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IDLC FINANCE LIMITED AND ITS SUBSIDIARIES

Half-Yearly Un-Audited Consolidated Financial Statements, as at and for the period ended June 30, 2019

IDLC Finance Limited
financing happiness

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(2) of the notification No. SEC/CMRRCD/2006-158/208/Admin/81, dated June 20, 2018 and Regulation 17 (2) of the (Listing) Regulations, 2015 of Dhaka and Chittagong Stock Exchange, we are pleased to present the half yearly un-audited consolidated financial Statements of IDLC Finance Limited as at and for the period ended June 30, 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 June 30, 2019

Particulars	30.06.2019 BDT	31.12.2018 BDT
PROPERTY AND ASSETS		
Cash		
In hand (including foreign currencies)	433,623	434,090
Balance with Bangladesh Bank and its agent (including foreign currencies)	1,970,162,617	2,564,995,968
	1,970,596,240	**2,565,430,058**
Balance with other banks and financial institutions		
Inside Bangladesh	20,267,886,545	13,670,184,483
Outside Bangladesh	-	-
	20,267,886,545	**13,670,184,483**
Money at call and short notice	-	-
Investments		
Government	-	-
Others	5,523,949,327	7,300,477,507
	5,523,949,327	**7,300,477,507**
Loans and advances		
Loans, cash credit, overdraft etc.	87,305,677,684	83,934,280,017
Bills purchased and discounted	-	-
	87,305,677,684	**83,934,280,017**
Fixed assets including land, building, furniture and fixtures	**506,081,416**	**552,025,946**
Other assets	**1,850,513,731**	**1,143,290,024**
Non-banking assets	-	-
Total Assets	**117,424,704,944**	**109,165,688,035**
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	**21,853,987,633**	**12,496,240,919**
Deposits and other accounts		
Current accounts and other accounts etc.	-	-
Bills payable	-	-
Savings bank deposits	-	-
Term deposits	69,306,164,064	70,257,701,507
Bearer certificate of deposits	-	-
Other deposits	2,483,946,807	2,455,047,719
	71,790,110,871	72,712,749,226
Other liabilities	**10,411,626,061**	**10,319,370,941**
Total Liabilities	**104,055,724,565**	**95,528,361,086**
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	4,874,841,614	5,143,188,211
Total Equity attributable to equity holders of the company	**13,368,977,194**	**13,637,323,791**
Non-controlling interest	**3,184**	**3,158**
Total Liabilities and Shareholders' equity	**117,424,704,944**	**109,165,688,035**
OFF-BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	-	-
Letters of guarantee	-	11,853,790
Irrevocable letters of credit	-	-
Bills for collection	-	-
Indemnity bond	-	-
Corporate guarantee	750,000,000	750,000,000
	750,000,000	**761,853,790**
Other commitments		
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	1,113,724,060	1,774,929,398
	1,113,724,060	**1,774,929,398**
Total Off-Balance Sheet items including contingent liabilities	**1,863,724,060**	**2,536,783,188**
Net Assets Value (NAV) per share	**35.46**	**36.17**

Consolidated Profit and Loss Account
for the period ended June 30, 2019

Particulars	Jan to Jun'19 Taka	Jan to Jun'18 Taka	Apr to Jun'19 Taka	Apr to Jun'18 Taka
Interest income	6,384,819,831	5,207,976,620	3,348,387,395	2,815,952,445
Interest on deposits and borrowings etc.	(4,030,592,582)	(3,191,415,477)	(2,075,738,437)	(1,767,521,547)
Net interest income	**2,354,227,249**	**2,016,561,143**	**1,272,648,958**	**1,048,430,898**
Investment income	88,246,137	414,021,020	17,848,771	149,397,695
Commission, exchange and brokerage	206,161,397	261,639,313	76,548,928	152,827,655
Other operating income	204,644,628	206,261,910	96,885,938	89,848,170
Total operating income	**2,853,279,411**	**2,898,483,386**	**1,463,932,595**	**1,440,504,418**
Salaries and allowances	692,473,216	613,844,620	348,791,084	311,996,462
Rent, taxes, insurance, electricity etc.	116,339,564	111,244,671	58,920,416	57,335,585
Legal expenses	12,545,239	8,037,983	7,691,527	4,000,604
Postage, stamp, telecommunication etc.	20,956,170	19,520,689	10,498,576	9,850,912
Stationery, printing, advertisements etc.	64,697,161	85,312,116	37,120,793	35,035,609
Managing Director's salary and benefits	6,790,000	6,430,000	3,390,000	3,090,000
Directors' fees	945,595	1,000,068	495,019	668,008
Auditors' fees	577,500	635,000	288,750	260,000
Charges on loan losses	-	-	-	-
Depreciation and repair of Company's assets	87,848,632	90,711,668	43,122,495	45,789,241
Other expenses	174,239,066	187,569,137	84,784,137	92,778,209
Total operating expenses	**1,177,412,143**	**1,124,305,952**	**595,102,797**	**560,804,630**
Profit before provision	**1,675,867,268**	**1,774,177,434**	**868,829,798**	**879,699,788**
Provision for loans and investments				
General provision	20,379,026	55,955,655	1,977,372	25,667,910
Specific provision	149,557,800	35,225,770	17,121,925	5,636,640
Provision for diminution in value of investments	(91,927,996)	128,691,142	54,588,899	99,818,358
Other provisions	-	-	-	-
Total provision	**78,008,830**	**219,872,567**	**73,688,196**	**131,122,908**
Total profit before taxation	**1,597,858,438**	**1,554,304,867**	**795,141,602**	**748,576,880**
Provision for taxation				
Current tax expense	552,227,206	442,795,869	303,016,080	187,681,312
Deferred tax income	(5,699,927)	-	(771,190)	-
	546,527,279	442,795,869	302,244,890	187,681,312
Net profit after taxation	**1,051,331,159**	**1,111,508,998**	**492,896,712**	**560,895,568**
Attributable to:				
Shareholders of the Company	1,051,331,133	1,111,508,916	492,896,713	560,895,520
Non-controlling interest	26	82	(1)	48
	1,051,331,159	**1,111,508,998**	**492,896,712**	**560,895,568**
Retained surplus	**1,051,331,133**	**1,111,508,916**	**492,896,713**	**560,895,520**
Earnings Per Share (EPS)	**2.79**	**2.95**	**1.31**	**1.49**

Consolidated Cash Flow Statement
for the period ended June 30, 2019

	Particulars	30.06.2019 Taka	30.06.2018 Taka
A)	**Cash flows from operating activities**		
	Interest received	6,249,379,666	4,975,823,256
	Interest paid	(3,814,296,211)	(2,761,427,366)
	Dividend received	48,519,412	69,094,632
	Fees and commission received	206,161,397	261,639,313
	Paid to employees and suppliers	(1,101,556,781)	(1,044,089,853)
	Payment of income tax	(391,238,417)	(510,916,231)
	Received from other operating activities	240,377,081	547,392,215
	Cash generated from operating activities before changes in operating assets and liabilities	**1,437,346,147**	**1,537,515,966**
	Increase/(decrease) in operating assets and liabilities		
	Lease receivable	501,173,240	330,075,043
	Long-term finance	(1,841,359,127)	(6,380,054,644)
	Real estate finance	(2,087,686,933)	(1,702,968,090)
	Car loan	99,571,401	257,787,328
	Personal loan	(5,649,691)	(20,479,612)
	Loan against deposit	(265,176,399)	(124,483,533)
	Margin loan to portfolio investors	291,447,161	501,844,398
	Short term finance	84,235,865	(53,922,388)
	Other assets	(719,736,726)	(500,936,506)
	Term and other deposits	(922,638,355)	6,395,235,454
	Net drawdown of short term loan	5,345,000,000	4,055,000,000
	Payable and accrued expenses	(69,538,313)	(286,617,923)
	Deferred liability-employee gratuity	27,610,465	12,755,568
	Portfolio investors' fund	(391,937,154)	(335,386,742)
	Deferred tax liability	(241,016)	-
	Interest suspense account	69,209,465	(43,433,094)
		114,283,883	2,104,415,260
	Net cash flows from/(used in) operating activities	**1,551,630,030**	**3,641,931,226**
B)	**Cash flows from investing activities**		
	Purchase of fixed assets	(33,013,155)	(25,607,427)
	Disposal of fixed assets	7,096,596	7,059,136
	Net proceeds of investment in securities	1,776,528,180	1,383,246,060
	Net cash flows from/(used in) investing activities	**1,750,611,621**	**1,364,697,769**
C)	**Cash flows from financing activities**		
	Drawdown of term loans	8,691,119,177	797,419,051
	Repayment of term loans	(4,678,372,464)	(1,826,924,108)
	Dividend paid	(1,312,120,120)	(710,406,377)
	Net cash flows from/(used in) financing activities	**2,700,626,593**	**(1,739,911,434)**
D)	**Net increase/(decrease) in cash and cash equivalents (A+ B + C)**	**6,002,868,244**	**3,266,717,561**
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)**	**22,238,482,785**	**17,994,608,245**
	Cash and cash equivalents at end of the period		
	Cash in hand (including foreign currencies)	433,623	430,000
	Balance with Bangladesh Bank and its agent bank(s)	1,970,162,617	1,342,743,589
	Balance with other banks and financial institutions	20,267,886,545	16,651,434,656
	Money at call and short notice	-	-
		22,238,482,785	**17,994,608,245**
	Net Operating Cash Flow Per Share (NOCFPS)	**4.12**	**9.66**

Consolidated Statement of Changes in Equity
for the period ended June 30, 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		
	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 half year ended 2019	-	-	-	-	-	1,051,331,133	1,051,331,133	26	1,051,331,159
Appropriation to reserves	-	-	-	-	-	-	-	-	-
Balance at June 30, 2019	**3,770,507,800**	**1,260,585,930**	**2,416,541,850**	**1,000,000,000**	**46,500,000**	**4,874,841,614**	**13,368,977,194**	**3,184**	**13,368,980,378**
Balance at June 30, 2018	**3,770,507,800**	**1,260,585,930**	**2,098,412,371**	**1,000,000,000**	**46,500,000**	**4,401,826,341**	**12,577,832,442**	**3,083**	**12,577,835,525**

Other explanatory notes to the accounts

Reporting
This half yearly 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 June 30, 2019 and profit for the same period. The number of shares outstanding for the period was 377.05 million. Number of shares for the preceding period of 2018 was also 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

Amount in Taka

Particulars	Consolidated (IDLC & Subsidiaries)		IDLC Finance Limited	
	Half year end 2019	Half year end 2018	Half year end 2019	Half year end 2018
Earnings Per Share (EPS)	2.79	2.95	2.44	2.12
Net Operating Cash Flow Per Share (NOCFPS)	4.12	9.66	7.05	11.72

Particulars	Consolidated (IDLC & Subsidiaries)		IDLC Finance Limited	
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
Net Asset Value (NAV) Per Share	35.46	36.17	28.19	29.25
Return on Asset (ROA)*	1.86%	2.12%	1.67%	1.61%
Return on Equity (ROE)*	15.57%	16.55%	16.98%	14.73%

*Annualised

Sd/-
Chairman

Sd/-
Director

Sd/-
CEO & Managing Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

The details of the published Half-Yearly Un-Audited Financial Statements as at and for the quarter ended June 30, 2019 is available in the website of the Company at: www.idlc.com

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