

1st Quarter Un-Audited Consolidated Financial Statements, as at and for the quarter ended March 31, 2018

In compliance with the Bangladesh Securities and Exchange Commission (BSEC) letter No. SEC/CFD/Misc./233/2004/615, dated February 2, 2010 and Regulation 17 (1) of the Dhaka and Chittagong Stock Exchange (Listing) Regulations, 2015, we are pleased to present the 1st quarter un-audited consolidated financial Statements of IDLC Finance Limited as at and for the quarter ended March 31, 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 March 31, 2018			Consolidated Profit and Loss Account for the period ended March 31, 2018			Consolidated Cash Flow Statement for the period ended March 31, 2018		
Particulars	31.03.2018 Taka	31.12.2017 Taka	Particulars	31.03.2018 Taka	31.03.2017 Taka	Particulars	31.03.2018 Taka	31.03.2017 Taka
PROPERTY AND ASSETS			Interest income	2,392,024,175	2,087,102,279	A) Cash flows from operating activities		
Cash			Interest on deposits and borrowings etc.	(1,423,893,930)	(1,137,242,221)	Interest received	2,265,083,897	2,009,397,192
In hand (including foreign currencies)	430,000	385,000	Net interest income	968,130,245	949,860,058	Interest paid	(1,367,520,865)	(1,119,394,300)
Balance with Bangladesh Bank and its agent (including foreign currencies)	1,433,196,354	1,095,727,369	Investment income	264,623,325	333,020,085	Dividend received	29,714,265	16,096,979
Balance with other banks and financial institutions			Commission, exchange and brokerage	108,811,658	221,196,862	Fees and commission received	108,811,658	221,196,862
Inside Bangladesh	9,891,277,429	13,631,778,315	Other operating income	116,413,740	135,078,360	Paid to employees and suppliers	(523,206,734)	(524,757,410)
Outside Bangladesh	-	-	Total operating income	1,457,978,968	1,639,155,365	Payment of income tax	(235,572,882)	(254,059,590)
Money at call and short notice	9,891,277,429	13,631,778,315	Salaries and allowances	301,848,158	310,188,289	Received from other operating activities	348,911,016	448,274,882
Investments			Rent, taxes, insurance, electricity etc.	53,909,086	50,899,113	Cash generated from operating activities before changes in operating assets and liabilities	626,220,355	796,754,616
Government	-	-	Legal expenses	4,037,379	9,398,220	Increase/(decrease) in operating assets and liabilities		
Others	6,776,487,414	7,922,749,192	Postage, stamp, telecommunication etc.	9,669,776	8,418,487	Lease receivable	246,459,238	(225,720,116)
Loans and advances			Stationery, printing, advertisements etc.	50,276,507	36,382,685	Long-term finance	(4,618,913,441)	(3,889,983,488)
Loans, cash credit, overdraft etc.	76,451,500,393	71,498,548,035	Managing Director's salary and benefits	3,340,000	3,340,000	Real estate finance	(844,002,680)	(929,264,539)
Bills purchased and discounted	-	-	Directors' fees	332,060	405,848	Car loan	155,724,757	63,924,135
Fixed assets including land, building, furniture and fixtures	76,451,500,393	71,498,548,035	Auditors' fees	375,000	250,000	Personal loan	(21,165,700)	7,625,849
Other assets	633,829,107	662,791,925	Charges on loan losses	-	-	Loan against deposit	39,559,793	32,007,185
Non-banking assets	1,638,644,255	874,963,255	Depreciation and repair of Company's assets	44,922,427	51,770,914	Margin loan to portfolio investors	270,568,731	(455,462,439)
Total Assets	97,025,364,952	95,686,943,091	Other expenses	94,790,928	96,883,058	Short term finance	(40,063,712)	48,023,287
LIABILITIES AND CAPITAL			Total operating expenses	563,501,321	567,936,614	Other assets	(777,860,065)	(13,008,885)
Liabilities			Profit before provision	894,477,647	1,071,218,751	Term and other deposits	138,893,282	4,060,382,534
Borrowings from other banks, financial institutions and agents	11,245,618,696	11,400,359,336	Provision for loans and investments			Net drawdown of short term loan	805,000,000	1,679,999,999
Deposits and other accounts			General provision	30,287,745	27,123,666	Payable and accrued expenses	413,441,352	(96,730,011)
Current accounts and other accounts etc.	-	-	Specific provision	29,589,130	70,677,776	Deferred liability-employee gratuity	6,522,249	13,462,976
Bills payable	-	-	Provision for diminution in value of investments	28,872,784	4,188,070	Portfolio investors' fund	191,544,123	429,609,968
Savings bank deposits	-	-	Other provisions	-	-	Interest suspense account	27,483,665	35,955,889
Term deposits	59,854,026,615	59,853,619,702	Total provision	88,749,659	101,989,512	Net cash flows from/(used in) operating activities	(3,380,588,054)	1,557,576,961
Bearer certificate of deposits	-	-	Total profit before taxation	805,727,988	969,229,239	B) Cash flows from investing activities		
Other deposits	2,377,300,579	2,238,814,210	Provision for taxation	255,114,557	367,784,912	Purchase of fixed assets	(13,690,983)	(22,935,805)
Other liabilities	62,231,327,194	62,092,433,912	Net profit after taxation	550,613,431	601,444,328	Disposal of fixed assets	4,770,998	11,118,469
Total Liabilities	85,008,424,994	83,089,464,224	Attributable to:			Net proceeds of investment in securities	1,146,261,778	(539,578,404)
Capital/Shareholders' equity			Shareholders of the Company	550,613,397	601,443,967	Net cash flows from/(used in) investing activities	1,137,341,793	(551,395,740)
Paid-up capital	3,770,507,800	3,770,507,800	Non-controlling interest	34	361	C) Cash flows from financing activities		
Share premium	1,260,585,930	1,260,585,930	Retained surplus	550,613,397	601,443,967	Drawdown of term loans	120,697,500	301,303,880
Statutory reserves	2,098,412,371	2,098,412,371	Earnings Per Share (EPS)	1.46	1.70	Repayment of term loans	(1,080,438,140)	(1,138,397,482)
General reserves	1,000,000,000	1,000,000,000				Proceeds from right issue	-	2,513,671,860
Dividend equalisation reserves	46,500,000	46,500,000				Net cash flows from/(used in) financing activities	(959,740,640)	1,676,578,258
Retained earnings	3,840,930,822	4,421,469,765				D) Net increase/(decrease) in cash and cash equivalents (A+ B + C)	(3,202,986,901)	2,682,759,480
Total Equity attributable to equity holders of the company	12,016,936,923	12,597,475,866				E) Effects of exchange rate changes on cash and cash equivalents	-	-
Non-controlling interest	3,035	3,001				F) Cash and cash equivalents at beginning of the period	14,727,890,684	11,353,339,202
Total Liabilities and Shareholders' equity	97,025,364,952	95,686,943,091				G) Cash and cash equivalents at end of the period (D+E+F)	11,524,903,783	14,036,098,682
OFF-BALANCE SHEET ITEMS						Cash and cash equivalents at end of the period		
Contingent liabilities						Cash in hand (including foreign currencies)	430,000	376,000
Acceptances and endorsements	-	-				Balance with Bangladesh Bank and its agent bank(s)	1,433,196,354	952,084,192
Letters of guarantee	52,376,646	91,601,562				Balance with other banks and financial institutions	9,891,277,429	13,083,638,490
Irrevocable letters of credit	-	-				Money at call and short notice	200,000,000	-
Bills for collection	-	-				Net operating cash flow per share-(NOCFPS)	(8.97)	4.13
Indemnity bond	-	-						
Corporate guarantee	750,000,000	750,000,000						
Other commitments	802,376,646	841,601,562						
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	1,626,369,274	1,184,170,146						
Total Off-Balance Sheet items including contingent liabilities	1,626,369,274	1,184,170,146						
Net Assets Value (NAV) per share	2,428,745,920	2,025,771,708						
	31.87	33.41						

Consolidated Statement of Changes in Equity for the period ended March 31, 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	Total		
	Taka	Taka	Taka	Taka	Taka	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
Dividend for 2017:									
30% cash dividend	-	-	-	-	-	(1,131,152,340)	(1,131,152,340)	-	(1,131,152,340)
Changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance	3,770,507,800	1,260,585,930	2,098,412,371	1,000,000,000	46,500,000	3,290,317,425	11,466,325,526	3,001	11,466,328,527
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 1st quarter ended 2018	-	-	-	-	-	550,613,397	550,613,397	34	550,613,431
Appropriation to reserves	-	-	-	-	-	-	-	-	-
Balance at March 31, 2018	3,770,507,800	1,260,585,930	2,098,412,371	1,000,000,000	46,500,000	3,840,930,822	12,016,936,923	3,035	12,016,939,958

Other explanatory notes to the accounts

Reporting
 This first quarterly 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 March 31, 2018 and profit for the same period. The number of shares outstanding for the period was 377.05 million. Earnings per shares for the preceding period of 2017 was 354.07 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

Particulars	Consolidated (IDLC & Subsidiaries)	
	1st quarter end 2018	1st quarter end 2017
Earnings Per Share (EPS)	1.46	1.70
Net Operating Cash Flow Per Share (NOCFPS)	(8.97)	4.13

Particulars	Consolidated (IDLC & Subsidiaries)	
	As at March 31, 2018	As at December 31, 2017
Net Asset Value (NAV) Per Share	31.87	33.41
Return on Asset (ROA)*	2.29%	2.60%
Return on Equity (ROE)*	17.90%	21.15%

*Annualised

Sd/-
Chairman

Sd/-
Director

Sd/-
CEO & Managing Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

The details of the published 1st quarter Un-Audited Financial Statements as at and for the quarter ended March 31, 2018 is available in the website of the Company at: www.idlc.com