

1st Quarter Un-Audited Consolidated Financial Statements, as at and for the period ended March 31, 2019

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(1) of the notification No. SEC/CMRRCD/2006-158/208/Admin/81, dated June 20, 2018 and Regulation 17 (1) of the (Listing) Regulations, 2015 of Dhaka and Chittagong Stock Exchange, we are pleased to present the quarterly un-audited consolidated financial Statements of IDLC Finance Limited as at and for the period ended March 31, 2019. 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) 34 "Interim Financial Reporting".

Consolidated Balance Sheet as at March 31, 2019		
Particulars	31.03.2019 BDT	31.12.2018 BDT
PROPERTY AND ASSETS		
Cash		
In hand (including foreign currencies)	442,931	434,090
Balance with Bangladesh Bank and its agent (including foreign currencies)	2,591,296,535	2,564,995,968
Balance with other banks and financial institutions		
Inside Bangladesh	11,696,019,644	13,670,184,483
Outside Bangladesh	-	-
Money at call and short notice	11,696,019,644	13,670,184,483
Investments		
Government	-	-
Others	5,690,565,374	7,300,477,507
Loans and advances		
Loans, cash credit, overdraft etc.	87,296,289,597	83,934,280,017
Bills purchased and discounted	-	-
Fixed assets including land, building, furniture and fixtures	87,296,289,597	83,934,280,017
Other assets	522,588,832	552,025,946
Non-banking assets	1,677,432,486	1,143,290,024
Total Assets	109,474,635,399	109,165,688,035
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	10,771,142,146	12,496,240,919
Deposits and other accounts		
Current accounts and other accounts etc.	-	-
Bills payable	-	-
Savings bank deposits	-	-
Term deposits	71,087,281,081	70,257,701,507
Bearer certificate of deposits	-	-
Other deposits	2,498,081,743	2,455,047,719
Other liabilities	73,585,362,824	72,712,749,226
Total Liabilities	12,242,046,763	10,319,370,941
Capital/Shareholders' equity		
Paid-up capital	3,770,507,800	3,770,507,800
Share premium	1,260,585,930	1,260,585,930
Statutory reserves	2,416,541,850	2,416,541,850
General reserves	1,000,000,000	1,000,000,000
Dividend equalisation reserves	46,500,000	46,500,000
Retained earnings	4,381,944,901	5,143,188,211
Total Equity attributable to equity holders of the company	12,876,080,481	13,637,323,791
Non-controlling interest	3,185	3,158
Total Liabilities and Shareholders' equity	109,474,635,399	109,165,688,035
OFF-BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	-	-
Letters of guarantee	25,000,000	11,853,790
Irrevocable letters of credit	-	-
Bills for collection	-	-
Indemnity bond	-	-
Corporate guarantee	750,000,000	750,000,000
Other commitments	775,000,000	761,853,790
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	1,781,786,805	1,774,929,398
Total Off-Balance Sheet items including contingent liabilities	1,781,786,805	1,774,929,398
Net Assets Value (NAV) per share	34.15	36.17

Consolidated Profit and Loss Account for the period ended March 31, 2019		
Particulars	31.03.2019 Taka	31.03.2018 Taka
Interest income	3,036,432,436	2,392,024,175
Interest on deposits and borrowings etc.	(1,954,854,145)	(1,423,893,930)
Net interest income	1,081,578,291	968,130,245
Investment income	70,397,366	264,623,325
Commission, exchange and brokerage	129,612,469	108,811,658
Other operating income	107,758,690	116,413,740
Total operating income	1,389,346,816	1,457,978,968
Salaries and allowances	343,682,132	301,848,158
Rent, taxes, insurance, electricity etc.	57,419,148	53,909,086
Legal expenses	4,853,712	4,037,379
Postage, stamp, telecommunication etc.	10,457,593	9,669,776
Stationery, printing, advertisements etc.	27,576,368	50,276,507
Managing Director's salary and benefits	3,400,000	3,340,000
Directors' fees	450,576	332,060
Auditors' fees	288,750	375,000
Charges on loan losses	-	-
Depreciation and repair of Company's assets	44,726,137	44,922,427
Other expenses	89,454,929	94,790,928
Total operating expenses	582,309,346	563,501,321
Profit before provision	807,037,470	894,477,647
Provision for loans and investments		
General provision	18,401,654	30,287,745
Specific provision	132,435,875	29,589,130
Provision for diminution in value of investments	(146,516,895)	28,872,784
Other provisions	-	-
Total provision	4,320,634	88,749,659
Total profit before taxation	802,716,836	805,727,988
Provision for taxation		
Current tax expense	249,211,126	255,114,557
Deferred tax income	(4,928,737)	-
Net profit after taxation	558,434,447	550,613,431
Attributable to:		
Shareholders of the Company	558,434,420	550,613,397
Non-controlling interest	27	34
Retained surplus	558,434,420	550,613,397
Earnings Per Share (EPS)	1.48	1.46

Consolidated Cash Flow Statement for the period ended March 31, 2019		
Particulars	31.03.2019 Taka	31.03.2018 Taka
A) Cash flows from operating activities		
Interest received	2,990,715,452	2,265,083,897
Interest paid	(1,789,831,198)	(1,367,520,865)
Dividend received	44,510,401	29,714,265
Fees and commission received	129,612,469	108,811,658
Paid to employees and suppliers	(543,783,055)	(523,206,734)
Payment of income tax	(203,550,653)	(235,572,882)
Received from other operating activities	131,575,206	348,911,016
Cash generated from operating activities before changes in operating assets and liabilities	4,338,911,017	626,220,355
Increase/(decrease) in operating assets and liabilities		
Lease receivable	172,585,896	246,459,238
Long-term finance	(2,215,183,815)	(4,618,913,441)
Real estate finance	(1,471,336,576)	(844,002,680)
Car loan	74,436,139	155,724,757
Personal loan	(7,072,272)	(21,165,700)
Loan against deposit	(137,034,893)	39,559,793
Margin loan to portfolio investors	24,196,898	270,568,731
Short term finance	268,417,250	(40,063,712)
Other assets	(559,443,684)	(777,860,065)
Term and other deposits	872,613,598	138,893,282
Net drawdown of short term loan	(1,650,000,000)	805,000,000
Payable and accrued expenses	(3,241,892,444)	413,441,352
Deferred liability-employee gratuity	13,291,432	6,522,249
Portfolio investors' fund	(42,196,267)	191,544,123
Deferred tax liability	(136,458)	-
Interest suspense account	84,234,382	27,483,665
	(7,814,520,816)	(4,006,808,409)
Net cash flows from/(used in) operating activities	(3,475,609,798)	(3,380,588,054)
B) Cash flows from investing activities		
Purchase of fixed assets	(10,442,817)	(13,690,983)
Disposal of fixed assets	3,424,089	4,770,998
Net proceeds of investment in securities	1,609,912,133	1,146,261,778
Net cash flows from/(used in) investing activities	1,602,893,404	1,137,341,793
C) Cash flows from financing activities		
Drawdown of term loans	692,656,051	120,697,500
Repayment of term loans	(767,754,823)	(1,080,438,140)
Dividend paid	(40,265)	-
Net cash flows from/(used in) financing activities	(75,139,037)	(959,740,640)
D) Net increase/(decrease) in cash and cash equivalents (A+ B + C)	(1,947,855,431)	(3,202,986,901)
E) Effects of exchange rate changes on cash and cash equivalents	-	-
F) Cash and cash equivalents at beginning of the year	16,235,614,541	14,727,890,684
G) Cash and cash equivalents at end of the period (D+E+F)	14,287,759,110	11,524,903,783
Cash and cash equivalents at end of the period		
Cash in hand (including foreign currencies)	442,931	430,000
Balance with Bangladesh Bank and its agent bank(s)	2,591,296,535	1,433,196,354
Balance with other banks and financial institutions	11,696,019,644	9,891,277,429
Money at call and short notice	-	200,000,000
Total Cash and cash equivalents	14,287,759,110	11,524,903,783
Net operating cash flow per share (NOCFPS)	(9.22)	(8.97)

Consolidated Statement of Changes in Equity for the period ended March 31, 2019										
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	Total		
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	
Balance at January 1, 2019	3,770,507,800	1,260,585,930	2,416,541,850	1,000,000,000	46,500,000	5,143,188,211	13,637,323,791	3,158	13,637,326,949	
Dividend for 2018:										
35% cash dividend	-	-	-	-	-	(1,319,677,730)	(1,319,677,730)	-	(1,319,677,730)	
Changes in accounting policy	-	-	-	-	-	-	-	-	-	
Restated balance	3,770,507,800	1,260,585,930	2,416,541,850	1,000,000,000	46,500,000	3,823,510,481	12,317,646,061	3,158	12,317,649,219	
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 2019	-	-	-	-	-	558,434,420	558,434,420	27	558,434,447	
Appropriation to reserves	-	-	-	-	-	-	-	-	-	
Balance at March 31, 2019	3,770,507,800	1,260,585,930	2,416,541,850	1,000,000,000	46,500,000	4,381,944,901	12,876,080,481	3,185	12,876,083,666	
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 International Accounting Standard (IAS) - 34 "Interim Financial Reporting". These interim financial statements should be read in conjunction with the published financial statement for the year ended December 31, 2018, 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, 2018.
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, 2019 and profit for the same period. The number of shares outstanding for the period was 377.05 million.
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.
Reclassifications:	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)		IDLC Finance Limited	
	1st quarter end 2019	1st quarter end 2018	1st quarter end 2019	1st quarter end 2018
Earnings Per Share (EPS)	1.48	1.46	1.19	1.05
Net Operating Cash Flow Per Share (NOCFPS)	(9.22)	(8.97)	(7.25)	(8.86)
Cost to Income Ratio	41.91%	38.65%	42.55%	39.63%

Particulars	Consolidated (IDLC & Subsidiaries)		IDLC Finance Limited	
	As at March 31, 2019	As at December 31, 2018	As at March 31, 2019	As at December 31, 2018
Net Asset Value (NAV) Per Share	34.15	36.17	26.94	29.25
Return on Asset (ROA)*	2.04%	2.12%	1.69%	1.61%
Return on Equity (ROE)*	16.85%	16.55%	16.88%	14.73%
Non Performing Loan (NPL) Ratio	2.29%	2.20%	2.29%	2.20%

The details of the published 1st quarter Un-Audited Consolidated Financial Statements as at and for the quarter ended March 31, 2019 is available in the website of the Company at: www.idlc.com