Q3 2016

Earnings Disclosure
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9 months’ (Jan–Sep 2016) Performance highlights

- **CUSTOMER ADVANCES**
  - BDT 5,418mn growth in Customer Assets

- **OPERATING INCOME**
  - BDT 3,778 mn, 11% YoY growth

- **NET PROFIT AFTER TAX**
  - BDT 1,343 mn, 17% YoY growth
Q3 2016 Highlights

**CUSTOMER ADVANCES**
Grew Customer Assets by BDT 83 mn (0.14%)

**CAPITAL MARKET**
Brokerage business market share improved to 3rd position in DSE

**CUSTOMER DEPOSITS**
Customer Deposits decreased by BDT 1,556 mn (3%)

**CUSTOMER INCLUSION**
1,681 new customers added to take total number of customers in the group to 42,821*

**CAPITAL MARKET**
Grew Customer Assets by BDT 83 mn (0.14%)

**SYNDICATION**
Fund raising of BDT 7,824 mn completed for Karnafuly Dry Dock Limited and partial disbursement has been made

**FUND RAISING**
Raised funds (BDT 527 mn) through issuance of IDLC SME Zero Coupon Bond (2nd Tranche)

**AUTOMATION**
All retail and small loan applications being processed through Online Credit Appraisal system to further increase efficiency

**DIGITAL MARKETING**
Branding initiative through launching official Facebook page and www.shombhaborarshopno.com

* Number of customers in IDLC Finance only: 24,709
Portfolio remained stable during festival season

Balance Sheet

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Value (BDT mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1:15</td>
<td>63,005</td>
</tr>
<tr>
<td>Q2:15</td>
<td>67,933</td>
</tr>
<tr>
<td>Q3:15</td>
<td>70,784</td>
</tr>
<tr>
<td>Q4:15</td>
<td>73,434</td>
</tr>
<tr>
<td>Q1:16</td>
<td>74,648</td>
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<tr>
<td>Q2:16</td>
<td>77,458</td>
</tr>
<tr>
<td>Q3:16</td>
<td>76,688</td>
</tr>
</tbody>
</table>

Customer Advances

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Value (BDT mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1:15</td>
<td>49,506</td>
</tr>
<tr>
<td>Q2:15</td>
<td>53,046</td>
</tr>
<tr>
<td>Q3:15</td>
<td>53,537</td>
</tr>
<tr>
<td>Q4:15</td>
<td>55,212</td>
</tr>
<tr>
<td>Q1:16</td>
<td>58,390</td>
</tr>
<tr>
<td>Q2:16</td>
<td>60,547</td>
</tr>
<tr>
<td>Q3:16</td>
<td>60,630</td>
</tr>
</tbody>
</table>

BDT mn
Deposit base adjusted to requirement

- Continuous rebalancing of the funding basket to minimize funding cost
- Deposit prices continue to be revised downwards

![Customer Deposits Chart]

- Q1:15
- Q2:15
- Q3:15
- Q4:15
- Q1:16
- Q2:16
- Q3:16

Levels:
- 37,940
- 42,236
- 45,395
- 46,039
- 44,926
- 48,573
- 47,017

Percentage Change:
- 11%
- 7%
- 1%
- 2%
- 8%
- 3%
SME remains the growth engine, NPL increases slightly
YoY Performance Metrics: 9 Months (Jan-Sep)

- **Customer Assets**
  - Q3 2015: 53,537
  - Q3 2016: 60,630
  - YoY Change: 13%

- **Customer Deposits**
  - Q3 2015: 45,395
  - Q3 2016: 47,017
  - YoY Change: 4%

- **Net Interest Income**
  - Q3 2015: 2,492
  - Q3 2016: 2,786
  - YoY Change: 12%

- **Fee & Other Income**
  - Q3 2015: 587
  - Q3 2016: 631
  - YoY Change: 7%

- **Investment Income**
  - Q3 2015: 320
  - Q3 2016: 362
  - YoY Change: 13%

- **Operating Income**
  - Q3 2015: 3,399
  - Q3 2016: 3,778
  - YoY Change: 11%

- **Operating Profit**
  - Q3 2015: 2,188
  - Q3 2016: 2,332
  - YoY Change: 7%

- **Net Profit**
  - Q3 2015: 7
  - Q3 2016: 13%
  - YoY Change: 17%
Earnings remain consistent

• Continued downward pressure in lending rates being balanced by deposit rate revisions
Cost Efficiency balanced with Investment for Growth

- Heavy investments in infrastructure, people and workplace throughout 2016 are expected to pay dividends going forward
Strong Shareholder Returns

Earnings Per Share

2015 (Jan-Sep)  4.58
2016 (Jan-Sep)  5.34

Return on Asset

2015 (Jan-Sep)  1.77%
2016 (Jan-Sep)  1.79%

Book Value Per Share

2015 (Jan-Sep)  30
2016 (Jan-Sep)  34

Return on Equity

2015 (Jan-Sep)  16.43%
2016 (Jan-Sep)  16.49%
Strong Shareholder Returns

Earnings per Share

Return on Asset (annualized)

Book Value per Share

Return on Equity (annualized)
MONEY MARKET IS EXPECTED TO REMAIN LIQUID IN THE NEXT QUARTER

PRICE WAR IN RETAIL AND HOME LOAN SEGMENTS SHOWS NO SIGN OF ABATING

DEMAND FOR CREDIT TO REMAIN STRONG IN THE SMALL ENTERPRISE SEGMENT

NPL MANAGEMENT, SPECIALLY FOR LARGE TICKET LOANS, TO BECOME A PRIORITY FOR MOST BANKS/FIs (INCLUDING IDLC) IN Q4

FOCUS ON ADVISORY AND FEE BASED SERVICES TO CONTINUE – IDLC AML SET TO LAUNCH 1ST FUND WITHIN Q1 2017
Q & A