

IDLC FINANCE LIMITED AND ITS SUBSIDIARIES

Half-Yearly Un-Audited Consolidated Financial Statements, as at and for the period ended June 30, 2017

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 (2) of the Dhaka and Chittagong Stock Exchange (Listing) Regulations, 2015, we are pleased to present the 1st half-year un-audited Consolidated Financial Statements of IDLC Finance Limited as at and for the half-year ended June 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".

Consolidated Balance Sheet		
as at June 30, 2017		
Particulars	30.06.2017 Taka	31.12.2016 Taka
PROPERTY AND ASSETS		
Cash		
In hand (including foreign currencies)	376,000	376,000
Balance with Bangladesh Bank and its agent (including foreign currencies)	1,096,064,956	975,781,535
	1,096,440,956	976,157,535
Balance with other banks and financial institutions		
Inside Bangladesh	11,360,255,168	10,377,181,667
Outside Bangladesh	-	-
	11,360,255,168	10,377,181,667
Money at call and short notice		
	-	-
Investments		
Government	-	-
Others	5,377,666,221	4,348,316,767
	5,377,666,221	4,348,316,767
Loans and advances		
Loans, cash credit, overdraft etc.	70,191,909,778	62,264,891,877
Bills purchased and discounted	-	-
	70,191,909,778	62,264,891,877
Fixed assets including land, building, furniture and fixtures		
Other assets	640,520,950	654,273,352
Non-banking assets	1,068,051,906	738,284,186
	1,708,572,856	1,392,557,538
Total Assets	89,734,844,979	79,359,105,384
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	14,595,207,059	12,564,377,442
Deposits and other accounts		
Current accounts and other accounts etc.	-	-
Bills payable	-	-
Savings bank deposits	-	-
Term deposits	52,150,252,534	47,474,930,697
Bearer certificate of deposits	-	-
Other deposits	2,148,226,955	1,849,394,133
	54,298,479,489	49,324,324,830
Other liabilities		
Total liabilities	9,351,626,551	8,532,563,556
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	3,629,930,950	3,591,910,951
Total equity attributable to equity holders of the company	11,489,529,030	8,937,837,171
Non-controlling interest	2,851	2,385
Total liabilities and Shareholders' equity	89,734,844,979	79,359,105,384
OFF - BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	-	-
Letters of guarantee	177,009,300	199,206,314
Irrevocable letters of credit	-	-
Bills for collection	-	-
Indemnity bond	-	-
Corporate guarantee	750,000,000	750,000,000
	927,009,300	949,206,314
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	1,320,537,706	784,630,423
	1,320,537,706	784,630,423
Total Off-Balance Sheet items including contingent liabilities	2,247,547,006	1,733,836,737
Net Assets Value (NAV) per share	30.47	23.70

Consolidated Profit and Loss Account				
for the period ended June 30, 2017				
Particulars	Jan to Jun '17 Taka	Jan to Jun '16 Taka	Apr to Jun '17 Taka	Apr to Jun '16 Taka
Interest income	4,325,046,633	4,188,863,152	2,237,944,354	2,071,726,396
Interest on deposits and borrowings etc.	(2,309,841,314)	(2,340,171,668)	(1,172,599,093)	(1,149,322,331)
Net interest income	2,015,205,319	1,848,691,484	1,065,345,261	922,404,066
Investment income	526,096,916	271,014,639	193,076,831	180,381,352
Commission, exchange and brokerage	360,308,590	178,346,943	139,111,728	106,591,210
Other operating income	253,730,795	233,954,297	118,652,435	59,293,298
Total operating income	3,155,341,620	2,532,007,362	1,516,186,255	1,268,669,925
Salaries and allowances	626,196,041	485,115,919	316,007,752	264,278,868
Rent, taxes, insurance, electricity etc.	108,919,777	115,904,441	58,020,664	57,942,169
Legal expenses	16,563,471	9,946,246	7,165,251	5,013,421
Postage, stamp, telecommunication etc.	18,530,614	17,611,448	10,112,127	9,106,479
Stationery, printing, advertisements etc.	77,172,866	49,017,289	41,275,360	32,154,631
Managing Director's salary and benefits	6,430,000	3,120,000	3,090,000	2,340,000
Directors' fees	1,171,954	1,000,050	766,106	449,800
Auditors' fees	716,811	414,375	466,811	189,687
Charges on loan losses	-	-	-	-
Depreciation and repair of Company's assets	101,605,931	102,442,994	49,835,017	55,353,054
Other expenses	201,518,539	164,857,101	104,150,302	93,082,321
Total operating expenses	1,158,826,005	949,428,861	590,889,391	519,910,429
Profit before provision	1,996,515,616	1,582,577,501	925,296,865	748,759,496
Provision for loans and investments				
General provision	53,401,048	28,841,582	22,527,073	10,841,687
Specific provision	89,666,082	41,664,937	18,988,306	(37,843,911)
Provision for diminution in value of investments	-	(37,360,273)	(437,761)	(88,597,302)
Other provisions	-	-	-	-
Total provision	143,067,130	33,146,246	41,077,618	(115,599,526)
Total profit before taxation	1,853,448,486	1,549,431,255	884,219,246	864,359,022
Provision for taxation	684,275,679	667,208,013	316,490,767	342,727,391
Net profit after taxation	1,169,172,807	882,223,242	567,728,479	521,631,632
Attributable to:				
Shareholders of the Company	1,169,172,341	882,223,216	567,728,374	521,631,584
Non-controlling interest	466	26	105	48
	1,169,172,807	882,223,242	567,728,479	521,631,632
Retained surplus	1,169,172,341	882,223,216	567,728,374	521,631,584
Basic Earnings Per Share (EPS)	3.34	2.52	1.62	1.49
Diluted Earnings Per Share (EPS)	3.28	2.72	1.59	1.61

Consolidated Cash Flow Statement		
for the period ended June 30, 2017		
Particulars	30.06.2017 Taka	30.06.2016 Taka
A) Cash flows from operating activities		
Interest received	4,263,029,867	3,148,785,377
Interest paid	(2,505,673,403)	(2,423,969,185)
Dividend received	75,095,932	100,462,005
Fees and commission received	360,308,590	178,346,943
Paid to employees and suppliers	(1,073,767,103)	(869,442,156)
Payment of income tax	(496,573,024)	(676,576,543)
Received from other operating activities	697,674,387	398,483,852
Cash generated from operating activities before changes in operating assets and liabilities	1,320,095,245	(143,909,708)
Increase/(decrease) in operating assets and liabilities		
Lease receivable	(33,494,915)	194,579,107
Long-term finance	(5,631,596,078)	(5,375,260,575)
Real estate finance	(2,085,171,689)	(496,056,971)
Car loan	177,640,369	(43,444,482)
Personal loan	6,984,355	9,997,135
Loan against deposit	103,149,059	(109,475,129)
Margin loan to portfolio investors	(422,927,864)	550,593,364
Short term finance	4,803,125	36,481,913
Other assets	(314,155,216)	1,024,971,094
Term and other deposits	4,974,154,659	2,746,167,098
Net drawdown of short term loan	3,025,000,000	(710,000,000)
Payable and accrued expenses	116,503,846	455,819,726
Deferred liability-employee gratuity	26,326,869	12,700,546
Portfolio investors' fund	103,474,648	13,658,690
Interest suspense account	42,188,658	66,956,229
	92,879,825	(1,622,312,254)
Net cash flows from/(used in) operating activities	1,412,975,070	(1,766,221,962)
B) Cash flows from investing activities		
Purchase of fixed assets	(82,095,688)	(181,307,637)
Disposal of fixed assets	17,846,578	20,422,185
Net proceeds of investment in securities	(1,029,349,454)	(132,425,451)
Net cash used in investing activities	(1,093,598,564)	(293,310,903)
C) Cash flows from financing activities		
Drawdown of term loans	1,162,602,735	4,049,844,213
Repayment of term loans	(2,156,773,117)	(3,028,114,380)
Proceeds from right issue	2,513,671,860	-
Dividend paid	(735,521,063)	(406,176,367)
Net cash flow from financing activities	783,980,416	615,553,465
D) Net increase/(decrease) in cash and cash equivalents (A+ B + C)	1,103,356,922	(1,443,979,400)
E) Effects of exchange rate changes on cash and cash equivalents	922	-
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)	12,456,696,124	11,991,212,882
Cash and cash equivalents at end of the period		
Cash in hand (including foreign currencies)	376,000	366,000
Balance with Bangladesh Bank and its agent bank(s)	1,096,064,956	1,080,459,821
Balance with other banks and financial institutions	11,360,255,168	10,910,387,061
Money at call and short notice	-	-
	12,456,696,124	11,991,212,882
Net operating cash flow per share	3.75	(4.68)

Consolidated Statement of Changes in Equity

for the period ended June 30, 2017

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		
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:	-	-	-	-	-	(1,131,152,342)	(1,131,152,342)	-	(1,131,152,342)
30% cash dividend	-	-	-	-	-	-	-	-	-
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 half year ended 2017	-	-	-	-	-	1,169,172,341	1,169,172,341	466	1,169,172,807
Appropriation to reserves	-	-	-	-	-	-	-	-	-
Balance at June 30, 2017	3,770,507,800	1,260,585,930	1,782,004,350	1,000,000,000	46,500,000	3,629,930,950	11,489,529,030	2,851	11,489,531,881

Other explanatory notes to the accounts

Reporting:

This half yearly 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 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):

Basic earnings per share have been calculated based on number of shares outstanding for the period ended June 30, 2017 and profit for the same period. The number of shares outstanding for the period was 349.97 million, which is calculated based on time weight. Diluted earnings per share is required to be calculated as there was issuance of right share for that particular period. Basic & diluted earnings per shares for the preceding period of 2016 has also been calculated based on 349.97 million shares & 324.02 million shares respectively.

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.