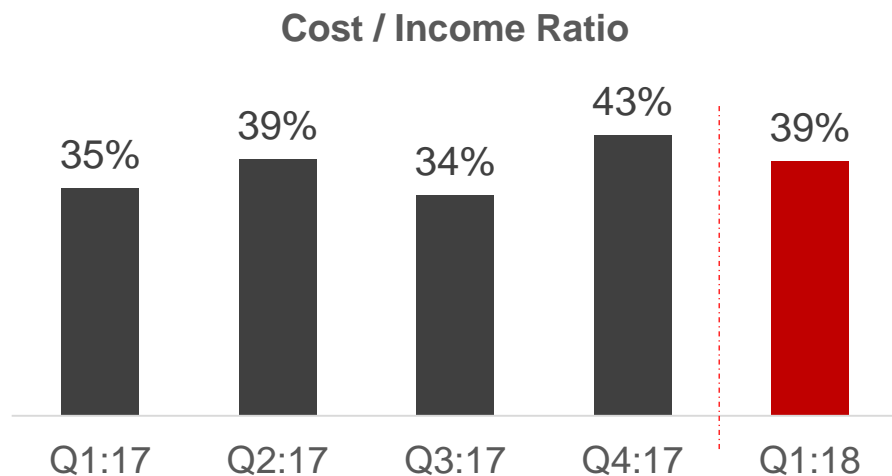
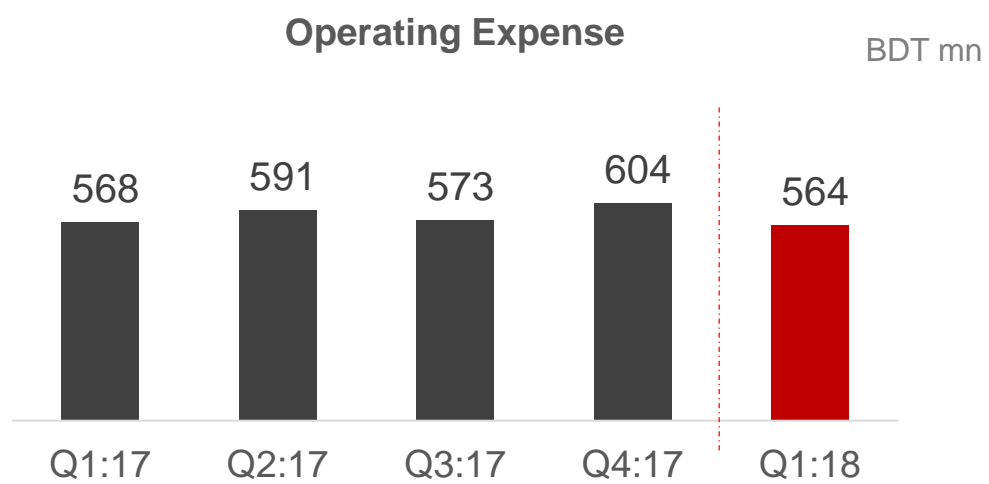
Slight increase in Operating Income from the preceding quarter



- 2% YoY increase in NII against 13% increase in Customer Assets as margins tighten
- *Fees and other income* took a dip in the previous two quarters mainly due to decreased turnover in the Stock Market



Expenses contained at desired level



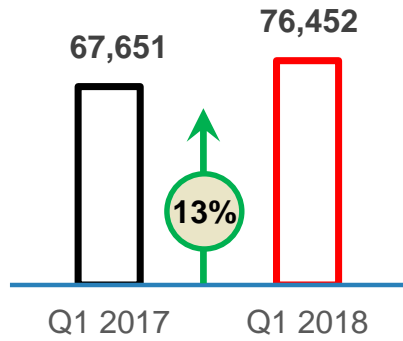
- Operating expense fell 7% from the last quarter to stay at the lowest level within the last 5 quarters
- Cost to income ratio for the quarter indicates slight improvement due to lower operating expense coupled with 3% QoQ growth in Operating Income

YoY Performance Metrics: Q1 (Jan-Mar)

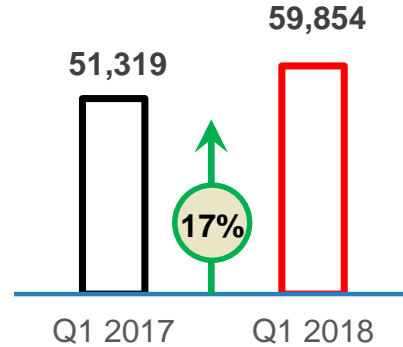


BDT mn

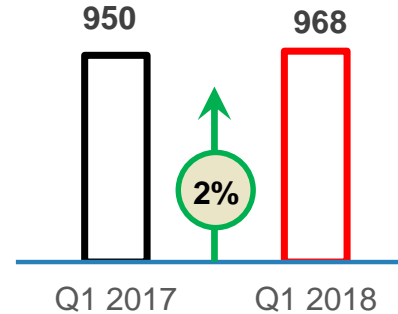
Customer Assets



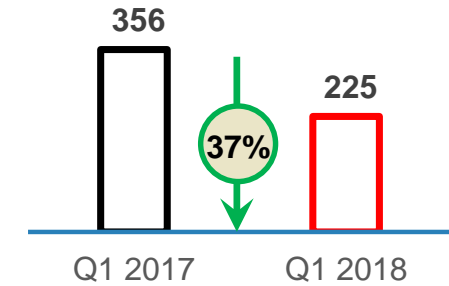
Customer Deposits



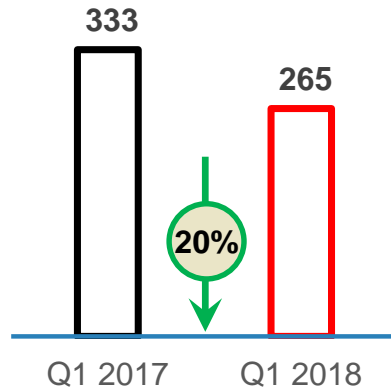
Net Interest Income



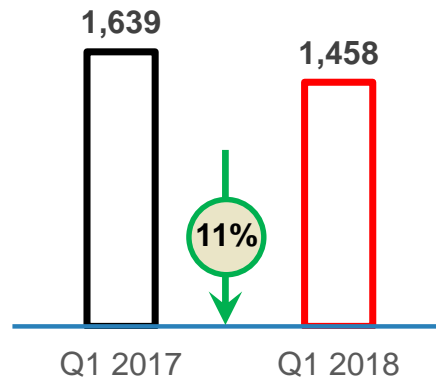
Fee & Other Income



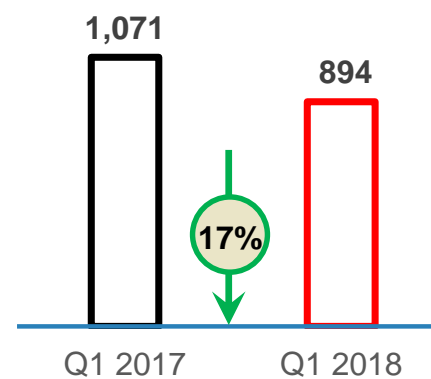
Investment Income



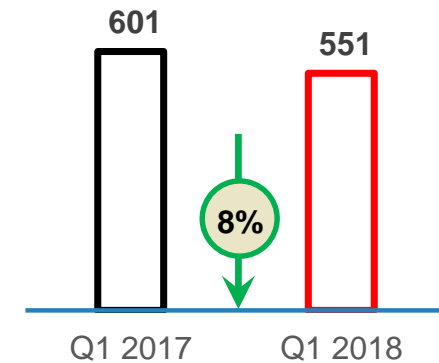
Operating Income



Operating Profit



Net Profit



Profit contribution from different entities

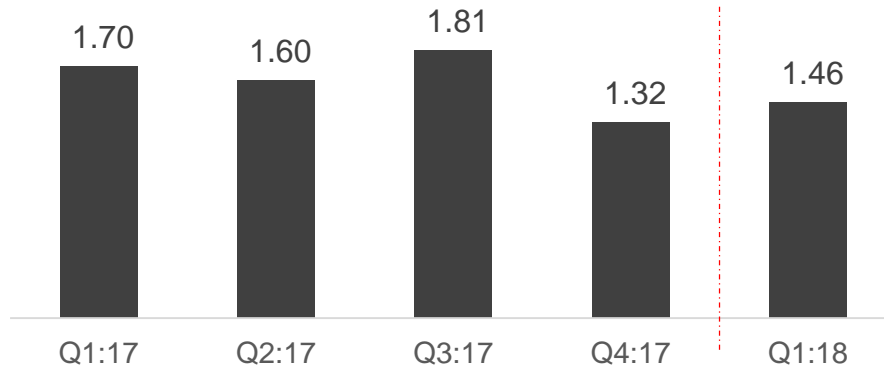


	Q1'2017	Q1'2018	Growth
IDLC Finance Limited	335	395	18% ↑
IDLC Securities Limited	177	74	58% ↓
IDLC Investments Limited	82	70	15% ↓
IDLC Asset Management Limited	7	11	53% ↑
Consolidated NPAT	601	551	8% ↓

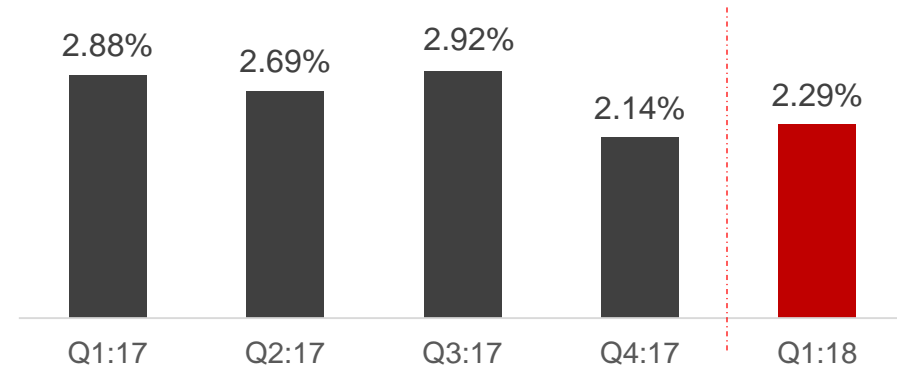
Strong shareholder returns despite competitive pressures



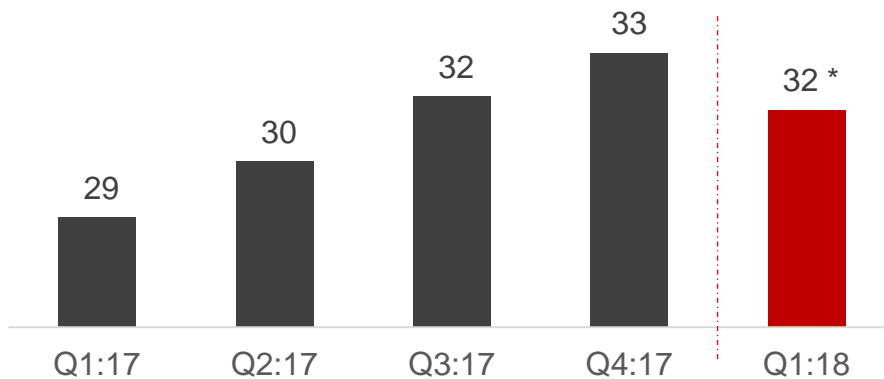
Earnings per Share



Return on Asset (annualized)

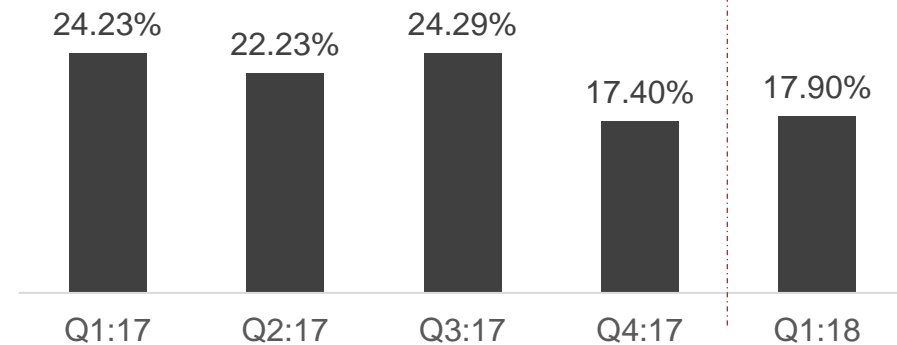


Book Value per Share

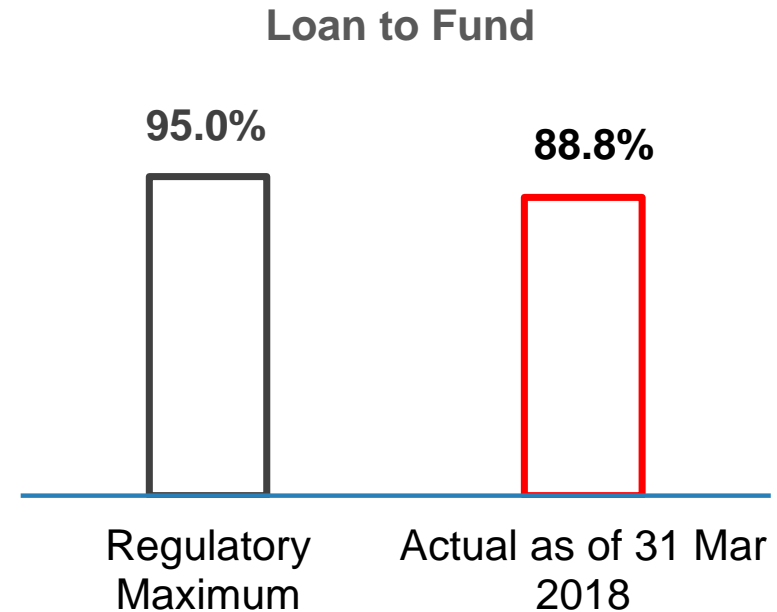
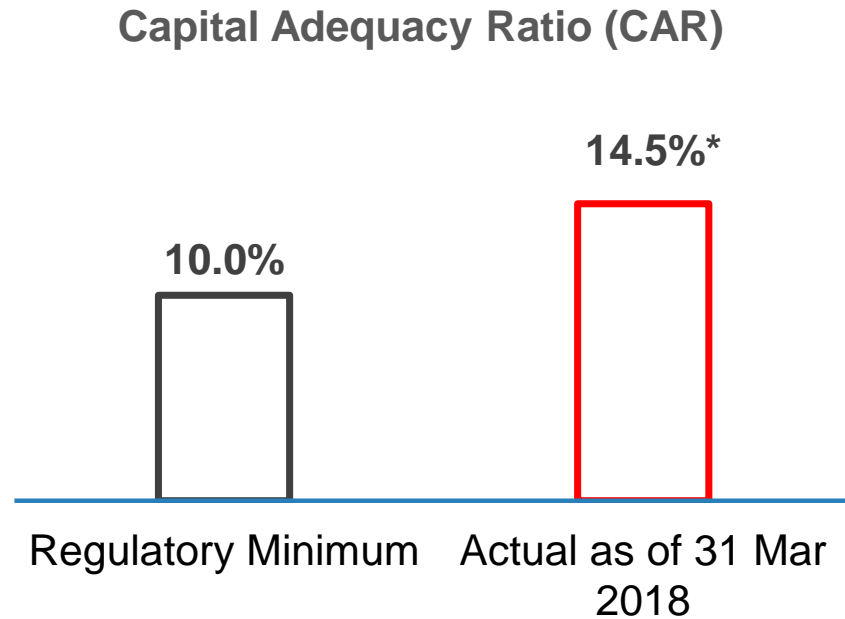


* Ex-dividend

Return on Equity (annualized)



Operating well within regulatory limits



* CAR of IDLC Finance on standalone basis, before consolidation. On a consolidated basis, CAR stands at 16.1% as on 31 March 2018

Non Financial Highlights: Q1 2018



CUSTOMER ACQUISITION

2,840 new customers added during the quarter to take total number of customers in the group to **49,351***

IDLC GROWTH FUND

Launched IPO of *IDLC Growth Fund* – 2nd open end mutual fund managed by IDLC Asset Management Limited

AWARDS

IDLC awarded Best Corporate 2016 by ICMAB

TECHNOLOGY

Launched interactive intranet interface for seamless communication

Several process improvement efforts have been initiated, aimed at increasing efficiency

CSR

Handed 1,200 blankets to Prothom Alo Trust

Engaged volunteers through the Khushir Kheya platform for the plantation of 1,000 saplings

PEOPLE & CULTURE

Training to employees: **5,754 hours**

Improved performance management system in full roll-out

* Number of customers in IDLC Finance only: 25,733

Looking forward



- Intense competition for deposits expected to continue throughout the year
- Major margin reduction not expected
- Home Loan growth in prime markets may remain sluggish with increase in interest rates. However, we expect to further solidify our footing in 2nd tier cities
- Liquidity pressure may adversely impact industry-wide NPL scenario necessitating more careful monitoring



Q & A