IPDC Finance Limited

Financial statements (Un-audited) as at and for the quarter ended 30 September 2017

AMAR STOCK

IPDC Finance Limited

Balance Sheet (Un-audited)

As of	Note	September 30, 2017 Taka	December 31, 2016 Taka
Property and assets			
Cash	2		
In hand (including foreign currencies)		370,000	270,000
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		358,346,623	226,125,597
		358,716,623	**226,395,597**
Balance with other banks and financial institutions	3	1,703,723,677	1,632,372,469
		1,703,723,677	**1,632,372,469**
Money at call and short notice		-	-
Investments	4	662,732,580	565,732,580
		662,732,580	**565,732,580**
Loans, advances and leases			
Loans, cash credits, overdrafts etc.	5	31,819,579,117	19,480,595,090
		31,819,579,117	**19,480,595,090**
Fixed assets including land, building, furniture and fixture	6	254,950,418	233,614,078
Other assets	7	625,583,156	434,487,396
Non financial institutional assets	8	3,752,405	3,752,405
Total assets		**35,429,037,976**	**22,576,949,615**
Liabilities and shareholders' equity			
Liabilities			
Borrowings from other banks, financial institutions and agents	9	2,958,213,870	1,141,448,941
Deposits and other accounts	10	27,435,797,595	17,179,190,416
Other liabilities	11	2,040,374,579	1,481,196,639
Total liabilities		**32,434,386,044**	**19,801,835,996**
Shareholders' equity			
Paid up capital	12	1,818,006,800	1,515,005,670
Share premium	13	167,014,000	167,014,000
Statutory reserve	14	393,375,601	393,375,601
Assets revaluation reserve	15	124,501,939	124,501,939
Retained earnings	16	491,753,592	575,216,409
Total shareholders' equity		**2,994,651,932**	**2,775,113,619**
Total liabilities and shareholders' equity		**35,429,037,976**	**22,576,949,615**
Off-balance sheet items			
Contingent liabilities			
Acceptances and endorsements			-
Letters of guarantee	17	174,609,155	30,046,913
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Total contingent liabilities		**174,609,155**	**30,046,913**
Other commitments		-	-
Documentary credits and short term trade-related transactions			
Forward assets purchased and forward deposits placed			
Undrawn note issuance and revolving underwriting facilities			
Undrawn formal standby facilities, credit lines and other commitments			
Total other commitments		-	-
Total off-balance sheet items including contingent liabilities		**174,609,155**	**30,046,913**

The annexed notes from 1 to 39 and Annexures A and B are an integral part of these financial statements.

Chairman | Director | Managing Director & CEO | Chief Financial Officer | Company Secretary

IPDC Finance Limited Dhaka

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IPDC Finance Limited

Profit and Loss Account (Un-audited)

For the period	Note	Jan to Sep 30, 2017 Taka	Jan to Sep 30, 2016 Taka	Jul to Sep 30, 2017 Taka	Jul to Sep 30, 2016 Taka
Particulars					
Interest income	18	2,081,891,685	988,782,172	800,534,607	414,752,469
Less: Interest paid on deposits and borrowings,etc.	19	1,318,973,374	550,135,309	537,330,375	248,544,204
Net interest income		**762,918,311**	**438,646,863**	**263,204,232**	**166,208,265**
Investment income	20	48,966,255	31,831,335	18,078,588	15,758,844
Commission, exchange and brokerage	21	60,288,817	24,030,369	26,043,329	9,134,595
Other operating income	22	14,105,838	101,330,694	5,235,800	4,370,200
Total operating income		**886,279,221**	**595,839,261**	**312,561,949**	**195,471,904**
Salary and allowances	24	200,570,818	91,609,996	77,279,876	37,313,372
Rent, taxes, insurance, electricity, etc.	25	24,090,594	14,974,477	8,858,118	6,476,310
Legal expenses	26	13,005,064	10,560,206	4,076,400	3,321,474
Postage, stamp, telecommunications, etc.	27	4,726,024	2,782,105	1,971,130	990,763
Stationery, printing, advertisements, etc.	28	89,304,114	26,622,369	16,278,466	8,976,022
Managing Director's salary and allowances	29	9,171,788	9,171,788	2,894,538	2,894,538
Directors' fees	30	1,953,333	2,040,682	635,864	760,330
Auditors' fees	31	379,508	253,002	126,501	80,502
Charges on loan loss		-	-	-	-
Depreciation and repair of assets	32	35,194,733	21,153,732	12,053,004	6,310,860
Other expenses	33	40,457,561	20,280,922	12,804,705	7,120,489
Total operating expenses		**418,853,537**	**199,449,278**	**136,978,602**	**74,244,659**
Profit before provision		**467,425,684**	**396,389,983**	**175,583,347**	**121,227,245**
				-	-
Provision for loans and advances	34	97,582,309	10,086,165	38,004,175	-
Provision/(reversal) for diminution in value of investments	35	1,081,914	4,042,365	(651,117)	-
Total provision		**98,664,223**	**14,128,530**	**37,353,058**	-
Profit before tax		**368,761,461**	**382,261,452**	**138,230,289**	**121,227,244**
Provision for taxation					
Current tax expense	11.4	148,370,779	118,984,481	48,398,375	46,416,649
Deferred tax expense/ (income)	36	852,369	8,609,510	1,700,009	300,483
		149,223,148	**127,593,991**	**50,098,384**	**46,717,132**
Net profit after tax		**219,538,313**	**254,667,462**	**88,131,905**	**74,510,113**
Appropriations					
Statutory reserve		-	-	-	-
General reserve		-	-	-	-
Proposed dividend		-	-	-	-
		-	-	-	-
Retained surplus		219,538,313	254,667,462	88,131,905	74,510,113
Earnings per share (EPS)	37	**1.21**	**1.40**	**0.48**	**0.41**

The annexed notes from 1 to 39 and Annexures A and B are an integral part of these financial statements.

Chairman | Director | Managing Director & CEO | Chief Financial Officer | Company Secretary

IPDC Finance Limited Dhaka

IPDC Finance Limited

Cash Flow Statement (Un-audited)

For the period	Jan to Sep 30, 2017 Taka	Jan to Sep 30, 2016 Taka
A) Cash flows from operating activities		
Interest received	2,091,383,872	1,101,481,784
Interest paid	(1,108,122,166)	(398,134,330)
Dividend received	27,033,173	1,522,222
Fee and commission received	60,288,817	24,030,369
Recoveries of loan previously written off	13,249,020	100,751,364
Payment to employees	(208,542,606)	(119,481,237)
Payment to suppliers	(191,432,004)	(79,164,665)
Income taxes paid	(132,748,418)	(76,737,893)
Receipt from other operating activities	850,819	17,312,627
Payment for other operating activities	-	-
Cash generated from/(used in) operating activities before changes in operating assets and liabilities	**551,960,507**	**571,580,242**
Changes in operating assets and liabilities		
Statutory deposits	-	-
Sale of trading securities	-	-
Loans and advances to other banks	106,649,072	85,916,164
Loans and advances to customers	(12,445,633,099)	(10,395,283,903)
Other assets	(39,565,026)	(23,944,639)
Deposits from other banks and financial institutions	3,240,000,000	-
Deposits from customers	7,016,607,179	4,348,272,553
Other liability accounts of customers	-	-
Trading liabilities	1,208,826,818	5,565,373,517
Other liabilities	101,190,507	164,779,284
Cash received/(paid) from operating assets and liabilities	**(811,924,549)**	**(254,887,023)**
Net cash from operating activities	**(259,964,042)**	**316,693,220**
B) Cash flows from investing activities		
Proceeds from sale of securities	-	
Payments for purchase of securities	(97,000,000)	
Net increase in purchase of property, plant and equipment	(50,323,139)	(15,768,976)
Sale proceeds of property, plant and equipment	2,989,145	1,112,033
Net cash (used in)/ from investing activities	**(144,333,994)**	**(14,656,943)**
C) Cash flows from financing activities		
Receipts from issue of loan and debt securities	350,108,408	
Payments for redemption of loan and debt securities	-	
Receipts from issue of ordinary share	-	
Receipts/(payments) of long term loan	257,829,703	(4,248,721)
Dividends paid in cash	32,159	
Net cash (used in)/ from financing activities	**607,970,270**	**(4,248,721)**
D) Net increase in cash (A+B+C)	**203,672,234**	**297,787,556**
E) Effect of changes in exchange rate over cash and cash equivalents	-	-
F) Cash and cash equivalents at 1 January	1,858,768,066	1,145,231,485
G) Cash and cash equivalents at the end of period (D+E+F)	**2,062,440,300**	**1,443,019,041**
Break down of cash and cash equivalents:		
Cash in hand	370,000	195,000
Balance with Bangladesh Bank and its agent bank(s)	358,346,623	178,795,010
Balance with other banks and financial institutions	1,703,723,677	1,264,029,031
	2,062,440,300	1,443,019,041

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IPDC Finance Limited Dhaka

IPDC Finance Limited

Statement of Changes in Shareholders' Equity (Un-audited)

Particulars	Paid up capital Taka	Share premium Taka	Statutory reserve Taka	Assets revaluation reserve Taka	Retained earnings Taka	Total Taka
Balance as at 1 January 2017	1,515,005,670	167,014,000	393,375,601	124,501,939	575,216,409	2,775,113,619
Surplus/(deficit) on account of revaluation of assets	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gain/(loss) not recognised in the profit and loss account	-	-	-	-	-	-
Net profit for the quarter ended 31 September 2017	-	-	-	-	219,538,313	219,538,313
Dividend	-	-	-	-	-	-
Issuance of bonus share	303,001,130	-	-	-	(303,001,130)	-
Issuance of share capital	-	-	-	-	-	-
Appropriation during the period	-	-	-	-	-	-
Balance as at 30 September 2017	**1,818,006,800**	**167,014,000**	**393,375,601**	**124,501,939**	**491,753,592**	**2,994,651,932**
Balance as at 1 January 2016	1,262,504,730	167,014,000	332,758,289	127,086,739	585,248,100	2,474,611,858
Surplus/(deficit) on account of revaluation of assets	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gain/(loss) not recognised in the profit and loss account	-	-	-	-	-	-
Net profit for the half year ended 30 June 2016	-	-	-	-	254,667,462	254,667,462
Dividend	-	-	-	-	-	-
Issuance of bonus share	252,500,940	-	-	-	(252,500,940)	-
Issuance of share capital	-	-	-	-	-	-
Appropriation during the period	-	-	-	-	-	-
Balance as at 30 September 2016	**1,515,005,670**	**167,014,000**	**332,758,289**	**127,086,739**	**587,414,622**	**2,729,279,320**

IPDC Finance Limited Dhaka

1. Reporting entity

1.1. Company profile

With a mandate to promote economic growth in the country, IPDC Finance Limited (Formerly named as Industrial Promotion and Development Company of Bangladesh Limited) hereinafter also referred as "IPDC" or the "Company" was incorporated in Bangladesh in 1981 as the premier private sector long term lending institution with the Registrar of Joint Stock Companies and Firms, Dhaka. The Company also registered itself as a financial institution under the Financial Institutions Act, 1993 on 7 February 1995. The registered office of the Company is situated at Hosna Center (4th Floor), 106 Gulshan Avenue, Dhaka, Bangladesh. The Company became a listed company on 3 December 2006 with both the Dhaka Stock Exchange and the Chittagong Stock Exchange in Bangladesh. The Company has twelve branch offices located at Gulshan, Dhanmondi, Motijheel, Uttara, Chittagong, Narayangonj, Bogra, Gazipur, Sylhet, Mymensingh, Comilla and Jessore.

1.2. Nature of business of the Company

The Company specialises in providing long term and short term financing, project financing, lease financing, channel finance, work order finance, mortgage finance, equity financing, syndication finance and Small & Medium Enterprises (SME) finance. In 2006, the Company also started retail business to increase its activities in retail segment.

1.3. Basis of Reporting

The financial statements for the quarter ended 30 September 2017 have been prepared under historical cost convention following accrual basis of accounting and based on Bangladesh Accounting Standard (BAS) 34: *Interim Financial Reporting,* Securities and Exchange Rules 1987, Regulations issued by Bangladesh Bank and other applicable laws and regulations.

1.4. Accounting policies and method of computations

For preparing the quaterly financial statements, the accounting policies and methods in consistent with those used in the financial statements prepared for the year ended 31 December 2016 have been followed.

1.5. Post Balance Sheet events

All material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed in note no. 38 of these financial statements.

1.6. Rounding off and rearrangement of figures

Figures have been rounded off to the nearest Taka and 2016 figures have been reclassified/rearranged, where necessary, to conform to current period presentation.

IPDC Finance Limited Dhaka

As at		Note	September 30, 2017 Taka	31 December 2016 Taka
2.	**Cash**			
	Cash in hand (including foreign currencies)	2.1	370,000	270,000
	Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	2.2	358,346,623	226,125,597
			358,716,623	**226,395,597**
2.1	**Cash in hand**			
	In local currency		370,000	270,000
	In foreign currency		-	-
			370,000	270,000
2.2	**Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)**			
	Bangladesh Bank			
	In local currency		358,346,623	226,125,597
	In foreign currency		-	-
			358,346,623	226,125,597
	Sonali Bank Limited (as an agent of Bangladesh Bank)		-	-
			358,346,623	226,125,597
3.	**Balance with other banks and financial institutions**			
	In Bangladesh	3.1	1,703,723,677	1,632,372,469
	Outside Bangladesh		-	-
			1,703,723,677	**1,632,372,469**
3.1	**In Bangladesh**			
	In current deposit accounts with			
	Commercial Bank of Ceylon PLC		-	-
	Uttara Bank Limited		-	-
	United Commercial Bank Limited		417,460	19,797
	AB Bank Limited		40,513	16,075
	Standard Chartered Bank Limited		27,385,762	393,559
	Prime Bank Limited		-	80,669,093
	Dhaka Bank Limited		-	-
	Social Islami Bank Limited		-	-
	Bank Alfalah Limited		-	-
	Mutual Trust Bank Limited		2,455	-
			27,846,190	81,098,524
	Short term deposit accounts with			
	Dutch Bangla Bank Limited		1,792,251	11,799,723
	Prime Bank Limited		2,669,067	3,924,274
	AB Bank Limited		1,717,130	1,681,448
	Standard Chartered Bank Limited		30,876	39,263
	Mercantile Bank Limited		6,612,360	21,667,676
	AL-Arafah Islami Bank Limited		-	-
	BRAC Bank Limited		1,011,973	1,772,538
	Dhaka Bank Limited		22,047,417	2,851,536
	United Commercial Bank Limited		123,022	25,136,927
	Eastern Bank Liimited		579,572	-
			36,583,668	68,873,385
	Short term placement			
	National Bank of Pakistan		-	250,000,000
	LankaBangla Finance Limited		-	-
	International Leasing and Financial Service Limited		200,000,000	100,000,000
			200,000,000	350,000,000
	Short term deposit accounts (in foreign currency) with			
	AB Bank Limited		1,367	1,368
			1,367	1,368
	Fixed deposit accounts with			
	Prime Bank Limited		27,459,386	26,739,346
	Dhaka Bank Limited		314,737,847	131,478,705
	AB Bank Limited		499,689,029	398,162,391
	EXIM Bank Limited		225,355,000	220,000,000
	Union Bank Limited		-	-
	National Bank of Pakistan Limited		15,087,250	14,500,000
	The City Bank Limited		-	-
	Standard Bank Limited		356,963,940	341,518,750
			1,439,292,452	1,132,399,192
	Total		1,703,723,677	1,632,372,469

IPDC Finance Limited Dhaka

As at		Note	September 30, 2017 Taka	31 December 2016 Taka
4.	**Investments**			
	Government securities		-	-
	Other investments		662,732,580	565,732,580
			662,732,580	**565,732,580**
4.1	**Classification of investments**			
	Held for trading (HFT)		-	-
	Held to maturity (HTM)		-	-
			-	-
	Other investments	4.2	662,732,580	565,732,580
			662,732,580	565,732,580
4.2	**Other investments**			
	In ordinary shares:			
	Quoted		7,000,000	7,000,000
	Unquoted		4,500,000	4,500,000
			11,500,000	11,500,000
	Redeemable preference shares		353,265,346	281,265,346
	Investment in shares		364,765,346	292,765,346
	Investment in corporate bonds		297,967,234	272,967,234
			662,732,580	565,732,580
	Details are shown in Annexure - A			
5.	**Loans, advances and leases**			
	Loans, cash credits, overdrafts, etc.	5.1	31,819,579,117	19,480,595,090
	Bills purchased and discounted		-	-
			31,819,579,117	**19,480,595,090**
5.1	**Loans, cash credits, overdrafts, etc.**			
	In Bangladesh:			
	Long term loan		10,133,365,500	6,035,785,190
	Lease finance		4,522,198,498	2,572,948,493
	Short term loan		10,456,723,595	7,341,608,825
	Channel finance		1,030,830,917	675,928,982
	Mortgage finance		3,514,732,779	1,560,092,489
	Auto loan		1,714,052,199	850,230,573
	Secured retail loan		121,576,252	180,178,435
	Personal loan		285,491,922	227,381,133
	Staff loan		40,607,455	36,440,970
			31,819,579,117	19,480,595,090
	Outside Bangladesh		-	-
			31,819,579,117	19,480,595,090
6.	**Fixed assets including land, building, furniture and fixture**			
	Land		129,240,000	129,240,000
	Building		20,922,500	20,922,500
	Motor vehicles		43,616,187	33,137,998
	Furniture and fixture		58,311,563	54,639,506
	Equipment and appliances		104,015,369	81,212,354
	Accounting software		17,025,750	16,398,750
			373,131,369	335,551,108
	Less: Accumulated depreciation and amortisation		118,180,951	101,937,030
			254,950,418	233,614,078
	Capital work in progress		-	-
			254,950,418	**233,614,078**
	Details are shown in Annexure - B			
7.	**Other assets**			
	Non-income generating other assets			
	Stationery, stamps, printing materials in stock		928,842	148,787
	Advance rent and advertisement		5,629,989	4,755,739
	Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable		72,782,299	50,849,217
	Security deposits		8,664,580	8,664,580
	Preliminary expenses, formation and organisation expenses, renovation/development expenses and prepaid expenses		2,426,760	373,097
	Branch adjustment		-	-
	Suspense account		-	-
	Silver		-	-
	Others	7.1	535,150,686	369,695,976
			625,583,156	**434,487,396**

IDLC Finance Limited Dhaka

As of	Note	September 30, 2017 Taka	31 December 2016 Taka
7.1 Others			
Advance tax		479,892,007	350,294,355
Deferred tax assets	7.1.1	-	-
Sundry assets	7.1.2	55,258,679	19,401,621
		535,150,686	369,695,976
7.1.1 Deferred tax assets			
Deferred tax assets have been recognised in accordance with the provision of BAS 12 Income Taxes based on temporary difference arising due to difference in the carrying amount of the assets and liabilities in the financial statements and its tax base. Calculation of deferred tax assets is as follows:			
Deductible temporary differences			
Gratuity provision		-	-
Fixed assets excluding land and building		-	-
		-	-
Tax rate		40.00%	40.00%
Deferred tax assets		-	-
Movement of deferred tax assets is as follows:			
Opening balance		-	7,701,603
Credited/ (debited) to profit and loss account during the year		-	(7,701,603)
Closing balance		-	-
7.1.2 Sundry assets			
City corporation tax		228,694	166,324
Hosna Centre Owners' Society		677,067	677,067
Advance - others		54,352,918	18,558,230
		55,258,679	19,401,621
8. Non financial institutional assets		3,752,405	3,752,405
This represents the mortgaged property (land) acquired from a default client by virtue of verdict given by the competent court and ownership has been transferred in favor of the Company. The land is mutated in the name of the Company.			
9. Borrowings from other banks, financial institutions and agents			
In Bangladesh	9.1	2,958,213,870	1,141,448,941
Outside Bangladesh		-	-
		2,958,213,870	**1,141,448,941**
9.1 In Bangladesh			
Unsecured			
Long term loan			
The UAE-Bangladesh Investment Company Ltd.		-	-
Borrowing under Refinance Project (scheme JICA assisted ESPDSME)		264,092,203	6,262,500
Repo borrowings from Bangladesh Bank		-	-
		264,092,203	6,262,500
Short term loan			
Uttara Bank Limited		500,000,000	-
Standard Bank		300,000,000	-
SBAC Bank Limited		350,000,000	-
IDLC Finance Limited		100,000,000	
Mercantile Bank Limited		-	-
Jamuna Bank Limited		-	-
Pubali Bank Limited		-	-
Uttara Finance Limited		-	-
		1,250,000,000	-
Zero Copoun Bond			
Zero Copoun Bond		350,108,408	-
		350,108,408	-
Secured			
Bank overdraft			
Prime Bank Limited		26,569,843	12,662,335
Dhaka Bank Limited		71,136,481	258,516,572
Standard Chartered Bank Limited		-	-
AB Bank Limited		4,052,832	244,027,534
Woori Bank Limited		149,980,937	149,990,000
Bank Alfalah Limited		181,986,620	179,990,000
Mutual Trust Bank Limited		40,286,546	-
		474,013,259	845,186,441
Money at call and short notice			
BASIC Bank Limited		-	190,000,000
Southeast Bank Limited		-	100,000,000
Sonali Bank Limited		180,000,000	-
Standard Bank Limited		120,000,000	-
United Commercial Bank Limited		160,000,000	-
Janata Bank Limited		160,000,000	-
		620,000,000	290,000,000
		2,958,213,870	1,141,448,941

IPDC Finance Limited Dhaka

As of	Note	September 30, 2017 Taka	31 December 2016 Taka
10. Deposits and other accounts			
Inter-bank deposits		-	-
Other deposits		17,025,797,595	10,009,190,416
FDR from Banks & NBFIs		10,410,000,000	7,170,000,000
		27,435,797,595	17,179,190,416
There was no unclaimed deposits for ten (10) years and more held by the Company at the reporting date.			
11. Other liabilities			
Cumulative provision for loans, advances and investments	11.1	342,008,619.00	243,344,396
Cumulative interest and dividend suspense	11.2	44,106,804.00	34,614,617
Provision for gratuity	11.3	1,200,000.00	-
Dividend payable		13,312,600.00	13,280,441
Provision for corporate tax	11.4	726,505,962.00	581,285,949
Receipts against lease	11.5	189,877,288.00	96,424,338
Provision for finance charge	11.6	593,186,710.00	385,246,708
Withholding tax and VAT		15,084,354.00	10,750,700
Liabilities for special accounts	11.7	51,142,966.00	47,739,063
Provision for expenses	11.8	48,502,492.00	53,402,651
Deferred tax liabilities	11.9	8,472,125.00	7,619,756
Account payable for purchase of fixed asset		4,063,453.00	7,488,020
Accrued Interest on Zero Copoun Bond		2,911,206.00	-
		2,040,374,579	1,481,196,639
11.1 Cumulative provision for loans, advances and investments			
Specific provision for classified loans and advances	11.1.1	26,455,036	15,060,648
General provision against unclassified loans and advances	11.1.2	297,619,558	211,431,637
Provision for investments	11.1.3	17,934,025	16,852,111
		342,008,619	243,344,396
11.1.1 Specific provision for classified loans and advances			
Opening balance		15,060,648	75,733,987
Specific provision made/(release) for the year	34	11,394,388	(58,496,985)
Fully provided debt written-off during the year		-	(2,176,354)
Closing balance (i)		26,455,036	15,060,648
11.1.2 General provision against unclassified loans and advances			
Opening balance		211,431,637	123,364,277
Provision made during the year	34	86,187,921	88,067,360
		297,619,558	211,431,637
Adjustment during the year		-	-
Closing balance (ii)		297,619,558	211,431,637
Total specific and general provision of loans and advances (i+ii)		324,074,594	226,492,285
11.1.3 Provision for investments			
Opening balance		16,852,111	12,809,744
Provision made/(released) for investment in share	35	1,081,914	4,042,367
Provision made/(released) for investment in Govt. securities		-	-
Total provision made/(released) during the year		1,081,914	4,042,367
Closing balance		17,934,025	16,852,111
Total specific and general provision of loans, advances and investments		342,008,619	243,344,396
Breakdown of cumulative provision for loans, advances and investment:			
Provision for loans and advances		324,074,594	226,492,285
Provision for investments in equity		17,934,025	16,852,111
Provision for marking to market of Govt. securities		-	-
		342,008,619	243,344,396
11.2 Cumulative interest and dividend suspense			
Interest suspense against loans and advances		41,000,270	31,508,082
Dividend suspense against investment in redeemable preference shares		3,106,534	3,106,535
		44,106,804	34,614,617

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IPDC Finance Limited Dhaka

As of	September 30, 2017 Taka	31 December 2016 Taka
11.3 Provision for gratuity		
Opening balance	-	18,699,452
Provision made during the year	10,711,971	9,553,005
	10,711,971	28,252,457
Payment made during the year	(9,511,971)	(28,252,457)
Closing balance	1,200,000	-
11.4 Provision for corporate tax		
Provision for current tax has been made on the basis of the profit for the period as adjusted for taxation purposes in accordance with the provision of Income Tax Ordinance, 1984 and amendments thereto. Current tax rate for the Company is 40% on its business income.		
Opening balance	581,285,949	423,048,318
Provision made during the year	148,370,779	158,237,631
	729,656,728	581,285,949
Adjustment made during the year for completed assessments*	3,150,766	-
Closing balance	726,505,962	581,285,949
* Arrear tax payment for Assessment Year 2004-2005		
11.5 Receipts against lease		
Receipts against lease represent lease deposits received from lessees against finance on the stipulation that the amount will be adjusted with the outstanding rentals/instalments. Lease deposits are made up as under:		
Opening balance	96,424,338	36,718,793
Receipts during the year	106,387,966	77,486,689
	202,812,304	114,205,482
Adjusted during the year	(12,935,016)	(17,781,144)
Closing balance	189,877,288	96,424,338
Purpose of taking lease deposits is to secure the finance provided to the clients. No interest is payable on lease deposits.		
11.6 Provision for finance charge		
Accrued interest expenses on term deposits	590,134,515.00	384,548,899
Accrued interest expenses on secured overdraft	589,722.00	549,271
Accrued interest expenses on long term borrowings	-	-
Accrued interest expenses on short term borrowings	115,000.00	
Accrued interest expenses on call borrowings	232,500.00	98,750
Accrued interest payable on refinance project	2,114,973.00	49,788
	593,186,710	385,246,708
11.7 Liabilities for special accounts		
Account payable special account - IPO	1,118,356	1,118,356
Account payable special account - DEG	16,191,549	16,133,894
Account payable special account - other	33,833,061	30,486,813
	51,142,966	47,739,063
11.8 Provision for expenses		
Legal expenses	3,565,843	4,643,093
Office services	33,513,009	7,141,177
Promotion and publicity	10,304,582	40,837,971
Office rent	188,850	107,910
Professional fees	550,700	166,500
Audit fees	379,508	506,000
	48,502,492	53,402,651

AMAR STOCK

Trade Finance Limited Dhaka

As at		September 30, 2017 Taka	31 December 2016 Taka
11.9	**Deferred tax liabilities**		
	i) Taxable temporary differences on furniture and fixture		
	Fixed assets including furniture and fixture	2,597,466	649,209
	Net taxable temporary differences	2,597,466	649,209
	Tax rate	40.00%	40.00%
	Deferred tax liability furniture and fixture	1,038,986	259,684
	ii) Deferred tax liability on building and land revaluation		
	Taxable temporary differences on building	5,658,849	5,476,179
	Tax rate	40.00%	40.00%
	Deferred tax liability on building	2,263,539	2,190,472
	Revaluation reserve on land	129,240,000	129,240,000
	Tax rate	4.00%	4.00%
	Deferred tax liability on land revaluation	5,169,600	5,169,600
	Total deferred tax liabilities on building and land revaluation	7,433,139	7,360,072
	Total deferred tax liability (i+ii)	8,472,125	7,619,756
	Movement of deferred tax liabilities is as follows:		
	Opening balance	7,619,756	6,063,086
	Add: Debited to asset revaluation reserve	-	1,292,400
	Add: Expense/(income) during the year	852,369	264,270
	Closing balance	8,472,125	7,619,756
12.	**Share capital**		
	Authorised		
	400,000,000 ordinary shares of Taka 10 each	4,000,000,000	4,000,000,000
	Issued, subscribed and fully paid up		
	181,800,680 (2016: 151,500,567) ordinary shares of Tk 10 each	**1,818,006,800**	**1,515,005,670**

Paid up capital as at June 30, 2017 is made up of 25,701,400 ordinary shares paid up in cash and 156,099,280 ordinary shares through issuance of bonus shares.

12.1 Paid up capital of the company is held as follows

Foreign		
Aga Khan Fund for Economic Development (AKFED)	200,929,580	167,441,320
	200,929,580	167,441,320
Domestic		
Government of the People's Republic of Bangladesh (GoB)	397,771,960	331,476,640
BRAC	454,501,690	378,751,410
Ayesha Abed Foundation	181,800,680	151,500,570
RSA Capital Limited	90,900,330	75,750,280
General shareholders	492,102,560	410,085,450
	1,617,077,220	1,347,564,350
	1,818,006,800	1,515,005,670

13.	**Share premium**	**167,014,000**	**167,014,000**

Share premium against 280,140 number of ordinary shares issued in 2004 and 1,390,000 number of ordinary shares issued in 2006 @ Tk. 100 per share i.e. at quarter ended September 30, 2017 total number of shares would be 16,701,400 @ Tk. 10 per share as the Company changed the denomination of shares from Tk. 100 to Tk. 10 each in 2011 in compliance with the Bangladesh Securities and Exchange Commission's order number SEC/CMRRCD/2009-193/109 dated 15 September 2011.

14.	**Statutory reserve**		
	This comprises of the cumulative balance of statutory reserve as required by section 9 of the Financial Institutions Act, 1993 and regulations 4(d) and 6 of the Financial Institution Regulations, 1994.		
	Opening balance	393,375,601	332,758,289
	Transferred from profit during the year	-	60,617,312
	Closing balance	**393,375,601**	**393,375,601**

AMAR STOCK

As at	September 30, 2017 Taka	31 December 2016 Taka

15. Assets revaluation reserve

Opening balance	124,501,939	127,086,739
Revaluation during the year		
Land	-	-
Building	-	-
Adjustment of deferred tax liability for revaluation reserve on building	-	-
Deferred tax liability on land revaluation	-	(2,584,800)
	124,501,939	**124,501,939**

IPDC Finance Limited owns real estate property (commercial space including car parking) for its own use as office premises situated at Hosna Center (4th floor), 106 Gulshan Avenue, Dhaka. This property was revalued at fair value in accordance with BAS 16: Property, Plant and Equipment which requires regular valuation of property to ensure that the value reflects current market condition.

The property was first revalued in 2005 and since then significant changes took place in local real estate market, as a result with the consent of the Board of Directors of IPDC Finance Limited, Hoda Vasi Chowdhury & Co (HVC) as professionally qualified valuer had conducted the assignment of valuation for determining the fair value of the property, which has subsequently conveyed to management for incorporating in the financials of 2014 after being adopted in the Board.

16. Retained earnings

Opening balance	575,216,409	585,248,100
Net profit after tax for the year	219,538,313	303,086,561
Transfer to statutory reserve	-	(60,617,312)
Dividend	-	-
Issuance of bonus shares	(303,001,130)	(252,500,940)
Closing balance	**491,753,592**	**575,216,409**

17. Letters of guarantee

Director	-	-
Government	-	-
Bank and financial institutions	174,609,155	30,046,913
Others	-	-
	174,609,155	**30,046,913**

IPDC Finance Limited Dhaka

AMARSTOCK

For the period	Note	Jan to Sep 30, 2017 Taka	Jan to Sep 30, 2016 Taka
18. Interest income			
Interest income on loans and advances			
Interest on lease finance		301,052,006	136,054,052
Interest on long term loan		666,109,582	314,022,617
Interest on short term loan		597,748,609	323,436,060
Interest on channel finance		86,862,219	32,351,108
Interest on mortgage finance		199,863,121	43,083,607
Interest on secured retail loan		8,261,930	6,155,174
Interest on auto loan		110,678,586	56,684,792
Interest on staff loan		1,724,268	955,102
Interest on personal loan		26,378,524	6,847,199
		1,998,678,845	919,589,711
Interest income on balance with other banks and financial institutions			
Interest on fixed deposits		65,944,696	46,018,479
Interest on overnight and treasury placements		15,509,028	22,624,792
Interest on STD accounts		1,759,116	549,191
		83,212,840	69,192,462
		2,081,891,685	**988,782,172**
19. Interest paid on deposits and borrowings etc.			
Interest expenses on term deposits		1,217,985,747	522,827,604
Interest expenses on borrowings	19.1	100,987,627	27,307,705
		1,318,973,374	**550,135,309**
19.1 Interest expenses on borrowings			
Local banks and financial institutions			
Interest expenses on short term loan		46,004,434	-
Interest expenses on long term loan		4,361,696	153,055
Interest expenses on call borrowings		25,214,889	24,457,083
Interest expenses on bank overdrafts		22,495,402	2,697,567
Interest expenses on zero coupon bond		2,911,206	
		100,987,627	27,307,705
Foreign banks and financial institutions			
Interest expenses on long term lines of credit		-	-
		100,987,627	27,307,705
20. Investment income			
Dividend income			
Dividend income on cumulative preference shares		19,697,946	13,376,708
Dividend income on listed shares		1,171,382	23,538
Dividend income on un-listed shares		-	225,000
		20,869,328	13,625,246
Interest on treasury bills, bonds and debentures			
Interest income on Govt. treasury bonds		-	-
Interest income on corporate bonds		28,096,927	18,206,090
		28,096,927	18,206,090
Capital gain on sale of listed shares		-	-
		28,096,927	18,206,090
		48,966,255	**31,831,335**
21. Commission, exchange and brokerage			
Commission		296,832	47,493
Exchange		-	-
Brokerage	21.1	59,991,985	23,982,876
		60,288,817	**24,030,369**
21.1 Brokerage			
Appraisal, feasibility study fees and documentation fees		59,991,985	23,982,876
Restructuring/renewal fees		-	-
		59,991,985	23,982,876
22. Other operating income			
Transfer price/sale of leased assets		84,900	351,544
Other earnings		765,919	384,208
Loan loss recovery		13,249,020	100,751,364
Gain(loss) sale of fixed assets	22.1	5,999	(156,422)
		14,105,838	**101,330,694**
22.1 Gain(loss) sale of fixed assets			
Some items of fixed assets which were impaired, sold or adjusted during the period as under:			
Sale proceeds		2,989,145	1,112,033
Cost price of the sold/adjusted items		9,318,311	6,770,003
Accumulated depreciation		(6,335,165)	(5,501,548)
Written down value		2,983,146	1,268,455
Gain on sale of fixed assets		5,999	(156,422)

For the period		Jan to Sep 30, 2017 Taka	Jan to Sep 30, 2016 Taka
23. Administrative expenses			
Salary and allowances	24	200,570,818	91,609,996
Rent, taxes, insurance, electricity, etc.	25	24,090,594	14,974,477
Legal expenses	26	13,005,064	10,560,206
Postage, stamp, telecommunications, etc.	27	4,726,024	2,782,105
Stationery, printing, advertisements, etc.	28	89,304,114	26,622,369
Managing Director's salary and allowances	29	9,171,788	9,171,788
Directors' fees	30	1,953,333	2,040,682
Auditors' fees	31	379,508	253,002
Repair and Maintenance	32.2	12,615,647	7,589,204
Other expenses	33	40,457,561	20,280,922
		396,274,451	185,884,751
24. Salary and allowances		200,570,818	91,609,996
25. Rent, taxes, insurance, electricity, etc.			
Office rent		14,495,240	9,343,625
Rates and taxes		250,160	187,110
Insurance		3,868,767	1,491,070
Utilities - electricity, gas, water, etc.		5,476,427	3,952,672
		24,090,594	14,974,477
26. Legal expenses			
Professional fees		5,465,256	4,839,254
Legal document, court fees, etc.		7,539,808	5,720,952
		13,005,064	10,560,206
27. Postage, stamp, telecommunications, etc.			
Postage, stamps etc.		983,680	166,506
Telephone		2,274,165	1,645,248
Internet expenses		1,468,179	970,351
		4,726,024	2,782,105
28. Stationery, printing, advertisements etc.			
Printing and stationery		4,905,306	1,384,032
Publicity and advertisement		84,398,808	25,238,337
		89,304,114	26,622,369
29. Managing Director's salary and allowances			
Basic salary		4,635,000	4,635,000
House rent allowance		540,000	540,000
Medical allowance		153,000	153,000
Festival bonus		1,030,000	1,030,000
Performance bonus		1,000,000	1,000,000
Leave fare assistance		772,500	772,500
Company's contribution to provident fund		463,500	463,500
Gratuity		577,788	577,788
		9,171,788	9,171,788
30. Directors' fees			
Honorarium for attending meeting		883,200	993,600
Incidental expenses for attending meeting		1,070,133	1,047,082
		1,953,333	2,040,682

Directors' fees include fees for attending the meetings of the Board, Executive Committee and Audit Committee. Each director was remunerated Tk. 8,000 per meeting in accordance with Bangladesh Bank's DFIM circulars number 13 and 03 dated 30 November 2015. In addition, as per policy the Company also bears travelling, accommodation and other related costs of directors who attend Board Meeting from overseas.

31. Auditors' fees			
Auditors' remuneration for interim audit		-	-
Auditors' remuneration for annual audit		379,508	253,002
		379,508	253,002

IDLC Finance Limited Dhaka

For the period	Note	Jan to Sep 30, 2017 Taka	Jan to Sep 30, 2016 Taka
32. Depreciation and repair of assets			
Depreciation and amortisation	32.1	22,579,086	13,564,528
Repair and maintenance	32.2	12,615,647	7,589,204
		35,194,733	**21,153,732**
32.1 Depreciation and amortisation			
Building		1,051,355	1,046,124
Motor vehicles		5,625,873	3,742,647
Furniture and fixture		3,480,882	1,447,518
Equipment and appliances		10,300,066	7,328,239
Software		2,120,910	-
		22,579,086	13,564,528
Details are shown in Annexure - B			
32.2 Repair and maintenance			
Office premises		665,030	264,044
Vehicles		6,508,758	3,498,012
Office furniture, fixture and equipment		5,441,859	3,827,148
		12,615,647	7,589,204
33. Other expenses			
Staff training		5,302,580	2,428,219
Membership fees, subscription and donations		5,646,822	3,362,363
News papers, periodicals, learning materials etc.		147,694	128,268
Recruitment expenses		2,023,823	1,078,955
Traveling, conveyance and hotel expenses		7,558,938	2,429,001
Entertainment and public relation		2,425,486	1,419,438
Annual General Meeting expenses		7,487,826	3,969,250
Security and cleaning services		5,056,632	2,682,916
Sundry office maintenance		3,073,782	1,868,857
Other operational expenses		1,733,978	913,655
		40,457,561	**20,280,922**
34. Provision for loans and advances			
Provision for classified loans and advances		11,394,388	(4,658,135)
Provision for unclassified loans and advances		86,187,921	14,744,300
		97,582,309	**10,086,165**
35. Provision for diminution in value of investment			
Provision made for investment in share		1,081,914	4,042,365
Provision made for marking to market on Govt. securities		-	-
		1,081,914	**4,042,365**
36. Provision for deferred tax expense/ (income)			
Expense on deductible temporary differences		-	7,313,671
Expense/(income) on taxable temporary differences		852,369	1,295,839
Revaluation adjustment of previous year through deferred tax		-	-
		852,369	**8,609,510**
37. Earnings per share (EPS)			
Basic earnings per share has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period ended September 30, 2017 as per BAS 33: *Earnings per share*.			
Net profit after tax		219,538,313	254,667,462
Weighted average number of outstanding shares		181,800,680	181,800,680
Basic earning per share		**1.21**	**1.40**
Diluted Earnings Per Share (DEPS)			
No DEPS is required to be calculated since there was no scope for dilution of share during the period under review.			

38. Reclassification of comperative information

Auditors' fee and Provision/reversal for diminution in value of investments has been added as line items on the face of the Profit and Loss Account during the preperation of the Q3 2017 financial statement for better presentation and conformance to Bangladesh Bank reporting guideline. As a result, in comparative figures of 2016, BDT 253,002 from legal expenses was reclassified as auditors' fee and BDT 4,042,365 from provision for loans and advances was reclassified as provision/reversal for diminution in value of investments during Q3 2017 financial statement. Furthermore BDT 9,171,788 was reclassified from salary and allowances to Managing Director's salary and allowances to keep the figures aligned with the current period.

39. Events after the reporting period

No other material event occurred after the reporting period, which could materially affect the amounts or disclosures in these financial statements.

IDLC Finance Limited Dhaka

IPDC Finance Limited
Details statement of other investments

Annexure - A
Figures in Taka

As at	30 September 2017		31 December 2016	
	Cost Taka	Market value Taka	Cost Taka	Market value Taka
In ordinary shares - quoted				
Bangladesh Electricity Meter Co. Ltd.	7,000,000	-	7,000,000	4,305,000
	7,000,000	-	7,000,000	4,305,000
In ordinary shares - unquoted				
Quality Feeds Ltd.	1,500,000	1,500,000	1,500,000	1,500,000
Alliance Bags Ltd.	3,000,000	3,000,000	3,000,000	3,000,000
	4,500,000	4,500,000	4,500,000	4,500,000
In redeemable preference shares				
Premium Seed Ltd.	4,000,000	-	4,000,000	4,000,000
Confidence Salt Ltd.	2,265,346	2,265,346	2,265,346	2,265,346
Summit Power Company Ltd.	-	-	-	-
ACI Godrej Agrovet Private Ltd.	-	-	-	-
Summit Barisal Power Ltd.	128,000,000	128,000,000	100,000,000	100,000,000
Summit Narayanganj Power Unit II Ltd.	144,000,000	144,000,000	100,000,000	100,000,000
Star Ceramics Ltd.	75,000,000	75,000,000	75,000,000	75,000,000
	353,265,346	349,265,346	281,265,346	281,265,346
In corporate bonds				
Impress Newtex Composite Textiles Ltd.	197,967,234	197,967,234	197,967,234	197,967,234
Mutual Trust Bank Ltd.	-	-	75,000,000	75,000,000
Golden Harvest Agro Industries Limited	100,000,000	100,000,000		
	297,967,234	297,967,234	272,967,234	272,967,234
	662,732,580	**651,732,580**	**565,732,580**	**563,037,580**

IPDC Finance Limited Dhaka

Annexure - B

IPDC Finance Limited

Fixed assets including land, building, furniture and fixture

Figures in Taka

For the period from 1 Jan 2017 - 30 Sep 2017

Category of asset	Cost/valuation						Depreciation/amortisation				Carrying amount as at 30 Sep 2017
	Balance as at 1 January 2017	Revaluation reserve	Addition during the period	Adjustment during the period	Disposal during the period	Balance as at 30 Sep 2017	Balance as at 1 January 2017	Charged during the period	Adjustment during the period	Balance as at 30 Sep 2017	
Land	129,240,000	-	-	-	-	129,240,000	-	-	-	-	129,240,000
Building	20,922,500	-	-	-	-	20,922,500	2,789,664	1,051,355	-	3,841,019	17,081,481
Motor vehicles	33,137,998	-	19,118,000	8,639,811	-	43,616,187	15,900,574	5,625,873	5,656,666	15,869,781	27,746,406
Furniture and fixture	54,639,506	-	4,350,557	678,500	-	58,311,563	26,492,739	3,480,882	678,499	29,295,122	29,016,441
Equipment and appliances	81,212,354	-	22,803,015	-	-	104,015,369	47,121,982	10,300,066	-	57,422,048	46,593,321
Accounting software	16,398,750	-	627,000	-	-	17,025,750	9,632,071	2,120,910	-	11,752,981	5,272,769
Balance as at 30 September 2017	**335,551,108**	**-**	**46,898,572**	**9,318,311**	**-**	**373,131,369**	**101,937,030**	**22,579,086**	**6,335,165**	**118,180,951**	**254,950,418**

For the period from 1 Jan 2016 - 31 Dec 2016

Category of asset	Cost/valuation						Depreciation/amortisation				Carrying amount as at 31 December 2016
	Balance as at 1 January 2016	Revaluation reserve	Addition during the period	Adjustment during the period	Disposal during the period	Balance as at 31 December 2016	Balance as at 1 January 2016	Charged during the period	Adjustment during the period	Balance as at 31 December 2016	
Land	129,240,000	-	-	-	-	129,240,000	-	-	-	-	129,240,000
Building	20,922,500	-	-	-	-	20,922,500	1,394,832	1,394,832		2,789,664	18,132,836
Motor vehicles	28,799,037	-	11,788,961	-	7,450,000	33,137,998	14,753,838	5,156,736	4,010,000	15,900,574	17,237,424
Furniture and fixture	34,154,874	-	22,596,043	-	2,111,411	54,639,506	26,176,411	2,076,384	1,760,056	26,492,739	28,146,767
Equipment and appliances	65,794,703	-	17,576,243	-	2,158,592	81,212,354	39,109,059	10,087,747	2,074,824	47,121,982	34,090,372
Accounting software	16,398,750	-	-	-	-	16,398,750	6,832,075	2,799,996	-	9,632,071	6,766,679
Balance as at 31 December 2016	**295,309,864**	**-**	**51,961,247**	**-**	**11,720,003**	**335,551,108**	**88,266,215**	**21,515,695**	**7,844,880**	**101,937,030**	**233,614,078**

IPDC Finance Limited Dhaka