

IDLC FINANCE LIMITEDBay's Galleria (1st Floor)

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IDLC FINANCE LIMITED AND ITS SUBSIDIARIES**1st Quarter Un-Audited Consolidated Financial Statements, as at and for the period ended March 31, 2020**

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(1) of the notification No. SEC/CMRRC/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, 2020. 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, 2020

	31.03.2020 BDT	31.12.2019 BDT
PROPERTY AND ASSETS		
Cash		
In hand (including foreign currencies)	487,879	440,000
Balance with Bangladesh Bank and its agent (including foreign currencies)	3,222,953,582	2,176,870,971
3,223,441,461	2,177,310,971	
Balance with other banks and financial institutions		
Inside Bangladesh	9,055,877,574	12,922,670,075
Outside Bangladesh	-	-
9,055,877,574	12,922,670,075	
Money at call and short notice		
	-	-
Investments		
Government	4,043,422,223	1,380,723,983
Others	4,969,737,150	5,554,544,240
9,013,159,373	6,935,268,223	
Loans and advances		
Loans, cash credit, overdraft etc.	92,585,425,456	92,345,977,331
Bills purchased and discounted	-	-
92,585,425,456	92,345,977,331	
Fixed assets including land, building, furniture and fixtures		
Other assets	1,054,306,858	1,119,976,393
Non-banking assets	2,047,449,039	1,884,075,443
Total Assets	116,979,659,761	117,385,278,436
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	13,665,021,113	14,227,773,689
Deposits and other accounts		
Current accounts and other accounts etc.	-	-
Bills payable	-	-
Savings bank deposits	-	-
Term deposits	74,526,420,064	75,415,433,310
Bearer certificate of deposits	-	-
Other deposits	2,510,281,253	2,490,149,327
77,036,701,317	77,905,582,637	
Other liabilities		
Total Liabilities	11,967,735,119	11,234,350,677
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	2,509,921,870	2,509,921,870
General reserves	1,000,000,000	1,000,000,000
Dividend equalisation reserves	46,500,000	46,500,000
Retained earnings	5,722,683,438	5,430,052,634
Total Equity attributable to equity holders of the company	14,310,199,038	14,017,568,234
Non-controlling interest	3,174	3,199
Total Liabilities and Shareholders' equity	116,979,659,761	117,385,278,436
OFF-BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	-	-
Letters of guarantee	139,566,000	50,000,000
Irrevocable letters of credit	-	-
Bills for collection	-	-
Indemnity bond	-	-
Corporate guarantee	750,000,000	750,000,000
889,566,000	800,000,000	
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	1,541,639,393	1,238,722,240
1,541,639,393	1,238,722,240	
Total Off-Balance Sheet items including contingent liabilities	2,431,205,393	2,038,722,240
Net Assets Value (NAV) per share	37.95	37.18

Consolidated Statement of Changes in Equity
for the period ended March 31, 2020

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		
	BDT	BDT	BDT	BDT	BDT	BDT	BDT		
Balance at January 1, 2020	3,770,507,800	1,260,585,930	2,509,921,870	1,000,000,000	46,500,000	5,430,052,634	14,017,568,234	3,199	14,017,571,433
Changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance	3,770,507,800	1,260,585,930	2,509,921,870	1,000,000,000	46,500,000	5,430,052,634	14,017,568,234	3,199	14,017,571,433
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 2020	-	-	-	-	-	292,630,805	292,630,805	(25)	292,630,779
Appropriation to reserves	-	-	-	-	-	-	-	-	-
Balance at March 31, 2020	3,770,507,800	1,260,585,930	2,509,921,870	1,000,000,000	46,500,000	5,722,683,438	14,310,199,038	3,174	14,310,202,212
Balance at March 31, 2019	3,770,507,800	1,260,585,930	2,416,541,850	1,000,000,000	46,500,000	4,338,850,538	12,832,986,118	3,184	12,832,989,302

Consolidated Profit and Loss Account
for the period ended March 31, 2020

	31.03.2020 BDT	31.03.2019 BDT
Interest income	3,286,233,781	3,036,432,436
Interest on deposits and borrowings etc.	(2,148,874,733)	(1,969,390,524)
Net interest income	1,137,359,048	1,067,041,912
Investment income	(167,320,376)	70,397,366
Commission, exchange and brokerage	98,414,683	129,612,469
Other operating income	100,753,662	107,758,690
Total operating income	1,169,207,017	1,374,810,437
Salaries and allowances	355,400,362	343,682,132
Rent, taxes, insurance, electricity etc.	14,911,047	14,381,708
Legal expenses	2,709,121	3,885,987
Postage, stamp, telecommunication etc.	11,204,567	10,457,593
Stationery, printing, advertisements etc.	25,997,563	27,576,368
Managing Director's salary and benefits	3,520,000	3,400,000
Directors' fees	394,049	450,576
Auditors' fees	288,750	288,750
Charges on loan losses	-	-
Depreciation and repair of Company's assets	81,144,874	82,459,147
Other expenses	104,364,313	90,422,654
Total operating expenses	599,934,647	577,004,916
Profit before provision	569,272,370	797,805,521
Provision for loans and investments		
General provision	544,158	18,401,654
Specific provision	(35,288,860)	132,435,875
Provision for diminution in value of investments	27,677,605	(146,516,895)
Other provisions	-	-
Total provision	(7,067,097)	4,320,634
Total profit before taxation	576,339,467	793,484,887
Provision for taxation		
Current tax expense	323,360,487	249,211,126
Deferred tax (income)/expense	(39,651,799)	28,933,678
283,708,688	278,144,804	
Net profit after taxation	292,630,779	515,340,083
Attributable to:		
Shareholders of the Company	292,630,805	515,340,057
Non-controlling interest	(25)	26
292,630,779	515,340,083	
Retained surplus	292,630,805	515,340,057
Earnings Per Share (EPS)	0.78	1.37

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, 2019, 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, 2019.

Consolidation of operations of subsidiaries:

The consolidation of the financial statements has 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, 2020 and profit for the same period. The number of shares outstanding for the period was 377.05 million.

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.

Consolidated Cash Flow Statement
for the period ended March 31, 2020

	31.03.2020 BDT	31.03.2019 BDT
A) Cash flows from operating activities		
Interest received	3,009,382,353	2,990,715,452
Interest paid	(2,093,203,732)	(1,624,476,295)
Dividend received	23,056,564	44,510,401
Fees and commission received	98,414,683	129,612,469
Paid to employees and suppliers	(526,078,170)	(500,745,615)
Payment of income tax	(176,110,057)	(203,550,653)
Received from other operating activities	(89,994,017)	131,575,206
Cash generated from operating activities before changes in operating assets and liabilities	245,467,625	967,640,964
Increase/(decrease) in operating assets and liabilities		
Lease receivable	83,361,972	172,585,896
Long-term finance	974,737,999	(2,215,183,815)
Real estate finance	(376,936,635)	(1,471,336,576)
Car loan	15,553,078	74,436,139
Personal loan	8,356,910	(7,072,272)
Loan against deposit	(614,794,002)	(137,034,893)
Margin loan to portfolio investors	100,285,902	24,196,898
Short term finance	(204,008,603)	268,417,250
Other assets	(112,526,914)	(700,146,640)
Term and other deposits	(868,881,320)	872,613,598
Net drawdown of short term loan	(650,000,000)	(1,650,000,000)
Payable and accrued expenses	385,025,192	(4,637,842)
Deferred liability-employee gratuity	11,552,720	13,291,432
Portfolio investors' fund	177,481,554	(42,196,267)
Deferred tax liability	(14,719,056)	274,581,949
Interest suspense account	17,860,899	84,234,382
(1,067,650,304)	(4,443,250,762)	
Net cash flows from/(used in) operating activities	(822,182,679)	(3,475,609,798)
B) Cash flows from investing activities		
Purchase of fixed assets	(8,360,615)	(10,442,817)
Disposal of fixed assets	544,412	3,424,089
Net proceeds of investment in securities	(2,077,891,150)	1,609,912,133
Net cash flows from/(used in) investing activities	(2,085,707,353)	1,602,893,404
C) Cash flows from financing activities		
Drawdown of term loans	832,080,502	692,656,051
Repayment of term loans	(744,833,078)	(767,754,823)
Dividend paid	(19,403)	(40,265)
Net cash flows from/(used in) financing activities	87,228,021	(75,139,037)
D) Net increase/(decrease) in cash and cash equivalents (A+ B + C)	(2,820,662,011)	(1,947,855,431)
E) Effects of exchange rate changes on cash and cash equivalents	-	-
F) Cash and cash equivalents at beginning of the year	15,099,981,046	16,235,614,541
G) Cash and cash equivalents at end of the period (D+E+F)	12,279,319,035	14,287,759,110
Cash and cash equivalents at end of the period		
Cash in hand (including foreign currencies)	487,879	442,931
Balance with Bangladesh Bank and its agent bank(s)	3,222,953,582	2,591,296,535
Balance with other banks and financial institutions	9,055,877,574	11,696,019,644
Money at call and short notice	-	-
12,279,319,035	14,287,759,110	
Net operating cash flow per share (NOCFPS)	(2.18)	(9.22)

Summarised information for shareholders' convenience:

Particulars	Consolidated (IDLC & Subsidiaries)		IDLC Finance Limited	
	1st quarter end 2020	1st quarter end 2019	1st quarter end 2020	1st quarter end 2019
Earnings Per Share (EPS) in Tk.	0.78	1.37	1.15	1.09
Net Operating Cash Flow Per Share (NOCFPS) in Tk.	(2.18)	(9.22)	(4.03)	(7.25)

Particulars	Consolidated (IDLC & Subsidiaries)		IDLC Finance Limited	
	As at March 31, 2020	As at December 31, 2019	As at March 31, 2020	As at December 31, 2019
Net Asset Value (NAV) Per Share in Tk.	37.95	37.18	30.94	29.79
Return on Asset (ROA)* in %	1.00%	1.50%	1.52%	1.38%
Return on Equity (ROE)* in %	8.26%	12.29%	15.20%	13.68%
Non Performing Loan (NPL) Ratio in %	2.93%	3.07%	2.93%	3.07%

*Annualised