

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(3) of the notification No. SEC/CMRRCD/2006-158/208/Admin/81, dated June 20, 2018 and Regulation 17 (3) of the (Listing) Regulations, 2015 of Dhaka and Chittagong Stock Exchange, we are pleased to present the third quarter ended un-audited consolidated financial statements of IDLC Finance Limited as at and for the period ended September 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 September 30, 2019 | | |
|---|------------------------|------------------------|
| Particulars | 30.09.2019 Taka | 31.12.2018 Taka |
| PROPERTY AND ASSETS | | |
| Cash | | |
| In hand (including foreign currencies) | 432,740 | 434,090 |
| Balance with Bangladesh Bank and its agent (including foreign currencies) | 1,926,497,343 | 2,564,995,968 |
| Balance with other banks and financial institutions | 19,011,335,465 | 13,670,184,483 |
| Inside Bangladesh | - | - |
| Outside Bangladesh | 19,011,335,465 | 13,670,184,483 |
| Money at call and short notice | - | - |
| Investments | - | - |
| Government | 461,400,749 | - |
| Others | 5,602,099,887 | 7,300,477,507 |
| Loans and advances | 86,847,794,243 | 83,934,280,017 |
| Loans, cash credit, overdraft etc. | 86,847,794,243 | 83,934,280,017 |
| Bills purchased and discounted | - | - |
| Fixed assets including land, building, furniture and fixtures | 502,280,430 | 552,025,946 |
| Other assets | 2,111,593,229 | 1,143,290,024 |
| Non-banking assets | - | - |
| Total Assets | 116,463,434,086 | 109,165,688,035 |
| LIABILITIES AND CAPITAL | | |
| Liabilities | | |
| Borrowings from other banks, financial institutions and agents | 14,972,180,544 | 12,496,240,919 |
| Deposits and other accounts | | |
| Current accounts and other accounts etc. | - | - |
| Bills payable | - | - |
| Savings bank deposits | - | - |
| Term deposits | 74,738,942,919 | 70,257,701,507 |
| Bearer certificate of deposits | - | - |
| Other deposits | 2,462,651,426 | 2,455,047,719 |
| | 77,201,594,345 | 72,712,749,226 |
| Other liabilities | 10,664,478,969 | 10,319,370,941 |
| Total Liabilities | 102,838,253,858 | 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 | 5,131,041,481 | 5,143,188,211 |
| Total Equity attributable to equity holders of the company | 13,625,177,061 | 13,637,323,791 |
| Non-controlling interest | 3,166 | 3,158 |
| Total Liabilities and Shareholders' equity | 116,463,434,086 | 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 | 1,060,876,627 | 1,774,929,398 |
| | 1,060,876,627 | 1,774,929,398 |
| Total Off-Balance Sheet items including contingent liabilities | 1,810,876,627 | 2,536,783,188 |
| Net Assets Value (NAV) per share | 36.14 | 36.17 |

| Consolidated Profit and Loss Account for the period ended September 30, 2019 | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Particulars | Jan to Sep'19 Taka | Jan to Sep'18 Taka | Jul to Sep'19 Taka | Jul to Sep'18 Taka |
| Interest income | 9,717,516,502 | 8,123,241,208 | 3,332,696,671 | 2,915,264,588 |
| Interest on deposits and borrowings etc. | (6,244,050,488) | (5,039,763,019) | (2,213,457,906) | (1,848,347,542) |
| Net interest income | 3,473,466,014 | 3,083,478,189 | 1,119,238,765 | 1,066,917,046 |
| Investment income | 30,941,343 | 689,402,157 | (57,304,794) | 275,381,137 |
| Commission, exchange and brokerage | 287,594,339 | 431,383,146 | 81,432,942 | 169,743,833 |
| Other operating income | 302,805,826 | 308,360,429 | 98,161,198 | 102,098,519 |
| Total operating income | 4,094,807,522 | 4,512,623,921 | 1,241,528,111 | 1,614,140,535 |
| Salaries and allowances | 1,067,971,464 | 942,258,971 | 375,378,248 | 328,414,351 |
| Rent, taxes, insurance, electricity etc. | 176,080,639 | 167,606,873 | 59,741,075 | 56,362,202 |
| Legal expenses | 15,775,326 | 8,014,264 | 3,230,087 | 1,816,281 |
| Postage, stamp, telecommunication etc. | 32,054,153 | 28,885,663 | 11,097,983 | 9,364,974 |
| Stationery, printing, advertisements etc. | 117,028,321 | 103,177,890 | 52,331,160 | 17,865,774 |
| Managing Director's salary and benefits | 9,940,000 | 9,520,000 | 3,270,000 | 3,090,000 |
| Directors' fees | 1,437,751 | 1,433,088 | 492,156 | 433,020 |
| Auditors' fees | 915,000 | 939,440 | 337,500 | 304,440 |
| Charges on loan losses | - | - | - | - |
| Depreciation and repair of Company's assets | 132,643,586 | 125,571,317 | 44,794,954 | 34,859,649 |
| Other expenses | 261,208,108 | 261,262,460 | 86,969,042 | 71,853,323 |
| Total operating expenses | 1,815,054,348 | 1,648,669,966 | 637,642,205 | 524,364,014 |
| Profit before provision | 2,279,753,174 | 2,863,953,955 | 603,885,906 | 1,089,776,521 |
| Provision for loans and investments | | | | |
| General provision | 21,048,930 | 61,530,535 | 669,904 | 5,574,880 |
| Specific provision | 284,895,037 | 102,229,397 | 135,337,237 | 67,003,627 |
| Provision for diminution in value of investments | (77,192,348) | 172,291,685 | 14,735,648 | 43,600,543 |
| Other provisions | - | - | - | - |
| Total provision | 228,751,619 | 336,051,617 | 150,742,789 | 116,179,050 |
| Total profit before taxation | 2,051,001,555 | 2,527,902,338 | 453,143,117 | 973,597,471 |
| Provision for taxation | | | | |
| Current tax expense | 763,498,188 | 706,388,411 | 211,270,982 | 263,592,542 |
| Deferred tax income | (20,027,641) | - | (14,327,714) | - |
| | 743,470,547 | 706,388,411 | 196,943,268 | 263,592,542 |
| Net profit after taxation | 1,307,531,008 | 1,821,513,927 | 256,199,849 | 710,004,929 |
| Attributable to: | | | | |
| Shareholders of the Company | 1,307,531,008 | 1,821,513,777 | 256,199,867 | 710,004,861 |
| Non-controlling interest | 8 | 150 | (18) | 68 |
| | 1,307,531,008 | 1,821,513,927 | 256,199,849 | 710,004,929 |
| Retained surplus | 1,307,531,008 | 1,821,513,777 | 256,199,867 | 710,004,861 |
| Earnings Per Share (EPS) | 3.47 | 4.83 | 0.68 | 1.88 |

| Consolidated Cash Flow Statement for the period ended September 30, 2019 | | |
|--|-----------------------|------------------------|
| Particulars | 30.09.2019 Taka | 30.09.2018 Taka |
| A) Cash flows from operating activities | | |
| Interest received | 9,233,923,624 | 7,917,786,750 |
| Interest paid | (5,742,341,609) | (4,145,265,200) |
| Dividend received | 69,604,430 | 98,861,460 |
| Fees and commission received | 287,594,339 | 431,383,146 |
| Paid to employees and suppliers | (1,702,531,639) | (1,529,086,995) |
| Payment of income tax | (841,914,062) | (820,054,758) |
| Received from other operating activities | 260,245,359 | 892,793,907 |
| Cash generated from operating activities before changes in operating assets and liabilities | 1,564,580,442 | 2,846,418,310 |
| Increase/(decrease) in operating assets and liabilities | | |
| Lease receivable | 656,599,255 | 262,303,143 |
| Long-term finance | (1,407,176,295) | (6,304,635,621) |
| Real estate finance | (2,650,258,602) | (2,570,482,186) |
| Car loan | 102,336,426 | 349,518,077 |
| Personal loan | (4,053,026) | (40,852,143) |
| Loan against deposit | (136,620,101) | (189,603,606) |
| Margin loan to portfolio investors | 462,205,785 | 468,546,448 |
| Short term finance | 274,699,068 | 117,870,254 |
| Other assets | (695,957,063) | (406,240,448) |
| Term and other deposits | 4,488,845,119 | 10,341,605,536 |
| Net drawdown of short term loan | (1,550,000,000) | 5,725,000,001 |
| Payable and accrued expenses | (117,076,283) | (457,756,639) |
| Deferred liability-employee gratuity | 38,196,100 | 9,210,238 |
| Portfolio investors' fund | (368,779,220) | 65,268,626 |
| Deferred tax liability | (44,754) | - |
| Interest suspense account | 155,926,250 | (12,253,770) |
| | (751,157,340) | 7,357,497,909 |
| Net cash flows from/(used in) operating activities | 813,423,102 | 10,203,916,219 |
| B) Cash flows from investing activities | | |
| Purchase of fixed assets | (67,088,326) | (34,436,474) |
| Disposal of fixed assets | 8,208,513 | 12,328,985 |
| Net proceeds of investment in securities | 1,236,976,871 | 527,171,297 |
| Net cash flows from/(used in) investing activities | 1,178,097,058 | 505,063,808 |
| C) Cash flows from financing activities | | |
| Drawdown of term loans | 9,776,512,447 | 957,207,939 |
| Repayment of term loans | (5,750,572,823) | (2,886,046,039) |
| Dividend paid | (1,314,808,778) | (1,124,565,931) |
| Net cash flows from/(used in) financing activities | 2,711,130,847 | (3,053,404,031) |
| D) Net increase/(decrease) in cash and cash equivalents (A+ B + C) | 4,702,651,007 | 7,655,575,996 |
| 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) | 20,938,265,548 | 22,383,466,680 |
| Cash and cash equivalents at end of the period | | |
| Cash in hand (including foreign currencies) | 432,740 | 430,000 |
| Balance with Bangladesh Bank and its agent bank(s) | 1,926,497,343 | 1,323,788,613 |
| Balance with other banks and financial institutions | 19,011,335,465 | 21,059,248,067 |
| Money at call and short notice | - | - |
| | 20,938,265,548 | 22,383,466,680 |
| Net operating cash flow per share (NOCFPS) | 2.16 | 27.06 |

| Consolidated Statement of Changes in Equity for the period ended September 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 | Total | | |
| | Taka | 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 third quarter ended 2019 | - | - | - | - | - | 1,307,531,008 | 1,307,531,008 | 8 | 1,307,531,008 | |
| Appropriation to reserves | - | - | - | - | - | - | - | - | - | |
| Balance at September 30, 2019 | 3,770,507,800 | 1,260,585,930 | 2,416,541,850 | 1,000,000,000 | 46,500,000 | 5,131,041,481 | 13,625,177,061 | 3,166 | 13,625,180,228 | |
| Balance at September 30, 2018 | 3,770,507,800 | 1,260,585,930 | 2,416,541,850 | 1,000,000,000 | 46,500,000 | 5,111,831,202 | 13,287,837,303 | 3,151 | 13,287,840,454 | |

Other explanatory notes to the accounts

Reporting
 This third 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 September 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 statements 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 | |
|--|------------------------------------|------------------------|------------------------|------------------------|
| | Third quarter end 2019 | Third quarter end 2018 | Third quarter end 2019 | Third quarter end 2018 |
| Earnings Per Share (EPS) | 3.47 | 4.83 | 3.24 | 3.22 |
| Net Operating Cash Flow Per Share (NOCFPS) | 2.16 | 27.06 | 4.24 | 26.72 |

| Particulars | Consolidated (IDLC & Subsidiaries) | |
|-------------|------------------------------------|--|
|-------------|------------------------------------|--|