

In compliance with the Bangladesh Securities and Exchange Commission (BSEC) letter No. SEC/CFD/Misc/233/2004/615, dated February 2, 2010 and Regulation 17 (3) of the Dhaka and Chittagong Stock Exchange (Listing) Regulations, 2015, we are pleased to present the 3rd quarter un-audited consolidated financial statements of IDLC Finance Limited as at and for the quarter ended September 30, 2017. 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)/ Bangladesh Accounting Standard 34 "Interim Financial Reporting".

Particulars	30-Sep-17 Taka	31-Dec-16 Taka
PROPERTY AND ASSETS		
Cash		
In hand (including foreign currencies)	385,000	376,000
Balance with Bangladesh Bank and its agent (including foreign currencies)	1,100,060,626	975,781,535
Balance with other banks and financial institutions	1,100,445,626	976,157,535
Inside Bangladesh	16,392,745,999	10,377,181,667
Outside Bangladesh	16,392,745,999	10,377,181,667
Money at call and short notice	300,000,000	-
Investments		
Government	-	-
Others	6,237,536,687	4,348,316,767
Loans and advances		
Loans, cash credit, overdraft etc.	70,605,492,501	62,264,891,877
Bills purchased and discounted	-	-
Fixed assets including land, building, furniture and fixtures	70,605,492,501	62,264,891,877
Other assets	646,999,046	654,273,352
Non-banking assets	927,995,170	738,284,186
Total Assets	96,211,215,029	79,359,105,384
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	12,783,844,418	12,564,377,442
Deposits and other accounts		
Current accounts and other accounts etc.	-	-
Bills payable	-	-
Savings bank deposits	-	-
Term deposits	59,459,967,140	47,474,930,697
Bearer certificate of deposits	-	-
Other deposits	2,195,417,842	1,849,394,133
Other liabilities	61,655,384,982	49,324,324,830
Total Liabilities	84,082,082,687	70,421,265,828
Capital/Shareholders' equity		
Paid-up capital	3,770,507,800	2,513,671,870
Share premium	1,260,585,930	3,750,000
Statutory reserves	1,782,004,350	1,782,004,350
General reserves	1,000,000,000	1,000,000,000
Dividend equalisation reserves	46,500,000	46,500,000
Retained earnings	4,269,531,316	3,591,910,951
Total Equity attributable to equity holders of the company	12,129,129,396	8,937,837,171
Non-controlling interest	2,946	2,385
Total Liabilities and Shareholders' equity	96,211,215,029	79,359,105,384
OFF-BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	-	-
Letters of guarantee	88,958,700	199,206,314
Irrevocable letters of credit	-	-
Bills for collection	-	-
Indemnity bond	-	-
Corporate guarantee	750,000,000	750,000,000
Other commitments	838,958,700	949,206,314
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	1,263,285,420	784,630,423
Total Off-Balance Sheet items including contingent liabilities	1,263,285,420	784,630,423
Net Assets Value (NAV) per share	2,102,244,120	1,733,636,737
	32.17	23.70

Particulars	Jan to Sep'17 Taka	Jan to Sep'16 Taka	Jul to Sep'17 Taka	Jul to Sep'16 Taka
Interest income	6,573,644,400	6,275,110,433	2,248,597,767	2,086,247,281
Interest on deposits and borrowings etc.	(3,543,448,097)	(3,489,323,419)	(1,233,606,783)	(1,149,151,751)
Net interest income	3,030,196,303	2,785,787,013	1,014,990,984	937,095,530
Investment income	913,525,703	361,994,721	387,428,787	90,980,082
Commission, exchange and brokerage	560,838,667	252,165,683	200,530,077	87,036,084
Other operating income	358,164,404	378,311,823	104,433,609	131,140,183
Total operating income	4,862,725,077	3,778,259,241	1,707,383,457	1,246,251,879
Salaries and allowances	965,327,232	773,499,423	339,131,191	288,383,504
Rent, taxes, insurance, electricity etc.	166,044,591	167,159,079	57,124,814	51,254,638
Legal expenses	20,368,339	11,990,533	3,804,868	2,044,287
Postage, stamp, telecommunication etc.	28,030,389	26,031,908	9,499,775	8,420,460
Stationery, printing, advertisements etc.	94,101,625	70,537,647	16,928,759	21,520,358
Managing Director's salary and benefits	9,520,000	6,960,000	3,090,000	3,840,000
Directors' fees	1,722,594	1,310,700	550,640	310,650
Auditors' fees	1,088,061	860,938	371,250	446,563
Charges on loan losses	-	-	-	-
Depreciation and repair of Company's assets	145,580,650	149,452,740	43,974,719	47,009,746
Other expenses	299,914,123	238,676,958	98,395,584	73,819,858
Total operating expenses	1,731,697,604	1,446,479,924	572,871,599	497,050,063
Profit before provision	3,131,027,473	2,331,779,317	1,134,511,857	749,201,816
Provision for loans and investments				
General provision	50,543,877	25,972,341	(2,857,171)	(2,869,240)
Specific provision	89,824,181	51,074,912	158,099	9,409,975
Provision for diminution in value of investments	-	(63,012,426)	-	(25,652,153)
Other provisions	-	-	-	-
Total provision	140,368,058	14,034,828	(2,699,072)	(19,111,418)
Total profit before taxation	2,990,659,415	2,317,744,489	1,137,210,930	768,313,234
Provision for taxation	1,181,886,147	975,167,501	497,610,468	307,959,488
Net profit after taxation	1,808,773,268	1,342,576,989	639,600,462	460,353,746
Attributable to:				
Shareholders of the Company	1,808,772,707	1,342,576,865	639,600,367	460,353,648
Non-controlling interest	561	124	95	98
Total	1,808,773,268	1,342,576,989	639,600,462	460,353,746
Retained surplus	1,808,772,707	1,342,576,865	639,600,367	460,353,648
Earnings Per Share (EPS)	4.90	4.14	1.73	1.42

Particulars	30-Sep-17 Taka	30-Sep-16 Taka
A) Cash flows from operating activities		
Interest received	6,490,967,445	6,161,447,228
Interest paid	(3,590,062,685)	(3,535,230,657)
Dividend received	118,281,275	126,137,541
Fees and commission received	560,838,667	252,165,683
Paid to employees and suppliers	(1,607,656,529)	(1,321,903,799)
Payment of income tax	(790,128,050)	(1,053,977,382)
Received from other operating activities	1,144,582,309	586,979,475
Cash generated from operating activities before changes in operating assets and liabilities	2,326,822,432	1,215,618,900
Increase/(decrease) in operating assets and liabilities		
Lease receivable	213,541,320	757,769,315
Long-term finance	(5,338,381,575)	(5,736,325,202)
Real estate finance	(2,807,728,943)	(821,579,938)
Car loan	342,962,320	34,353,087
Personal loan	9,230,897	16,654,306
Loan against deposit	17,841,776	(3,116,301)
Margin loan to portfolio investors	(754,631,973)	399,414,228
Short term finance	(15,646,111)	103,054,332
Other assets	(114,822,364)	24,778,315
Term and other deposits	12,331,060,152	1,230,050,065
Net drawdown of short term loan	1,875,000,000	(230,000,000)
Payable and accrued expenses	269,011,154	706,685,177
Deferred liability-employee gratuity	22,991,196	31,846,666
Portfolio investors' fund	304,015,566	(2,303,621)
Interest suspense account	21,438,154	99,746,710
	6,375,881,569	(3,388,972,863)
Net cash flows from/(used in) operating activities	8,702,704,002	(2,173,354,773)
B) Cash flows from investing activities		
Purchase of fixed assets	(129,770,987)	(274,650,148)
Disposal of fixed assets	21,830,740	26,364,977
Net proceeds of investment in securities	(1,889,219,920)	(538,894,784)
Net cash used in investing activities	(1,997,160,167)	(787,179,954)
C) Cash flows from financing activities		
Drawdown of term loans	1,725,377,303	5,564,479,204
Repayment of term loans	(3,380,910,327)	(4,754,202,734)
Proceeds from right issue	2,513,671,860	-
Dividend paid	(1,123,830,248)	(624,377,028)
Net cash flow from financing activities	(265,691,412)	185,899,441
D) Net increase/(decrease) in cash and cash equivalents (A+ B + C)	6,439,852,423	(2,774,635,286)
E) Effects of exchange rate changes on cash and cash equivalents	-	-
F) Cash and cash equivalents at beginning of the period	11,353,339,202	13,435,192,282
G) Cash and cash equivalents at end of the period (D+E+F)	17,793,191,625	10,660,556,995
Cash and cash equivalents at end of the period		
Cash in hand (including foreign currencies)	385,000	376,000
Balance with Bangladesh Bank and its agent bank(s)	1,100,060,626	1,017,186,708
Balance with other banks and financial institutions	16,392,745,999	9,642,994,287
Money at call and short notice	300,000,000	-
	17,793,191,625	10,660,556,995
Net operating cash flow per share-(NOCFPS)	23.08	(5.76)

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, 2017	2,513,671,870	3,750,000	1,782,004,350	1,000,000,000	46,500,000	3,591,910,951	8,937,837,171	2,385	8,937,839,556
Dividend for 2016:									
30% cash dividend	-	-	-	-	-	(1,131,152,342)	(1,131,152,342)	-	(1,131,152,342)
Rights Issue	1,256,835,930	1,256,835,930	-	-	-	-	2,513,671,860	-	2,513,671,860
Changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance	3,770,507,800	1,260,585,930	1,782,004,350	1,000,000,000	46,500,000	2,460,758,609	10,320,356,689	2,385	10,320,359,074
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	-	-	-	-	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	-	-
Net profit for third quarter ended 2017	-	-	-	-	-	1,808,772,707	1,808,772,707	561	1,808,773,268
Appropriation to reserves	-	-	-	-	-	-	-	-	-
Balance at September 30, 2017	3,770,507,800	1,260,585,930	1,782,004,350	1,000,000,000	46,500,000	4,269,531,316	12,129,129,396	2,946	12,129,132,342

Other explanatory notes to the accounts

Reporting
 This third quarterly financial report has been prepared based on Bangladesh Accounting Standard (BAS) - 34: "Interim Financial Reporting". These interim financial statements should be read in conjunction with the published financial statement for the year ended December 31, 2016, 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, 2016.

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, 2017 and profit for the same period. The number of shares outstanding for the period was 377.05 million. Earnings per shares for the current period and preceding period of 2016 have been calculated based on 369.47 million shares & 324.01 million shares respectively. The number of shares has been calculated based on adjustment factor as per BAS 33: "Earnings Per Share"-Appendix A (Paragraph-A2).

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.

Particulars	Consolidated (IDLC & Subsidiaries)			
	Jan to Sep 2017	Jan to Sep 2016	Jul to Sep 2017	Jul to Sep 2016
Earnings Per Share (EPS)	4.90	4.14	1.73	1.42
Net Operating Cash Flow Per Share (NOCFPS)	23.08	(5.76)	19.33	(1.08)

Particulars	Consolidated (IDLC & Subsidiaries)	
	As at September 30, 2017	As at December 31, 2016
Net Asset Value (NAV) Per Share	32.17	23.70
Return on Asset (ROA)*	2.75%	2.33%
Return on Equity (ROE)*	22.90%	21.29%