IDLC Finance Limited

Financial Statements

as at and for the year ended 31 December 2018

AMAR STOCK

IDLC Finance Limited and its Subsidiaries
Consolidated Balance Sheet
as at 31 December 2018

	Notes	2018 BDT	2017 BDT
PROPERTY AND ASSETS			
Cash	3		
In hand (including foreign currencies)	3.1	434,090	385,000
Balance with Bangladesh Bank and its agent (including foreign currencies)	3.2	2,564,995,968	1,095,727,369
		2,565,430,058	**1,096,112,369**
Balance with other banks and financial institutions	4		
Inside Bangladesh	4(a)	13,670,184,483	13,631,778,315
Outside Bangladesh	4(b)	-	-
		13,670,184,483	**13,631,778,315**
Money at call and short notice	5	-	-
Investments	6		
Government		-	-
Others		7,300,477,507	7,922,749,192
		7,300,477,507	**7,922,749,192**
Loans and advances	7		
Loans, cash credit, overdraft etc.		83,934,280,017	71,498,548,035
Bills purchased and discounted		-	-
		83,934,280,017	**71,498,548,035**
Fixed assets including land, building, furniture and fixtures	8(c)	552,025,946	662,791,925
Other assets	9	1,143,290,024	874,963,255
Non-banking assets		-	-
Total Assets		**109,165,688,035**	**95,686,943,091**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	**12,496,240,919**	**11,400,359,336**
Deposits and other accounts	11		
Current accounts and other accounts etc.		-	-
Bills payable		-	-
Savings bank deposits		-	-
Term deposits		70,257,701,507	59,853,619,702
Bearer certificate of deposits		-	-
Other deposits		2,455,047,719	2,238,814,210
		72,712,749,226	**62,092,433,912**
Other liabilities	12	**10,319,370,941**	**9,596,670,976**
Total Liabilities		**95,528,361,086**	**83,089,464,224**
Capital/Shareholders' equity			
Paid-up capital	13	3,770,507,800	3,770,507,800
Share premium	14	1,260,585,930	1,260,585,930
Statutory reserves	15	2,416,541,850	2,098,412,371
General reserves	16	1,000,000,000	1,000,000,000
Dividend equalisation reserves		46,500,000	46,500,000
Retained earnings		5,143,188,211	4,421,469,765
Total Equity attributable to equity holders of the company		**13,637,323,791**	**12,597,475,866**
Non-controlling interest		**3,158**	**3,001**
Total Liabilities and Shareholders' equity		**109,165,688,035**	**95,686,943,091**

AMARSTOCK

	Notes	2018 BDT	2017 BDT
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	17.1		
Acceptances and endorsements		-	-
Letters of guarantee		11,853,790	91,601,562
Irrevocable letters of credit		-	-
Bills for collection		-	-
Indemnity bond		-	-
Corporate guarantee		750,000,000	750,000,000
		761,853,790	**841,601,562**
Other commitments	17.2		
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		1,774,929,398	1,184,170,146
		1,774,929,398	**1,184,170,146**
Total Off-Balance Sheet items including contingent liabilities		**2,536,783,188**	**2,025,771,708**
Net Assets Value (NAV) per share	37	**36.17**	**33.41**

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Chairman	**Director**	**CEO & Managing Director**	**Company Secretary**

This is the consolidated balance sheet referred to in our separate report of even date.

Sd/-
A. Qasem & Co.
Chartered Accountants

Dhaka, 17 February 2019

IDLC Finance Limited and its Subsidiaries
Consolidated Profit and Loss Account
for the year ended 31 December 2018

	Notes	2018 BDT	2017 BDT
Interest income	19	11,162,932,726	8,892,872,138
Interest on deposits and borrowings etc.	20	(6,940,206,955)	(4,898,052,961)
Net interest income		**4,222,725,771**	**3,994,819,177**
Investment income	21	559,293,311	1,082,497,483
Commission, exchange and brokerage	22	597,129,398	755,121,539
Other operating income	23	445,097,147	447,973,309
Total operating income		**5,824,245,627**	**6,280,411,508**
Salaries and allowances	24	1,291,787,009	1,293,549,163
Rent, taxes, insurance, electricity etc.	25	224,066,909	220,165,817
Legal expenses	26	13,840,499	25,855,925
Postage, stamp, telecommunication etc.	27	38,997,409	37,748,974
Stationery, printing, advertisements etc.	28	170,416,794	139,569,069
Managing Director's salary and benefits	29	11,940,004	11,940,004
Directors' fees	30	2,144,666	2,283,518
Auditors' fees	31	2,841,940	1,368,381
Charges on loan losses		-	-
Depreciation and repair of Company's assets	32	170,661,980	193,101,509
Other expenses	33	373,257,311	410,185,643
Total operating expenses		**2,299,954,521**	**2,335,768,003**
Profit before provision		**3,524,291,106**	**3,944,643,505**
Provision for loans and investments	12.6(ii)		
General provision		91,218,921	61,886,988
Specific provision		83,980,521	170,923,913
Provision for diminution in value of investments		221,812,982	-
Other provisions		-	-
Total provision		**397,012,424**	**232,810,901**
Total profit before taxation		**3,127,278,682**	**3,711,832,604**
Provision for taxation			
Current tax expense	12.2	982,835,113	1,448,167,284
Deferred tax income	9.4	(26,556,853)	(13,454,473)
		956,278,260	1,434,712,811
Net profit after taxation		**2,171,000,422**	**2,277,119,793**
Attributable to:			
Shareholders of the Company		2,171,000,265	2,277,119,177
Non-controlling interest		157	616
		2,171,000,422	**2,277,119,793**
Appropriations to:			
Statutory reserves		318,129,479	316,408,021
General reserves		-	-
Dividend etc.		-	-
		318,129,479	316,408,021
Retained surplus		**1,852,870,786**	**1,960,711,156**
Earnings Per Share (EPS)	36	**5.76**	**6.13**

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Sd/- **Chairman**	**Sd/-** **Director**	**Sd/-** **CEO & Managing Director**	**Sd/-** **Company Secretary**

This is the consolidated profit & loss account referred to in our separate report of even date.

Sd/-
A. Qasem & Co.
Chartered Accountants

Dhaka, 17 February 2019

IDLC Finance Limited and its Subsidiaries
Consolidated Cash Flow Statement
for the year ended 31 December 2018

	2018 BDT	2017 BDT
A) Cash flows from operating activities		
Interest received	10,949,131,152	8,870,522,996
Interest paid	(3,540,435,841)	(2,146,404,404)
Dividend received	151,755,893	137,228,732
Fees and commission received	597,129,398	755,121,539
Paid to employees and suppliers	(2,141,228,690)	(2,171,542,986)
Payment of income tax	(1,007,233,668)	(1,058,910,701)
Received from other operating activities	843,946,298	1,379,575,318
Cash generated from operating activities before changes in operating assets and liabilities	**5,853,064,541**	**5,765,590,494**
Increase/(decrease) in operating assets and liabilities		
Lease receivable	351,952,217	321,121,665
Long-term finance	(9,397,377,217)	(6,198,456,511)
Real estate finance	(3,669,874,683)	(3,353,294,266)
Car loan	448,720,278	511,304,825
Personal loan	(55,079,042)	(4,900,190)
Loan against deposit	(342,592,008)	73,045,124
Margin loan to portfolio investors	538,591,267	(721,292,737)
Short term finance	(127,829,509)	67,716,381
Other assets	(236,768,481)	(91,253,076)
Term and other deposits	10,620,315,314	12,768,109,082
Net drawdown of short term loan	3,210,000,000	565,000,000
Payable and accrued expenses	(3,214,951,788)	(2,473,954,907)
Deferred liability-employee gratuity	4,257,123	13,536,253
Portfolio investors' fund	228,997,522	183,555,256
Deferred tax liability	25,573	471,990
Interest suspense account	(44,779,963)	22,695,287
	(1,686,393,395)	1,683,404,176
Net cash flows from/(used in) operating activities	**4,166,671,146**	**7,448,994,670**
B) Cash flows from investing activities		
Purchase of fixed assets	(56,508,623)	(187,993,259)
Disposal of fixed assets	17,237,038	28,916,411
Net proceeds of investment in securities	622,271,685	(3,574,432,425)
Net cash used in investing activities	**583,000,100**	**(3,733,509,273)**
C) Cash flows from financing activities		
Drawdown of term loans	1,659,707,940	2,786,742,982
Repayment of term loans	(3,773,826,356)	(4,515,761,089)
Proceeds from right issue	-	2,513,671,860
Dividend paid	(1,127,828,973)	(1,125,587,669)
Net cash flow from financing activities	**(3,241,947,389)**	**(340,933,915)**
D) Net increase/(decrease) in cash and cash equivalents (A+ B + C)	**1,507,723,857**	**3,374,551,482**
E) Effects of exchange rate changes on cash and cash equivalents	**-**	**-**
F) Cash and cash equivalents at beginning of the year	**14,727,890,684**	**11,353,339,202**
G) Cash and cash equivalents at end of the year (D+E+F)	**16,235,614,541**	**14,727,890,684**
Cash and cash equivalents at end of the year		
Cash in hand (including foreign currencies) (Note-3.1)	434,090	385,000
Balance with Bangladesh Bank and its agent bank(s) (Note-3.2)	2,564,995,968	1,095,727,369
Balance with other banks and financial institutions (Note-4)	13,670,184,483	13,631,778,315
Money at call and short notice (Note-5)	-	-
	16,235,614,541	**14,727,890,684**
Net operating cash flow per share (NOCFPS) (Note-38)	**11.05**	**19.76**

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
Chairman	**Director**	**CEO & Managing Director**	**Company Secretary**

This is the consolidated cash flow statement referred to in our separate report of even date.

Sd/-
A. Qasem & Co.
Chartered Accountants

Dhaka, 17 February 2019

IDLC Finance Limited and its Subsidiaries
Consolidated Statement of Changes in Equity
for the year ended 31 December 2018

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	BDT	BDT
Balance at 01 January 2018	3,770,507,800	1,260,585,930	2,098,412,371	1,000,000,000	46,500,000	4,421,469,765	12,597,475,866	3,001	12,597,478,867
Dividend for 2017:									
30% cash dividend	-	-	-	-	-	(1,131,152,340)	(1,131,152,340)	-	(1,131,152,340)
Changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance	**3,770,507,800**	**1,260,585,930**	**2,098,412,371**	**1,000,000,000**	**46,500,000**	**3,290,317,425**	**11,466,323,526**	**3,001**	**11,466,326,527**
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 year 2018	-	-	-	-	-	2,171,000,265	2,171,000,265	157	2,171,000,422
Appropriation to reserves	-	-	318,129,479	-	-	(318,129,479)	-	-	-
Balance at 31 December 2018	**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**

IDLC Finance Limited and its Subsidiaries
Consolidated Statement of Changes in Equity
for the year ended 31 December 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		
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Balance at 01 January 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	-	-	-	-	-	-	-	-	-
Net profit for the year 2017	-	-	-	-	-	2,277,119,177	2,277,119,177	616	2,277,119,793
Appropriation to reserves	-	-	316,408,021	-	-	(316,408,021)	-	-	-
Balance at 31 December 2017	**3,770,507,800**	**1,260,585,930**	**2,098,412,371**	**1,000,000,000**	**46,500,000**	**4,421,469,765**	**12,597,475,866**	**3,001**	**12,597,478,867**

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Sd/-
Chairman

Sd/-
Director

Sd/-
CEO & Managing Director

Sd/-
Company Secretary

This is the consolidated statement of changes in equity referred to in our separate report of even date.

Sd/-
A. Qasem & Co.
Chartered Accountants

Dhaka, 17 February 2019

IDLC Finance Limited
Balance Sheet
as at 31 December 2018

	Notes	2018 BDT	2017 BDT
PROPERTY AND ASSETS			
Cash	3		
In hand (including foreign currencies)	3.1	330,000	285,000
Balance with Bangladesh Bank and its agent (including foreign currencies)	3.2	2,564,995,968	1,095,727,369
		2,565,325,968	**1,096,012,369**
Balance with other banks and financial institutions	4		
Inside Bangladesh	4(a)	12,496,696,308	12,676,746,983
Outside Bangladesh	4(b)	-	-
		12,496,696,308	**12,676,746,983**
Money at call and short notice	5	-	-
Investments	6		
Government		-	-
Others		2,792,871,764	3,213,212,864
		2,792,871,764	**3,213,212,864**
Loans and advances	7		
Loans, cash credit, overdraft etc.		82,409,607,473	70,665,633,916
Bills purchased and discounted		-	-
		82,409,607,473	**70,665,633,916**
Fixed assets including land, building, furniture and fixtures	8(c)	499,135,123	597,256,072
Other assets	9	4,418,113,871	4,362,120,314
Non-banking assets		-	-
Total Assets		**105,181,750,507**	**92,610,982,518**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	12,246,240,919	11,230,359,336
Deposits and other accounts	11		
Current accounts and other accounts etc.		-	-
Bills payable		-	-
Savings bank deposits		-	-
Term deposits		71,338,071,965	60,538,332,988
Bearer certificate of deposits		-	-
Other deposits		2,455,047,719	2,238,814,210
		73,793,119,684	**62,777,147,198**
Other liabilities	12	**8,113,798,073**	**8,034,379,208**
Total Liabilities		**94,153,158,676**	**82,041,885,742**
Capital/Shareholders' equity			
Paid-up capital	13	3,770,507,800	3,770,507,800
Share premium	14	1,260,585,930	1,260,585,930
Statutory reserves	15	2,416,541,850	2,098,412,371
General reserves	16	1,000,000,000	1,000,000,000
Dividend equalisation reserves		46,500,000	46,500,000
Retained earnings		2,534,456,251	2,393,090,675
Total Equity		**11,028,591,831**	**10,569,096,776**
Total Liabilities and Shareholders' equity		**105,181,750,507**	**92,610,982,518**

AMARSTOCK

	Notes	2018 BDT	2017 BDT
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	17.1		
Acceptances and endorsements		-	-
Letters of guarantee		11,853,790	91,601,562
Irrevocable letters of credit		-	-
Bills for collection		-	-
Indemnity bond		-	-
Corporate guarantee		750,000,000	750,000,000
		761,853,790	**841,601,562**
Other commitments	17.2		
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		1,774,929,398	1,184,170,146
		1,774,929,398	**1,184,170,146**
Total Off-Balance Sheet items including contingent liabilities		**2,536,783,188**	**2,025,771,708**
Net Assets Value (NAV) per share	37	**29.25**	**28.03**

The annexed notes from 1 to 46 form an integral part of these financial statements.

Sd/- **Chairman**	**Sd/-** **Director**	**Sd/-** **CEO & Managing Director**	**Sd/-** **Company Secretary**

This is the balance sheet referred to in our separate report of even date.

Sd/-
A. Qasem & Co.
Chartered Accountants

Dhaka, 17 February 2019

IDLC Finance Limited
Profit and Loss Account
for the year ended 31 December 2018

	Notes	2018 BDT	2017 BDT
Interest income	19	10,941,528,941	8,706,732,278
Interest on deposits and borrowings etc.	20	(7,015,750,078)	(4,902,102,651)
Net interest income		**3,925,778,863**	**3,804,629,627**
Investment income	21	297,145,292	516,904,081
Commission, exchange and brokerage	22	45,343,775	42,055,874
Other operating income	23	436,992,055	437,656,645
Total operating income		**4,705,259,985**	**4,801,246,227**
Salaries and allowances	24	1,053,414,823	1,050,489,189
Rent, taxes, insurance, electricity etc.	25	183,828,267	179,080,115
Legal expenses	26	11,192,037	21,562,320
Postage, stamp, telecommunication etc.	27	31,073,127	30,186,959
Stationery, printing, advertisements etc.	28	145,763,908	114,900,212
Managing Director's salary and benefits	29	11,940,004	11,940,004
Directors' fees	30	1,464,473	1,619,200
Auditors' fees	31	2,496,940	1,023,381
Charges on loan losses		-	-
Depreciation and repair of Company's assets	32	144,578,253	170,014,444
Other expenses	33	327,422,345	353,343,088
Total operating expenses		**1,913,174,177**	**1,934,158,912**
Profit before provisions		**2,792,085,808**	**2,867,087,315**
Provision for loans and investments	12.6(ii)		
General provision		93,718,957	57,242,047
Specific provision		119,238,640	170,923,913
Provision for diminution in value of investments		153,176,921	-
Other provision		-	-
Total provision		**366,134,518**	**228,165,960**
Total profit before taxation		**2,425,951,290**	**2,638,921,355**
Provision for taxation			
Current tax expense	12.2	849,919,592	1,065,400,300
Deferred tax income	9.4	(14,615,697)	(8,519,052)
		835,303,895	1,056,881,248
Net profit after taxation		**1,590,647,395**	**1,582,040,107**
Appropriations to:			
Statutory reserves		318,129,479	316,408,021
General reserves		-	-
Dividend etc.		-	-
		318,129,479	316,408,021
Retained surplus		**1,272,517,916**	**1,265,632,086**
Earnings Per Share (EPS)	36	**4.22**	**4.26**

The annexed notes from 1 to 46 form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
Chairman	**Director**	**CEO & Managing Director**	**Company Secretary**

This is the profit & loss account referred to in our separate report of even date.

Sd/-
A. Qasem & Co.
Chartered Accountants

Dhaka, 17 February 2019

IDLC Finance Limited
Cash Flow Statement
for the year ended 31 December 2018

	2018	2017
	BDT	BDT
A) Cash flows from operating activities		
Interest received	10,731,926,558	8,674,735,935
Interest paid	(3,615,978,964)	(2,150,454,094)
Dividend received	31,927,537	48,998,371
Fees and commission received	45,343,775	42,055,874
Paid to employees and suppliers	(1,775,575,765)	(1,788,319,626)
Payment of income tax	(776,058,345)	(838,214,694)
Received from other operating activities	690,850,641	897,113,940
Cash generated from operating activities before changes in operating assets and liabilities	**5,332,435,437**	**4,885,915,706**
Increase/(decrease) in operating assets and liabilities		
Lease receivable	351,952,217	321,121,665
Long-term finance	(9,397,377,217)	(6,198,456,511)
Real estate finance	(3,669,874,683)	(3,353,294,266)
Car loan	448,720,278	511,304,825
Personal loan	(55,079,042)	(4,900,190)
Loan against deposit	(342,592,008)	73,045,124
Loan to subsidiaries	1,230,349,692	(969,549,692)
Short term finance	(127,829,509)	67,716,381
Other assets	(25,007,203)	(2,452,510,933)
Term and other deposits	11,015,972,486	13,364,084,868
Net drawdown of short term loan	3,130,000,000	565,000,000
Payable and accrued expenses	(3,704,275,721)	(2,285,530,377)
Interest suspense account	(44,779,963)	22,695,287
	(1,189,820,671)	(339,273,819)
Net cash flows from/(used in) operating activities	**4,142,614,766**	**4,546,641,887**
B) Cash flows from investing activities		
Purchase of fixed assets	(47,724,871)	(151,047,125)
Disposal of fixed assets	15,979,319	27,565,812
Net proceeds of investment in securities	420,341,100	(465,109,407)
Net cash used in investing activities	**388,595,548**	**(588,590,719)**
C) Cash flows from financing activities		
Drawdown of term loans	1,659,707,940	2,786,742,982
Repayment of term loans	(3,773,826,356)	(4,515,761,089)
Proceeds from right issue	-	2,513,671,860
Dividend paid	(1,127,828,973)	(1,125,587,669)
Net cash flow from financing activities	**(3,241,947,389)**	**(340,933,915)**
D) Net increase/(decrease) in cash and cash equivalents (A+ B + C)	**1,289,262,924**	**3,617,117,254**
E) Effects of exchange rate changes on cash and cash equivalents	**-**	**-**
F) Cash and cash equivalents at beginning of the year	**13,772,759,352**	**10,155,642,099**
G) Cash and cash equivalents at end of the year (D+E+F)	**15,062,022,276**	**13,772,759,352**
Cash and cash equivalents at end of the year		
Cash in hand (including foreign currencies) (Note-3.1)	330,000	285,000
Balance with Bangladesh Bank and its agent bank(s) (Note-3.2)	2,564,995,968	1,095,727,369
Balance with other banks and financial institutions (Note-4)	12,496,696,308	12,676,746,983
Money at call and short notice (Note-5)	-	-
	15,062,022,276	**13,772,759,352**
Net operating cash flow per share (NOCFPS) (Note-38)	**10.99**	**12.06**

The annexed notes from 1 to 46 form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
Chairman	**Director**	**CEO & Managing Director**	**Company Secretary**

This is the cash flow statement referred to in our separate report of even date.

Dhaka, 17 February 2019

Sd/-
A. Qasem & Co.
Chartered Accountants

IDLC Finance Limited
Statement of Changes in Equity
for the year ended 31 December 2018

Particulars	Paid-up capital BDT	Share premium BDT	Statutory reserves BDT	General reserves BDT	Dividend equalisation reserves BDT	Retained earnings BDT	Total BDT
Balance at 01 January 2018	3,770,507,800	1,260,585,930	2,098,412,371	1,000,000,000	46,500,000	2,393,090,675	10,569,096,776
Dividend for 2017:							
30% cash dividend	-	-	-	-	-	(1,131,152,340)	(1,131,152,340)
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	**3,770,507,800**	**1,260,585,930**	**2,098,412,371**	**1,000,000,000**	**46,500,000**	**1,261,938,335**	**9,437,944,436**
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 year 2018	-	-	-	-	-	1,590,647,395	1,590,647,395
Appropriation to reserve	-	-	318,129,479	-	-	(318,129,479)	-
Balance at 31 December 2018	**3,770,507,800**	**1,260,585,930**	**2,416,541,850**	**1,000,000,000**	**46,500,000**	**2,534,456,251**	**11,028,591,831**

IDLC Finance Limited
Statement of Changes in Equity for the year ended 31 December 2017

Particulars	Paid-up capital BDT	Share premium BDT	Statutory reserves BDT	General reserves BDT	Dividend equalisation reserves BDT	Retained earnings BDT	Total BDT
Balance at 01 January 2017	2,513,671,870	3,750,000	1,782,004,350	1,000,000,000	46,500,000	2,258,610,930	7,604,537,150
Dividend for 2016:							
30% cash dividend	-	-	-	-	-	(1,131,152,342)	(1,131,152,342)
Rights Issue	1,256,835,930	1,256,835,930	-	-	-	-	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**	**1,127,458,589**	**8,987,056,669**
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 year 2017	-	-	-	-	-	1,582,040,107	1,582,040,107
Appropriation to reserves	-	-	316,408,021	-	-	(316,408,021)	-
Balance at 31 December 2017	**3,770,507,800**	**1,260,585,930**	**2,098,412,371**	**1,000,000,000**	**46,500,000**	**2,393,090,675**	**10,569,096,776**

The annexed notes from 1 to 46 form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-
Chairman	**Director**	**CEO & Managing Director**	**Company Secretary**

This is the statement of changes in equity referred to in our separate report of even date.

Dhaka, 17 February 2019

Sd/-
A. Qasem & Co.
Chartered Accountants

IDLC Finance Limited
Liquidity statement
as at 31 December 2018

Particulars	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	Above 5 years term	Total
	BDT	BDT	BDT	BDT	BDT	BDT
Assets						
Cash in hand (including balance with Bangladesh Bank)	2,565,325,968	-	-	-	-	2,565,325,968
Balance with other banks and financial institutions	4,346,696,308	6,400,000,000	1,750,000,000	-	-	12,496,696,308
Money at call and short notice	-	-	-	-	-	-
Investments	216,500,776	1,948,506,988	120,000,000	500,000,000	7,864,000	2,792,871,764
Loans & advances	6,548,677,294	5,632,617,612	17,664,527,129	36,188,068,883	16,375,716,555	82,409,607,473
Fixed assets including land, building, furniture and fixtures	11,113,318	22,079,791	87,216,820	195,228,847	183,496,347	499,135,123
Other assets	-	437,389,132	-	-	3,980,724,739	4,418,113,871
Non-banking assets	-	-	-	-	-	-
Total assets	**13,688,313,664**	**14,440,593,523**	**19,621,743,949**	**36,883,297,730**	**20,547,801,641**	**105,181,750,507**
Liabilities						
Borrowing from Bangladesh Bank, other banks and financial institutions & its agents	4,401,845,130	2,674,430,011	1,651,199,377	2,963,543,618	555,222,783	12,246,240,919
Deposits	4,745,328,998	13,318,700,521	16,829,788,112	38,403,187,869	496,114,184	73,793,119,684
Other accounts	-	-	-	-	-	-
Provision and other liabilities	372,649,670	745,299,341	3,725,242,966	2,022,431,867	1,248,174,229	8,113,798,073
Total liabilities	**9,519,823,798**	**16,738,429,873**	**22,206,230,455**	**43,389,163,354**	**2,299,511,196**	**94,153,158,676**
Net Liquidity Gap	**4,168,489,866**	**(2,297,836,350)**	**(2,584,486,506)**	**(6,505,865,623)**	**18,248,290,445**	**11,028,591,831**

The annexed notes from 1 to 46 form an integral part of these financial statements.

IDLC Finance Limited and its Subsidiaries
Notes to the consolidated and separate financial statements
As at and for the year ended 31 December 2018

1. Company and its activities

1.1 Legal status and nature of the Company

IDLC Finance Limited (The Company "IDLC") was incorporated in Bangladesh as a public limited company on 23 May 1985 under the Companies Act, 1913 in its earlier name of Industrial Development Leasing Company of Bangladesh Limited. The Company changed its name in August 2007. The registered office of the company is situated at Bay's Galleria (1st Floor), 57 Gulshan Avenue, Gulshan 1, Dhaka. The Company is registered as a Financial Institution under the Financial Institutions Act, 1993, governed by Bangladesh Bank (the Central Bank of Bangladesh)

The Company went for public issue of its shares in 1993. Its shares are listed in both the Stock Exchanges in Bangladesh.

1.2 Principal activities and nature of operation

When incorporated, the Company started with lease and term financing, as its core businesses. It expanded its activities into 'Short-Term Finance' (factoring of accounts receivable and work order financing) and 'Real Estate Finance' operations in 1997. It also started car loan and personal loan services to individuals in 2004 and 2007, respectively. Now, the company has evolved itself as multiproduct financial institution.

1.3 Subsidiary companies

1.3.1 IDLC Securities Limited (IDLC SL)

IDLC Securities Limited, a wholly owned subsidiary company (99.99%) of IDLC Finance Limited, was incorporated on 19 April 2006 as a private limited company under Companies Act, 1994. The Company had started its operation from September 2006. The main objective of the Company is to act as a member of stock exchanges to operate the Central Depository System (CDS) and to carry on the business of brokers, jobbers or dealers in stocks, shares, securities, commodities, commercial papers, bonds, obligations and debentures etc.

1.3.2 IDLC Investments Limited (IDLC IL)

As required by the Bangladesh Securities & Exchange Commission (BSEC), the Company formed a separate subsidiary (99.99%) on 19 May 2010 in the name and style of "IDLC Investments Limited" to transfer its merchant banking activities. As per Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Rules, 1996, the services of issue management, portfolio management, underwriting of shares and securities advisory services fall under the purview of merchant banking operation. The Company obtained license from the Bangladesh Securities and Exchange Commission (BSEC) on 02 August 2011 and commenced its business on 16 August 2011.

1.3.3 IDLC Asset Management Limited (IDLC AML)

IDLC Asset Management Limited (IDLC AML), another wholly owned subsidiary company (99.99%) of IDLC Finance Limited, was incorporated on 19 November 2015 as a private limited company under Companies Act, 1994.

The main objective of the Company is to carry out the business of asset management, primarily, through launching and managing mutual funds to cater diverse needs of investors. Beside institutional fund management IDLC AML also aims to facilitate alternative investments in terms of private equity and venture capital.

2. Basis of preparation and significant accounting policies

2.1 Statement of compliance

The consolidated financial statements and separate financial statements of the Company have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement and investment in marketable securities which are stated at market value in accordance with International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh, except the circumstances where local regulations differ, and the Companies Act, 1994, the Financial Institutions Act, 1993, Securities and Exchange Rules, 1987 & the (Listing) Regulations, 2015 of Dhaka & Chittagong Stock Exchanges and other applicable laws and regulations.

The presentation of the financial statements has been made as per the requirements of DFIM Circular No: 11, dated 23 December 2009 issued by the Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank. The activities and accounting heads mentioned in the prescribed form, which are not applicable for the financial institutions, have been kept blank in the financial statements.

The requirements of accounting standards as per IFRS that have been departed to comply with Bangladesh Bank requirements have been disclosed in detail in **Note-2.3.**

However, this departure with IFRS has been made by following all of the relevant provisions of IAS 1 and the details disclosures are given in **Note-2.3** by following the provision of Para 20 of IAS 1 (Presentation of Financial Statements).

2.2 Basis of measurement

This financial statements have been prepared based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) and no adjustment has been made for inflationary factors affecting the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

2.3 Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance with Bangladesh Bank's requirements

Bangladesh Bank (the local Central Bank) is the prime regulatory body for Financial Institution in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with those of financial instruments and general provision standards of IAS and IFRS. As such the company has departed from those contradictory requirements of IFRS in order to comply with the rules and regulations of Bangladesh Bank, which are disclosed below along with financial impact where applicable:

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
1	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS 9 “Financial Instruments”	An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to: a) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or b) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).	As per FID circular No. 08, dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 03, dated 29 April 2013, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans and Special Mentioned Accounts (SMA)) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances. Also provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.	In separate Financial Statements, an amount of BDT 366.13 million has been charged as incremental provision for leases, loans and advances, which includes BDT 93.72 million as general provision on good loan for the year 2018. Also, as at 31 December 2018, accumulated provision for leases, loans and advances stand at BDT 1,248.17 million. In consolidated Financial Statements, the same amount is BDT 397.01 million which includes general provision of BDT 91.22 million. Also, as at 31 December 2018, accumulated provision for leases, loans and advances stand at BDT 1,318.98 million.
2	Valuation of Investments in quoted and unquoted shares	IFRS 9 "Financial Instruments”	Investment in shares falls either under at “fair value through profit/loss (FVTPL)’ or “fair value through other comprehensive income (FVTOCI)” where any change in the fair value in case of FVTPL at the year-end is taken to profit of loss, and any change in fair value in case of FVTOCI is taken to other comprehensive income.	As per FID circular No. 08, dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; however in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only.	During this year, total market value of all shares of IDLC Finance Limited & its subsidiaries is less than the cost price. As on December 31, 2018 there was BDT 499.00 million gross loss on consolidated investment in marketable listed securities and BDT 166.72 million gross loss on investment by IDLC Finance Limited in marketable securities.

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
3	Recognition of interest income for SMA and classified lease, loans and advances	IFRS 9 "Financial Instruments"	Income from financial assets measured at amortized cost is recognized through effective interest rate method over the term of the investment. Once a financial asset is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount.	As per FID circular No. 03, dated 03 May 2006, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments are not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.	At the year end, in separate Financial Statements interest suspense account has decreased to BDT 351.27 million from BDT 396.05 million resulting decrease of BDT 44.78 million of interest suspense. This amount has been shown in other liabilities in note 12.5
4	Presentation of cash and cash equivalent	IAS 7 "Statement of Cash Flows"	Cash equivalent are short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like: 3 months or less period. In the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is illiquid asset and not available for use in day to day operations.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements provided detail presentation for statement of cash flows.	Financial Statements for 2018 and corresponding year 2017 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
5	Measurement of deferred tax asset	IAS 12 "Income Tax"	A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.	As per DFIM circular No. 7, dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against the provision for lease, loans and advances.	During this year there is no impact in the financial statements due to this departure as the Company did not consider any deductible temporary difference against the provision for leases, loans and advances.

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
6	Presentation and disclosure of Financial Statements and Financial Instruments	IAS 1 "Presentation of Financial Statements" IFRS 9 “Financial Instruments” & IFRS 7 "Financial Instruments: Disclosure"	Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement. IAS 1 requires separate line item for intangible assets on the face of statement of financial position. IFRS 9 and IFRS 7 require specific presentation and disclosure relating to all financial instruments.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income Statement. Intangibles assets are not separately presented on the face of statement of financial position; rather it is presented along with the line item of fixed assets. As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IAS 39. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts.	Financial Statements for 2018 and corresponding year 2017 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
7	Preparation of “Statement of Cash Flows”	IAS 7 "Statement of Cash Flows"	The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per DFIM Circular No. 11, dated 23 December 2009, Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.	Financial Statements for 2018 and corresponding year 2017 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank.

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
8	Current/Non-current distinction	IAS 1 "Presentation of Financial Statement"	As per Para 60 of IAS 1 "Presentation of Financial statement" An entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial posit ion.	As per DFIM Circular No. 11, dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Institutions. In this templates there is no current and non-current segmentation of assets and liabilities	Financial Statements for 2018 and corresponding year 2017 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. Moreover, the liquidity statement shows the aging profile of all financial assets and liabilities from where current/non-current portion of assets and liabilities can be obtained.
9	Off-balance sheet items	IAS 1 "Presentation of Financial Statements"	There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.	As per DFIM Circular No. 11, dated 23 December 2009, off-balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.	Financial Statements for 2018 and corresponding year 2017 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure but there is a disclosure in the financial statements
10	Impairment of Margin Loan (Loans and receivables	IFRS 9 "Financial Instruments"	Measurement after initial recognition at amortized cost and recording of changes through profit and loss.	As per Bangladesh Securities and Exchange Commission (BSEC) Circular No. SEC/CMRRCD/2009-193/196 dated 28 December 2016, provisions for the year 2016 on impairment of principal portion of margin loan shall be kept at 20% on each quarter for the five quarters starting from December 2016.	There is no such impact for this. However, we have been maintaining full provision for unrealized loss (if any) of margin loan in the portfolio.
11	Complete set of financial statements	IAS 1 "Presentation of	As per IAS 1: "Presentation of Financial Statements'' complete set of financial statements are	As per DFIM Circular No. 11, dated 23 December 2009, complete set of financial statements are	Financial Statements for 2018 and corresponding year 2017 have been prepared as per guideline (DFIM

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
		Financial Statements"	i) statement of financial position, ii)statement of profit or loss and other comprehensive income, iii) statement of changes in equity, iv) statement of cash flows, v) notes, comprising significant accounting policies and other explanatory information and vi) statement of financial position at the beginning of preceding period for retrospective restatement.	i) balance sheet, ii) profit and loss account, iii) statement of cash flows, iv) statement of changes in equity, v) statement of liquidity, vi) notes, comprising significant accounting policies and other explanatory information.	Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
12	Intangible asset	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements'' para 54: the statement of financial position shall include separate line item for intangible assets.	As per DFIM Circular No. 11, dated 23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. We present intangible asset in the balance sheet as part of fixed assets and provide details in annexure-A as separate line item.	Financial Statements for 2018 and corresponding year 2017 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
13	Other comprehensive income	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements'' Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single OCI statement.	Bangladesh Bank has issued templates for financial statements which will strictly be followed by financial institutions. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of OCI allowed to be included in a single OCI statement.	Financial Statements for 2018 and corresponding year 2017 have been prepared as per the guideline and templates issued by Bangladesh Bank. There is no financial impact for this departure in the financial statements.

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
				As such the financial institution does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.	
14	Disclosure of presentation of profit	N/A	There is no requirement to show appropriation of profit in the face of statement of comprehensive income.	As per DFIM circular no 11, dated 23 December 2009, an appropriation of profit should be disclosed in the face of profit and loss account	Financial Statements for 2018 and corresponding year 2017 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.

2.4 Components of the financial statements

The financial statements comprise of (As per DFIM Circular No. 11, Dated 23 December 2009):

a) Consolidated and Separate Balance Sheet as at 31 December 2018;
b) Consolidated and Separate Profit and Loss Account for the year ended 31 December 2018;
c) Consolidated and Separate Statement of Cash Flows for the year ended 31 December 2018;
d) Consolidated and Separate Statement of Changes in Equity for the year ended 31 December 2018;
e) Liquidity Statement for the year ended 31 December 2018 and
f) Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2018.

2.5 Directors' responsibility statement

The Board of Directors' takes the responsibility for the preparation and presentation of these financial statements.

2.6 Date of authorisation

The Board of directors has authorised this financial statements for public issue on 17 February 2019 .

2.7 Presentation and functional currency and level of precision

The financial statements are presented in Bangladesh Taka (BDT) currency, which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest BDT.

2.8 Use of estimates and judgments

The preparation of financial statements in conformity with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

The most critical estimates and judgments are applied to the following:

- Provision for impairment of loans, leases and investments
- Gratuity
- Useful life of depreciable assets

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognised in the period in which the estimates are revised. In accordance with the guidelines as prescribed by IAS 37: "Provisions, Contingent Liabilities and Contingent Assets", provisions are recognized in the following situations:

Provisions

Provisions are liabilities that are uncertain in timing or amount. Provisions are recongnized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or the Group has a present obligation as a result of past events but is not recognized because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise legal claims under arbitration or court process in respect of which a liability is not likely to occur.

Contingent Assets:

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are never recognized, rather they are disclosed in the financial statements when they arise.

2.9 Basis of consolidation of operations of subsidiaries

The financial statements of the Company and its subsidiaries, as mentioned in note No. 1.3.1, 1.3.2 and 1.3.3 have been consolidated in accordance with International Financial Reporting Standard (IFRS) 10 "Consolidated Financial Statements". The consolidation of the financial statements have been made after eliminating all material inter company balances, income and expenses arising from inter company 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 non-controlling shareholders being deducted as 'Non-controlling Interest'.

All assets and liabilities of the Company and of its subsidiaries are shown in the consolidated balance sheet. The interest of non-controlling shareholders of the subsidiary are shown separately in the consolidated balance sheet under the heading 'Non-controlling Interest'.

2.10 Branch accounting

The Company has thirty branches, with no overseas branch as on 31 December 2018. Accounts of the branches are maintained at the head office from which these accounts are drawn up.

2.11 Accounting for leases

As Lessor

As per International Accounting Standard (IAS) 17: “Leases”, all leases are treated as finance lease since assets leased under agreements are transferred substantially to customers with all the risks and rewards associated with ownership, other than legal title and all leases are full payout leases.

In accordance with the said standard, the aggregate lease receivables including un-guaranteed residual value throughout the primary lease term are reported as gross lease receivables while the excess of gross lease receivables over the total acquisition cost including interest during the period of acquiring the lease assets constitutes the unearned lease income. The balance of the unearned lease income is amortised to revenue on a monthly basis over the primary lease term yielding a constant rate of return over the period.

At present, the company does not have any operating lease arrangement with any lessee.

As Lessee

All assets are recognized as fixed assets including land, building, furniture and fixture against their obligation as liability. Lease payments of finance lease are included two components, mainly finance charge and redemption of principal payment (obligation under finance lease).

2.12 Accounting for term finance & other finances

Books of accounts for term finance operation are maintained based on the accrual method of accounting. Outstanding loans, along with the accrued interest thereon, for short-term finance, and unrealised principal for long-term finance, real estate finance, car loans and other finances are accounted for as term finance assets of the Company. Interest earnings are recognised as operational revenue periodically.

2.13 Accounting for Margin Loan

Margin Loan to Portfolio investors is given at an agreed ratio (not more than the ratio prescribed by BSEC) between investor's deposit and loan amount to purchase securities against respective investor account. The new investor are to maintain the margin as per set rules and regulations. The margin is monitored on daily basis as it is changes due to changes in market price of share. If the margin falls below the minimum requirement, the investors are required to deposit additional fund to maintain the margin as per rules otherwise the securities are sold to bring the margin to the required level.

2.14 Investment in securities

Investment in marketable ordinary shares has been shown at cost, on an aggregate portfolio basis. Investment in non-marketable shares has been valued at cost. Full provision for diminution in value of shares as on closing of the year on an aggregate portfolio basis is made in the financial statements as required by Bangladesh Bank DFIM circular No. 02 dated 31 January 2012.

2.15 Property and equipment

i) Recognition and measurement

Own assets

Items of own fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to its working condition for its intended use as per International Accounting Standard (IAS) 16: ''Property, Plant and Equipment''.

Leasehold assets

Leasehold assets of which the company assumes substantially all the risks and rewards of ownership are accounted for as finance leases and capitalised at the inception of the lease at fair value of the leased property or at the present value of the minimum lease payments, whichever is lower as per International Accounting Standard (IAS) 17: "Leases". The corresponding obligation under the lease is accounted for as

ii) Subsequent expenditure on Fixed assets

Subsequent expenditure is capitalised only when it increases the future economic benefit from the assets and that cost can be measured reliably. All other expenditures are recognised as an expense as and when they are incurred.

iii) Depreciation

Depreciation is charged to amortise the cost of assets, over their estimated useful lives, using the straight-line method in accordance with IAS16: "Property, Plant and Equipment". Full depreciation is charged on additions irrespective of date when the related assets are put into use and no depreciation is charged from the month of disposal. Asset category wise depreciation rates are as follows:

Particulars of Property, Plant & Equipment	Rates (Yearly)
Furniture and fixtures	12.50%
Building	2.50%
Electrical equipment	20.00%
Curtain and carpets	33.33%
Office equipment	20.00%
Office decoration	20.00%
Telephone and telex	33.33%
Motor vehicles	25.00%
Leasehold motor vehicles	25.00%
Computers	20.00%
Software (Office Operation)	33.33%
Software (Business Operation)	20.00%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the profit and loss account.

Depreciation methods, useful lives and residual values, if any are reviewed at the balance sheet date.

2.16 Intangible assets and amortisation of intangible assets

Recognition & Measurement

Intangible assets comprise the value of computer software. Intangible assets acquired separately are measured on initial recognition at cost and are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation

Amortisation is calculated using the straight line method to write down the cost of intangible assets to their residual values over their estimated useful lives based on the management best estimates of 3 or 5 years.

Subsequent expenditure

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits in the specifications to which it relates. All other expenditures are expensed as incurred.

2.17 Revenue recognition

Revenue is only recognised when it meets the following five steps model framework.
a) identify the contract (s) with a customers;
b) identify the performance obligations in the contract;
c) determine the transaction price;
d) allocate the transaction price to the performance obligations in the contract;
e) recognise revenue when (or as) the entity satisfies a performance obligation.
Interest income from loans and other sources is recognised on an accrual basis of accounting.

Lease income

Finance lease income is allocated over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on net investment in the finance lease. The unearned lease income is recognised on installment date as revenue on an accrual basis over the terms of the lease. However, lease income is not recognised if capital or interest receivable is in arrears for more than three months.

Interest on real estate finance

Interest on real estate finance is recognised as revenue on an accrual basis and no interest on real estate finance is accounted for as revenue where any portion of capital or interest is in arrear for more than nine months.

Interest on term loans and short term finance

Interest on term loan and short term finance is recognised as revenue on an accrual basis and interest income on term loan is not recognised where any portion of interest is in arrear for more than three months.

Portfolio management fee

Portfolio management fees are recognised on the market value of the clients' portfolio on monthly basis and charged to client's balance on quarterly basis.

Issue management & Corporate advisory fee

Issue management and corporate advisory fees are recognised according to the stage of completion of services as agreed and defined in issue management and corporate advisory agreement between company

Brokerage commission

Brokerage commission is recognised as income when selling or buying order is signed and trade is executed.

Dividend income

Dividend is recognised as income when the right to receive income is established.

Profit or loss on sale of securities

Profit or loss arising from the sale of securities is accounted for only when the securities are sold/offloaded.

Fee based revenues

Fees on services rendered by the company are recognised as and when services are rendered.

Mutual fund management fees

As per the Securities and Exchange Commission (Mutual Fund) Rules, 2001, the Fund shall pay a management fee based on following criteria:

a. 2.50 percent per annum of the weekly average NAV up to BDT 5.00 crore (Five crore BDT);

b. 2.00 percent per annum for additional amount of the weekly average NAV up to BDT 25.00 crore (Twenty Five crore BDT) over BDT 5.00 crore (Five crore BDT);

c. 1.50 percent per annum for additional amount of the weekly average NAV up to BDT 50.00 crore (Fifty crore BDT) over BDT 25.00 crore (Twenty Five crore BDT); and

d. 1.00 percent per annum for additional amount of the weekly average NAV over BDT 50.00 crore (Fifty crore BDT), accrued and payable quarterly at the end of the period.

Mutual fund formation fee

As per the Securities and Exchange Commission (Mutual Fund) Rules, 2001, the Fund shall pay Mutual Fund Formation fee to the Asset Management Company as mentioned in the Published Prospectus of the Fund approved by Bangladesh Securities and Exchange Commission.

Mutual fund Pre-scheme formation fee

As per BSEC Directive vide ref no.: SEC/CMRRCD/2009 – 193/ 160 dated 28 May 2014, Asset Manager can accrue management fees from scheme of the Mutual Fund for the period starting from the registration date of the scheme to pre-trade period according to the Rule 65(2).

2.18 Interest suspense account

Lease income earned, interest on term finance (car loans, personal loans) overdue beyond three months period and interest on real estate finance overdue beyond nine months period and interest on short term finance overdue beyond permitted credit term plus ninety days period are not recognised as revenue and are credited to the interest suspense account.

2.19 Accounts receivable

Accounts receivable at the balance sheet date is stated at amounts which are considered realisable. Specific allowance is made for receivable considered to be doubtful for recovery.

2.20 Securitization

Securitization of various leases/loans result in sale of these assets to Special Purpose Vehicles ('SPVs'), which, in turn issue securities to investors. Financial assets are partially or wholly derecognised when the control of the contractual rights in the securitized assets are lost.

2.21 Borrowing cost

Borrowing costs are recognised as expense in the year in which they are incurred unless capitalisation is permitted under International Accounting Standard (IAS) 23: "Borrowing Costs".

2.22 Cash flow statements

Cash flow statements are prepared using the direct method as stipulated in International Accounting Standard (IAS) 7: "Cash Flow Statements", and in accordance with the instruction of Bangladesh Bank.

2.23 Conversion of foreign currency transactions

Foreign currency transactions are translated into BDT at rates prevailing at the respective dates of transactions, while foreign currency monetary assets at the end of the year are reported at the rates prevailing on the balance sheet date. Exchange gains or losses arising out of the said conversions are recognised as income or expense for the year after netting off.

2.24 Provision for doubtful accounts and future losses

Provision has been made at estimated rates on outstanding exposures, based on aging and continuous review of the receivables, as per the Bangladesh Bank Provisioning policy. A general provision has been made by the company to cover unforeseen losses on all leases, loans and investments excluding those for which a specific provision has been kept. The provision is considered adequate to meet any probable future losses.

2.25 Write-off

Write-off describes a reduction in recognised value. It refers to the recognition of the reduced or zero value of an asset. Generally it refers to an investment for which a return on the investment is now impossible or unlikely. The item's potential return is thus cancelled and removed from ("written-off") the Company's balance sheet.

Recovery against debts written-off/provided for is credited to revenue. Income is recognized where amounts are either recovered and/or adjusted against securities/properties or advances there-against or are considered recoverable.

2.26 Employees' benefit obligation

2.26.1 Defined contribution plan

The Company operates a contributory provident fund scheme for its permanent employees. Provident fund is administered by a Board of Trustees and is funded by equal contributions both by the employees and the Company at a predetermined rate. The contributions are invested separately from the Company's asset.

2.26.2 Defined benefit plan

The Company also operates a funded gratuity scheme (which is a defined benefit scheme as specified in IAS 19). Gratuity fund is administered by a Board of Trustees and Company contributions are invested separately from company assets. Employees are entitled to gratuity benefit after completion of minimum years of service with the Company. The Company is contributing to the fund as prescribed by actuarial valuation report. The gratuity is calculated on the last basic pay and is payable at the rate of below table:

Duration of the services	Amount entitled of receive
For services 05 to 10 years	One month's basic pay for each year of service.
For services from 10 to 15 years	One & a half month's basic pay for each year of service .
For services more than 15 years	Two month's basic pay for each year of service.

2.26.3 Other employees benefit obligation

The Company operates a group life insurance scheme for its permanent employees.

The Company also has real estate loan for its permanent employees. Employees are entitled to real estate loan after completion of minimum five years of services with the Company.

2.27 Taxation

Tax expense comprises of current and deferred tax.

2.27.1 Deferred tax

The Company accounts for deferred tax as per International Accounting Standard (IAS) 12: "Income Taxes". Deferred tax is provided using the balance sheet method for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purposes. Tax rate prevailing at the balance sheet date is used to determine deferred tax.

Deferred tax normally results in a liability being recognized within the Statement of Financial Position. IAS 12 defines a deferred tax liability as being the amount of income tax payable in future periods. Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method.

2.27.2 Current tax

Provision for current tax is made on the basis of the profit for the year as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereto from time to time.

2.28 Impairment of long-lived assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recovered. Accordingly, the Company estimates the recoverable amount of the assets. Impairment losses, if any, is recognised in the profit and loss account when the estimated recoverable amount of an asset is less than its carrying amount.

2.29 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank, term deposits and investment in call loan that are readily convertible to a known amount of cash (with less than three months maturity) and that are subject to an insignificant risk of change in value.

2.30 Bank loans

Bank loans are recorded at the proceeds received. Interest on bank loans is accounted for on accrual basis and charged to profit and loss account.

2.31 Earnings Per Share (EPS)

The Company calculates earnings per share in accordance with International Accounting Standards (IAS) 33: "Earnings Per Share" which has been shown in the face of the Profit and Loss Account and the computation is stated in note 36.

2.32 Related party disclosure

As per International Accounting Standards (IAS) 24: "Related Party Disclosures", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in note 40.

2.33 Statutory reserves

As per clause no: 6 of Financial Institutions Regulations, 1994, Financial Institution is required to transfer at least 20% of it's profit after tax and before appropriation of dividend in a particular year, if the financial institution's sum of Share Premium Account (if any) and Statutory Reserves is less than the paid up capital of that financial institution. Accordingly, 20% of current year's profit after tax has been transferred to Statutory Reserves Account.

2.34 Determination and presentation of operating segment

After incorporation, the company started with lease and loan as its core financing business. By times, it diversified its business into investment banking business, brokerage business and asset management business. The company has decided it various operating segment considering nature of segmental business. Thus four operating segments of the Group are reported and presented. Profit and loss account of above operations and other operation have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), and results of its operation has been combined, item by item, with the financial results of the Company.

Compliance with International Financial Reporting Standard

As on 01 January 2010, the Company determines and presents operating segments based on information that is internally provided to the Company's Management Committee (ManCom), which is the Company's Chief Operating Decision Maker (CODM). This is due to the adoption of the International Financial Reporting Standard (IFRS) 8 " Operating Segments". Since the adoption of this IFRS only affects presentation and disclosure aspects, there is no impact on the earnings per share.

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with the Company's other components, whose operating results are regularly reviewed by the Company's ManCom to make decisions about resources allocated to the segments and assess its performance and for which discrete financial information is available.

For the separate financial statements, the Company has determined one reportable segments such as core financing business and for the consolidated financial statements, the subsidiaries of the Company have been determined to be a separate reportable segment in addition to the other segments. Thereafter, for the separate financial statements, the Company has one reportable segment which is core financing business and for the consolidated financial statements, the subsidiaries of the Company (IDLC Securities Limited, IDLC Investments Limited and IDLC Asset Management Limited) have been determined to be three separate reportable segments in addition to the core financing business.

Information about operating segment has been presented in note 34.

2.35 Proposed dividend

Proposed dividend has not been recognised as a liability in the balance sheet in accordance with International Accounting Standards (IAS) 10: "Events After the Reporting Period".

2.36 Events after the reporting period

All material events occurring after the reporting date have been considered and where necessary, adjusted for or disclosed in note no: 45.

2.37 Minority interest in subsidiaries

A minority interest, which is also referred to as noncontrolling interest (NCI), is ownership of less than 50% of a company's equity by an investor or another company. For accounting purposes, minority interest is a fractional share of a company amounting to less than 50% of the voting shares. Minority interest shows up as a noncurrent liability on the balance sheet of companies with a majority interest in a company, representing the proportion of its subsidiaries owned by minority shareholders. Also, minority interest is reported on the consolidated income statement as a share of profit belonging to minority shareholders.

2.38 Liquidity statement

The liquidity statement has been prepared in accordance with remaining maturity grouping of Assets and Liabilities as of the close of the year as per following basis:

a) Balances with other banks and financial institutions are on the basis of their maturity term;
b) Investments are on the basis of their expected liquidation & residual maturity term;
c) Loans, advances and leases are on the basis of their repayment/maturity schedule;
d) Fixed assets are on the basis of their useful lives;
e) Other assets are on the basis of their adjustment terms;
f) Borrowings from other banks and financial institutions as per their maturity/repayment terms;
g) Deposits and other accounts are on the basis of their maturity term and behavioral past trends;
h) Other long term liabilities are on the basis of their maturity terms and
i) Other liabilities are on the basis of their settlement terms.

2.39 Status of compliance of International Accounting Standards and International Financial Reporting Standards

In addition to compliance with local regulatory requirements, in preparing the Consolidated Financial Statements and Separate Financial Statements, IDLC applied following IAS and IFRS:

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	Applied *
Inventories	2	N/A
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	Applied
Investment in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyperinflationary Economics	29	N/A
Interests in Joint Ventures	31	N/A
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	N/A
Agriculture	41	N/A

Name of the IFRS	IFRS No.	Status
Share Based payment	2	N/A
Business combination	3	N/A
Insurance Contracts	4	N/A
Non-current assets held for sale and discontinued operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied *
Operating Segments	8	Applied
Financial Instruments	9	Applied *
Consolidated Financial Statements	10	Applied
Joint Arrangement	11	N/A
Disclosure of Interest in Other Entities	12	N/A
Fair Value Measurement	13	Applied *
Revenue from Contracts with customers	15	Applied

N/A= Not Applicable

* As the regulatory requirements differ with the standards, relevant disclosures have been made in accordance with Bangladesh Bank's requirements (please see note 2.3).

2.40 BASEL II & its implementation

To cope with the international best practices and to make the capital more risks sensitive as well as more shock resilient, guidelines on 'Basel Accord for Financial Institutions (BAFI)' were introduced on 01 January 2011 on test basis by the Bangladesh Bank. At the end of test run period, Basel Accord regime started and the guidelines namely "Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions (CAMD)" came fully into force from 01 January 2012 with its subsequent supplements/revisions. Instructions regarding Minimum Capital Requirement (MCR), Adequate Capital, and Disclosure requirement as stated in these guidelines have to be followed by all FIs for the purpose of statutory compliance. As per CAMD guidelines, Financial Institutions should maintain a Capital Adequacy Ratio (CAR) of minimum 10%. In line with CAMD guideline's requirement, IDLC has already formed BASEL Implementation Unit (BIU) to ensure timely implementation of BASEL II accord.

2.41 Financial risk management

IDLC always concentrates on delivering high value to its stakeholders through appropriate trade-off between risk and return. A well structured and proactive risk management system is in place within the Company to address risks relating to credit, market, liquidity, operations and money laundering and terrorist financing. In addition to the industry best practices for assessing, identifying and measuring risks, IDLC also considers guidelines for managing core risks of financial instructions issued by the Country's Central Bank, Bangladesh Bank, vide FID Circular No. 10 dated 18 September 2005 for management of risks and, more recently, DFIM Circular No. 03 dated 24 January 2016.

Credit Risk

To encounter and mitigate credit risk the company employed multilayer approval process, policy for maximum exposure limit of sector or groups, policy for customers' assets maximum exposure limit, mandatory search for credit report from Credit Information Bureau, looking into payment performance of customer before financing, annual review of clients, adequate insurance coverage for funded assets, vigorous monitoring and follow up by Special Assets Management Team, strong follow up of compliance of credit policies by Internal Control and Compliance Department (ICCD), taking collateral, seeking external legal opinion, maintaining neutrality in politics and following arm's length approach in related party transactions, regular review of market situation and industry exposure etc.

The Credit Evaluation Committee (CEC) regularly meets to review the market and credit risk related to lending and recommend and implement appropriate measures to counter associated risks. The CEC critically reviews projects from risk point of view. An independent Credit Risk Management Department is in place, at IDLC, to scrutinize projects from a risk-weighted point of view and assist the management in creating a high quality credit portfolio and maximize returns from risk assets.

Market Risk

The Asset Liability Committee (ALCO) of the Company regularly meets to assess the changes in interest rate, market conditions, carry out asset liability maturity gap analysis, re-pricing of products and thereby takes effective measures to monitor and control interest rate risk. IDLC has also strong access to money market and credit lines at a competitive rate through good reputation, strong earnings, financial strength and credit

Liquidity Risk

Liquidity requirements are managed on a day-to-day basis by the Treasury Division which is responsible for ensuring that sufficient funds are available to meet short term obligations, even in a crisis scenario, and for maintaining a diversity of funding sources. Treasury Division maintains liquidity based on historical requirements, anticipated funding requirements from operation, current liquidity position, collections from financing, available sources of funds and risks and returns.

Operational Risk

Appropriate internal control measures are in place, at IDLC, to address operational risks. IDLC has also established an Operational Risk Management (ORM) to address operational risk and to frame and implement policies to encounter such risks. This department assesses operational risk across the Company as a whole and ensures that an appropriate framework exists to identify, assess and mange operational risk. The function of the ORM department is to exercise constant vigilance against erosion of Shareholders' value by identifying, assessing, measuring and managing operational risk resulting from inadequate or failed internal processes, people and systems or from external events.

Money Laundering and Terrorist Financing Risk

In IDLC, money laundering and terrorist financing risk takes two broad dimensions:

a) Business risk which is the risk that IDLC may be used for money laundering or for the financing of terrorism and

b) Regulatory risk which is the risk that IDLC fails to meet regulatory obligations under the Money Laundering Prevention Act, 2012 (subsequently amended in 2015) and the Anti-Terrorism Act, 2009 (subsequently amended in 2012 and 2013).

To mitigate the risks, IDLC, while adhering to various guidelines and circulars issued by the Bangladesh Financial Intelligence Unit (BFIU), has in place a strict compliance program consisting of the following components:

a) Internal policies, procedures and controls, which are continually updated as and when required, to identify and report instances of money laundering and terrorism financing;

b) A dedicated structure and sub-structure within the organisation, headed by a Central Compliance Unit (CCU), for proactively managing AML and CFT compliance;

c) Appointment of an AML/CFT Compliance Officer, known as the Chief Anti Money Laundering Officer (CAMLCO), to lead the CCU;

d) Independent audit functions, including internal and external audit, to test the programs;

e) Ongoing employee training programs.

Additional risks required to be addressed under regulatory requirements

DFIM Circular No.03 of 2016, introduced the Integrated Risk Management Guidelines for Financial Institutions ("the guidelines"). These guidelines supplement, and do not replace, existing risk management guidelines.

The Integrated Risk Management Guidelines for Financial Institutions specify a number of additional risks that financial institutions are now required to manage in a more structured manner. Key among these are:

Strategic Risk

Strategic risk has been defined as the risk of possible losses that might arise from adverse business decisions, substandard execution and failure to respond properly to changes in the business environment. The guidelines set out the respective roles of the board of the directors, senior management and business units in managing strategic risks, identify the minimum steps to be followed in the strategic risk management process and also suggest measures for strategic risk control.

IDLC has been managing strategic risks ever since its inception. This is evident from the constantly evolving business model of the company over the years. The company has a clear strategic vision as to what it wants to be and a mission statement that states what it will do to achieve its vision. Strategic issues are discussed at a variety of forums including meetings of the Management Committee and of the IDLC Board. Over the past few years, a separate Strategic Planning department has been set up to assist senior management in this regard. The culmination of all these efforts are reflected in annual Strategy and Budget sessions, where the company sets outs its plans for the next year. With the introduction of the new guidelines, more changes will be made to the strategic risk management process as and when required.

Compliance Risk

Compliance risk is defined as the current or prospective risk of legal sanction and/or material financial loss that an organisation may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of best practice as well as from the possibility of incorrect interpretation of laws or regulations. The guidelines set out the respective roles of the board, senior management and compliance function units in managing compliance risks and also require formulation of a written compliance risk management policy.

Historically, IDLC has always fostered a compliance oriented culture. This has been reinforced in a variety of ways, ranging from formal requirements to sign declarations of compliance with the IDLC code of conduct (which requires compliance with the law & regulations) to repeated communications from senior management stressing the need to do business in a compliant manner. In general, compliance risk management is embedded in the day to day to business processes and practices of the company. Concerned departments are kept informed of latest legal and regulatory requirements by the ICC and Corporate Affairs departments. A consideration of compliance (or any potential non-compliance) with laws and regulations is a standard part of the company's regular decision making processes. Wherever deemed necessary, appropriate legal advice is sought from qualified internal and/or external legal counsel.

Reputation Risk

Reputation risk may be defined as the risk of loss arising from damages to an organization's reputation. The guidelines set out the respective roles of the Board and senior management in managing reputation risk and also require financial institutions to implement a sound and comprehensive risk management process to identify, monitor, control and report all reputational risks.

IDLC has already established a set of non-financial reputational risk indicators and put in place a process for monitoring these and any other matters that might give rise to potential reputational risk issues. Till date, no material reputational risk issue involving the company has been identified.

Environmental & Social Risk

As the best financial brand in promoting sustainable business practices, IDLC have adopted Environmental & Social Risk Management System as one of its integral parts of Credit Risk Assessment to compute environmental & social risks from our financial footprints. IDLC is one of the front runners to add "Environmental & Social Management System (ESMS)" within its framework, a global standard to minimize environmental & social risks from the organizational activities. With the co-operation of FMO (Netherlands Development Finance Company), IDLC have the most efficient ESMS system of the market, blending the local & international standards for formulating E&S risks before financing any proposal. Our ESMS system comprises the guidelines like: Environmental & Social Risk Management Guideline by Bangladesh Bank, the Environment Conservation Rules 1997, IFC Performance Standards & ADB Safeguard for financing. Also with the help of an exclusion list, IDLC is contributing to protect its mother nature by prohibiting any illegal/high E&S risk associated project financing. In addition to this, IDLC also adopted the 10 UNGC (United Nations Global Compact) principles within its organizational framework as the only signatory of UNEP FI (United Nations Environment Programme Finance Initiative) from Bangladesh. IDLC also have a dedicated E&S team to rollout the operations of ESMS across the organization, capacity building of the business unit as well as the credit risk management officials to strengthen the core of our in E&S Risk management.

2.42 Custodial Service

IDLC Finance Limited is a registered Security Custodian vide registration license no: SC-06/2007 dated 24 May 2007 issued by Bangladesh Securities and Exchange Commission. To facilitate this service IDLC Finance Limited has also obtained Custody Depository participant License vide registration license no. BSEC/Registration/ CDBL-DP-414, dated 17 December 2014 issued by Bangladesh Securities and Exchange Commission. The major responsibilities of the Security Custodian are as follows:

- Custody of client's securities;
- Collection, book keeping and communication of gain, income, profit, stake on behalf of clients;
- Collection, communication, dissemination and book keeping of any declaration, published or publicly available information, statement etc. of securities issuer;
- Administer client's security and account.

IDLC Finance Limited as a Security Custodian confirms that proper internal audit and evaluation process are in place to ensure the following:

- Secure and appropriate custodial service;
- No unwarranted change in the assets, records, agreements etc. occur;
- Each client receives his/her due dividends, bonus share, right share, interest, principal etc. in a timely manner;
- Prevent loss, theft, damage due to natural calamity.

As on 31 December 2018, IDLC Finance Limited is the custodian of 265,078,727 ordinary shares of RAK Ceramic (Bangladesh) Limited held by RAK Ceramics, PSC, UAE and 7 individual sponsor shareholders. IDLC Finance Limited has entered into an agreement during 2014 with RAK Ceramics PSC, UAE regarding providing security custodian service.

IDLC Finance Limited is also providing security custodian service for 8,477,970 ordinary shares of Aamra Networks Limited held by Augere Holdings (Netherlands) B.V. In 2017, another agreement was entered with SEAF Bangladesh Ventures LLC for providing custodian service for 1,285,832 ordinary shares of ADN Telecom Limited.

		IDLC Finance Limited		IDLC Group	
		2018	2017	2018	2017
		BDT	BDT	BDT	BDT
3	**Cash**				
3.1	**Cash in hand (including foreign currencies):**				
	In local currency	330,000	285,000	434,090	385,000
	In foreign currency	-	-	-	-
		330,000	285,000	434,090	385,000
3.2	**Balance with Bangladesh Bank and its agent (including foreign currencies)**				
	In local currency	2,564,995,968	1,095,727,369	2,564,995,968	1,095,727,369
	In foreign currency	-	-	-	-
		2,564,995,968	1,095,727,369	2,564,995,968	1,095,727,369
		2,565,325,968	**1,096,012,369**	**2,565,430,058**	**1,096,112,369**

3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)

Cash Reserve Requirement and Statutory Liquidity Reserve have been calculated and maintained in accordance with Financial Institutions Act, 1993 & Financial Institutions Regulations, 1994, FID Circular No. 06, dated 06 November 2003, FID Circular No. 02 dated 10 November 2004 and DFIM Circular Letter No. 01, dated 12 January 2017

Cash Reserve Requirement (CRR) has been calculated at the rate of 2.5% on Total Term Deposits which is preserved in current account maintained with Bangladesh Bank. 'Total Term Deposit' means Term or Fixed Deposit, Security Deposit against Lease/Loan and other Term Deposits, received from individuals and institutions (except Banks & Financial Institutions)

Statutory Liquidity Reserve (SLR) has been calculated at the rate of 5.0% on total liabilities, including CRR of 2.5% on Total Term Deposit. SLR is maintained in liquid assets in the form of cash in hand (notes & coin in Taka), balance with Bangladesh Bank and other Banks and Financial Institutions, unencumbered treasury bill, bond and any other assets approved by Government gazette or by Bangladesh Bank.

a)	**Cash Reserve Requirement**				
	Required reserve	1,385,890,719	1,089,008,878	1,385,890,719	1,089,008,878
	Actual reserve maintained	1,393,211,299	1,100,802,430	1,393,211,299	1,100,802,430
	Surplus/ (deficit)	**7,320,580**	**11,793,552**	**7,320,580**	**11,793,552**
b)	**Statutory Liquidity Reserves**				
	Required reserve (including CRR)	3,957,672,444	3,031,445,013	3,957,672,444	3,031,445,013
	Actual reserve maintained (including CRR) (note 3.3.1)	4,011,076,275	3,064,750,283	4,011,076,275	3,064,750,283
	Surplus/ (deficit)	**53,403,831**	**33,305,270**	**53,403,831**	**33,305,270**

3.3.1 Actual reserve maintained (including CRR)

The City Bank Limited	-	250,991	-	250,991
Standard Chartered Bank	153,267,412	-	153,267,412	-
Citibank N.A.	32,313,731	30,162,037	32,313,731	30,162,037
Bangladesh Bank	1,325,495,132	1,084,337,255	1,325,495,132	1,084,337,255
Social Islami Bank Limited	-	800,000,000	-	800,000,000
Meridian Finance & Investment Limited	-	200,000,000	-	200,000,000
One Bank Limited	1,800,000,000	-	1,800,000,000	-
Jamuna Bank Limited	-	450,000,000	-	450,000,000
Standard Bank Limited	400,000,000	-	400,000,000	-
Union Bank Limited	-	500,000,000	-	500,000,000
Al-Arafah Islami Bank Limited	300,000,000	-	300,000,000	-
	4,011,076,275	**3,064,750,283**	**4,011,076,275**	**3,064,750,283**

		IDLC Finance Limited		IDLC Group	
		2018	2017	2018	2017
		BDT	BDT	BDT	BDT
4	**Balance with other banks and financial institutions in Bangladesh**				
4(a)	**Inside Bangladesh:**				
	Current deposits in local currency				
	Woori Bank limited	5,832	15,927	5,832	15,927
	Bank Al- Falah Limited	1,460	5,430	1,460	5,430
	One Bank Limited	-	-	3,295,766	8,645,318
	Jamuna Bank Limited	7,240	8,390	7,240	8,390
	The City Bank Limited	19,100,962	38,884,706	19,100,962	38,884,706
	National Bank Limited	12,048,186	3,949,086	12,048,186	3,949,086
	Bank Asia Limited	12,609,106	13,098,902	12,609,106	13,098,902
	State Bank of India	13,345,504	4,700,049	13,345,504	4,700,049
	Commercial Bank of Ceylon PLC	507,076	3,586,580	1,620,138	3,925,605
	Citibank N.A	162,608,798	134,980,349	162,608,798	134,980,349
	Standard Chartered Bank	(936,536,798)	(1,084,422,501)	(501,109,222)	(733,627,887)
	Mutual Trust Bank Limited	(1,719,021)	170,695,065	(1,719,021)	170,695,065
	Exim Bank Limited	3,655,870	5,980,591	3,655,870	5,980,591
	Dutch Bangla Bank Limited	30,182,492	32,387,903	30,182,492	32,387,903
	BRAC Bank Limited	23,901,508	1,275,452	44,576,133	15,082,664
	Dhaka Bank Limited	5,062,481	14,570,753	5,062,481	14,570,753
	NRB Bank Limited	-	-	190,901	3,048,006
	Mercantile Bank Limited	1,157,719	2,290,910	1,157,719	2,290,910
	IDLC Investments Limited	106,347,259	9,586,771	-	-
		(547,714,326)	(648,405,637)	(193,359,655)	(281,358,233)
	Short-term deposit accounts				
	Prime Bank Limited	1,078,215	7,989,445	1,078,215	7,989,445
	Dutch Bangla Bank Limited	-	-	5,957,617	3,472,106
	The City Bank Limited	58,991,780	(34,098)	58,991,780	(34,098)
	BRAC Bank Limited	-	-	18,686,987	38,049,436
	Southeast Bank Limited	9,891,608	9,769,680	9,891,608	9,769,680
	Citibank N.A.	321,351	90,303,317	321,351	90,303,317
	Standard Chartered Bank	(20,606)	923,270,021	(18,699)	923,803,070
	Commercial Bank of Cylon	6,154,568	3,850,090	10,430,301	34,602,618
	One Bank Limited	1,446,866,126	-	1,454,233,015	42,405,043
	NCC Bank Limited	-	-	374,459,810	445,409,692
	Exim Bank Limited	1,281,127,581	-	1,637,350,766	-
	Eastern Bank Limited	-	-	-	777,653
	NRB Bank Limited	11	4,165	12	88,586
		2,804,410,634	1,035,152,620	3,571,382,763	1,596,636,548
	Fixed Deposits				
	Al-Arafah Islami Bank Limited	900,000,000	700,000,000	900,000,000	700,000,000
	AB Bank Limited	200,000,000	-	200,000,000	-
	Meghna Bank Limited	750,000,000	750,000,000	750,000,000	750,000,000
	South Bangla Agriculture & Commerce Bank Limited	90,000,000	-	90,000,000	-
	Union Bank Limited	-	1,100,000,000	-	1,100,000,000
	ONE Bank Limited	2,200,000,000	2,000,000,000	2,200,000,000	2,000,000,000
	Southeast Bank Limited	500,000,000	-	500,000,000	-
	Jamuna Bank Limited	1,550,000,000	1,450,000,000	1,550,000,000	1,450,000,000
	Social Islami Bank Limited	-	1,400,000,000	-	1,400,000,000
	Mercantile Bank Limited	-	500,000,000	-	500,000,000
	The City Bank Limited	-	1,290,000,000	-	1,290,000,000
	Dhaka Bank Limited	3,000,000,000	2,000,000,000	3,000,000,000	2,000,000,000
	NRB Global Bank Limited	-	450,000,000	-	450,000,000
	Standard Bank Limited	750,000,000	450,000,000	750,000,000	450,000,000
	Meridian Finance & Investment Limited	-	200,000,000	-	200,000,000
	IPDC Finance Limited	300,000,000	-	317,661,375	-
	Trust Bank Limited	-	-	2,500,000	2,500,000
	Standard Chartered Bank	-	-	32,000,000	24,000,000
		10,240,000,000	12,290,000,000	10,292,161,375	12,316,500,000
		12,496,696,308	**12,676,746,983**	**13,670,184,483**	**13,631,778,315**
4(b)	**Outside Bangladesh**	-	-	-	-
	Total balance	**12,496,696,308**	**12,676,746,983**	**13,670,184,483**	**13,631,778,315**

		IDLC Finance Limited		IDLC Group	
		2018	2017	2018	2017
		BDT	BDT	BDT	BDT
4.1	**Maturity grouping of balance with other banks and financial institutions:**				
	Payable on demand	(547,714,326)	(648,405,637)	573,612,474	280,125,695
	Up to 1 month	4,894,410,634	4,485,152,620	4,906,819,405	4,502,152,620
	Over 1 month but not more than 3 months	6,400,000,000	7,440,000,000	6,407,000,000	7,447,000,000
	Over 3 months but not more than 6 months	1,750,000,000	1,400,000,000	1,755,252,604	1,400,000,000
	Over 6 months but not more than 1 year	-	-	27,500,000	2,500,000
	Over 1 year but not more than 5 years	-	-	-	-
	Over 5 years	-	-	-	-
		12,496,696,308	**12,676,746,983**	**13,670,184,483**	**13,631,778,315**
5	**Money at call and short notice**	-	-	-	-
		-	**-**	**-**	**-**
6	**Investments**				
	Government securities				
	Treasury bill	-	-	-	-
	National Investment bonds	-	-	-	-
	Bangladesh Bank bill	-	-	-	-
	Government notes/bonds	-	-	-	-
	Prize bonds	-	-	-	-
	Others	-	-	-	-
		-	-	-	-
	Other investments				
	Investment in non marketable ordinary shares (Note 6.1)	7,864,000	7,864,000	107,864,000	7,864,000
	Investment in debenture and bonds (Note 6.2)	420,000,000	774,750,000	738,434,071	952,536,324
	Investment in marketable securities (Note 6.3)	2,165,007,764	2,230,598,864	6,254,179,436	6,762,348,868
	Investment in open end mutual fund (Note 6.4)	200,000,000	200,000,000	200,000,000	200,000,000
	Other investments	-	-	-	-
	Gold etc.	-	-	-	-
		2,792,871,764	3,213,212,864	7,300,477,507	7,922,749,192
		2,792,871,764	**3,213,212,864**	**7,300,477,507**	**7,922,749,192**
6.1	**Investment in non marketable ordinary shares**				
		No. of Shares			
	Credit Rating Agency of Bangladesh Limited	17,198	1,719,800	1,719,800	1,719,800	1,719,800
*	The Bangladesh Rating Agency Limited (BDRAL)	61,442	6,144,200	6,144,200	6,144,200	6,144,200
	Jayson Pharmaceuticals Limited	-	-	-	100,000,000	-
*	*Previously the name was Dan & Bradstreet Rating Agency Bangladesh Limited*		**7,864,000**	**7,864,000**	**107,864,000**	**7,864,000**
6.2	**Investment in bonds**				
	Mercantile Bank Limited		180,000,000	240,000,000	180,000,000	240,000,000
	The City Bank Limited		-	234,750,000	-	234,750,000
	United Commercial Bank Limited		240,000,000	300,000,000	240,000,000	300,000,000
	Paramount Textile Limited		-	-	155,366,353	-
	Impress-Newtex Composite Textile Limited		-	-	163,067,718	177,786,324
	Total		**420,000,000**	**774,750,000**	**738,434,071**	**952,536,324**
6.3	**Investment in marketable securities**				
	Investment in marketable securities (Note 6.3.1)		2,164,334,034	2,230,598,864	6,251,214,676	6,762,348,868
	Investment in Initial Public Offering (Note 6.3.2)		673,730	-	2,964,760	-
			2,165,007,764	**2,230,598,864**	**6,254,179,436**	**6,762,348,868**

6.3.1 Investment in marketable securities

Details of marketable securities are given below:

Business Segments	IDLC Finance Limited		IDLC Group	
	Cost price	Market price at the end of the year	Cost price	Market price at the end of the year
	BDT	BDT	BDT	BDT
Mutual Funds	65,047,280	49,424,293	111,868,701	82,570,203
Banks	811,777,588	755,399,495	1,859,301,277	1,698,891,831
Textiles	174,260	649,727	797,904	3,112,488
Pharmaceuticals & Chemicals	94,606	285,865	126,625,002	110,585,907
Fuel & Power	248,633,386	232,781,498	693,548,344	625,183,366
Financial Institutions	9,999,990	9,999,990	10,139,376	10,139,882
Telecom	385,727,689	321,596,126	1,242,080,287	1,095,983,128
Food & Allied	-	-	17,069,331	17,673,083
Cement	-	-	673,406,309	655,144,254
Engineering & Others	642,879,235	627,475,133	1,516,378,145	1,452,932,183
	2,164,334,034	**1,997,612,126**	**6,251,214,676**	**5,752,216,325**

All investments in marketable securities are valued on an aggregate portfolio basis, at cost value, at the balance sheet date.

Market price for securities not listed as on reporting date, has been shown at cost for calculation purpose.

As on 31 December 2018 there was BDT 498,998,351 gross loss on consolidated investment in marketable listed securities and BDT 166,721,908 gross loss on investment by IDLC Finance Limited in marketable securities.

6.3.2	**Investment in Initial Public Offering**	**673,730**	**-**	**2,964,760**	**-**

6.4 Investment in open end mutual fund

IDLC Finance Limited (IDLC FL) invested BDT 200,000,000 as the sponsor in open-ended mutual fund. IDLC Asset Management Limited (IDLC AML) is the fund manger of this mutual fund. The objective of the fund is to provide attractive risk adjusted returns to the unit holders by investing the proceeds in the Capital Market and Money Market.

6.5 Maturity grouping of investments

On demand	-	-	-	-
Up to 1 month	216,500,776	243,846,287	2,425,150,033	601,246,494
Over 1 month but not more than 3 months	1,948,506,988	2,186,752,577	3,831,029,537	5,395,490,444
Over 3 months but not more than 6 months	60,000,000	60,000,000	145,524,491	147,940,697
Over 6 months but not more than 1 year	60,000,000	138,250,000	82,056,922	340,880,023
Over 1 year but not more than 5 years	500,000,000	576,500,000	808,852,524	1,421,463,534
Over 5 years	7,864,000	7,864,000	7,864,000	15,728,000
	2,792,871,764	**3,213,212,864**	**7,300,477,507**	**7,922,749,192**

7 Loans and advances

Inside Bangladesh:

Lease receivable (Note 7.1)	4,276,868,347	4,628,820,564	4,276,868,347	4,628,820,564
Long-term finance (Note 7.2)	48,640,216,228	39,242,839,011	48,640,216,228	39,242,839,011
Real estate finance (Note 7.3)	25,131,391,869	21,461,517,186	25,131,391,869	21,461,517,186
Car loans (Note 7.4)	1,409,802,577	1,858,522,855	1,409,802,577	1,858,522,855
Personal loan (Note 7.5)	147,936,414	92,857,372	147,936,414	92,857,372
Short term finance (Note 7.6)	905,551,197	777,721,688	905,551,197	777,721,688
Loan to subsidiaries (Note 7.7)	-	1,230,349,692	-	-
Loan against deposit (LAD)	757,756,771	415,164,763	757,756,771	415,164,763
Margin loan to portfolio investors (Note 7.8)	-	-	1,524,672,544	2,063,263,811
Interest receivable (Note-7.9)	1,140,084,071	957,840,785	1,140,084,071	957,840,785
	82,409,607,473	70,665,633,916	83,934,280,017	71,498,548,035
Outside Bangladesh	-	-	-	-
	82,409,607,473	**70,665,633,916**	**83,934,280,017**	**71,498,548,035**

		IDLC Finance Limited		IDLC Group	
		2018	2017	2018	2017
		BDT	BDT	BDT	BDT
7.1	**Lease receivable**				
	Balance at 01 January	4,628,820,564	4,949,942,229	4,628,820,564	4,949,942,229
	Add: Addition during the year	1,589,662,430	1,708,529,716	1,589,662,430	1,708,529,716
		6,218,482,994	6,658,471,945	6,218,482,994	6,658,471,945
	Less: Realisation during the year	1,941,614,647	2,029,651,381	1,941,614,647	2,029,651,381
	Balance at 31 December	**4,276,868,347**	**4,628,820,564**	**4,276,868,347**	**4,628,820,564**
7.1a	**Lease receivable**				
	Gross lease receivable	5,179,625,886	5,438,756,145	5,179,625,886	5,438,756,145
	Less: Unearned lease income	902,757,539	809,935,581	902,757,539	809,935,581
	Lease receivable	**4,276,868,347**	**4,628,820,564**	**4,276,868,347**	**4,628,820,564**

7.1.1 Aging analysis of lease receivable

	2018		2017	
	BDT	% of total	BDT	% of total
Up to one year	1,689,119,293	39.49	1,918,986,448	41.46
Above one year to three years	1,971,227,095	46.09	2,118,808,251	45.77
Above three years to five years	611,379,071	14.30	582,539,749	12.59
More than five years	5,142,888	0.12	8,486,116	0.18
	4,276,868,347	**100.00**	**4,628,820,564**	**100.00**

7.2	**Long-term finance**				
	Balance at 01 January	39,242,839,011	33,044,382,500	39,242,839,011	33,044,382,500
	Add: Disbursement during the year	31,209,698,141	26,025,645,752	31,209,698,141	26,025,645,752
		70,452,537,152	59,070,028,252	70,452,537,152	59,070,028,252
	Less: Realisation during the year	21,812,320,924	19,827,189,241	21,812,320,924	19,827,189,241
	Balance at 31 December	**48,640,216,228**	**39,242,839,011**	**48,640,216,228**	**39,242,839,011**

7.3 Real estate finance

This represents loans to individuals, employees under the Company's real estate loan scheme and corporate bodies for purchase and construction of apartments and homes in urban areas for periods ranging from 5 to 20 years.

Balance at 01 January	21,461,517,186	18,108,222,920	21,461,517,186	18,108,222,920
Add : Disbursement during the year	7,382,569,786	8,096,148,345	7,382,569,786	8,096,148,345
	28,844,086,972	26,204,371,265	28,844,086,972	26,204,371,265
Less : Realisation during the year	3,712,695,103	4,742,854,079	3,712,695,103	4,742,854,079
Balance at 31 December	**25,131,391,869**	**21,461,517,186**	**25,131,391,869**	**21,461,517,186**

7.3.1 Aging analysis of real estate finance

	2018		2017	
	BDT	% of total	BDT	% of total
Up to one year	2,242,491,145	8.92	2,210,261,219	10.30
Above one year to three years	4,280,158,323	17.03	4,276,997,252	19.93
Above three years to five years	4,245,154,066	16.89	4,143,035,544	19.30
More than five years	14,363,588,335	57.15	10,831,223,171	50.47
	25,131,391,869	**100.00**	**21,461,517,186**	**100.00**

7.4	**Car loans**				
	Balance at 01 January	1,858,522,855	2,369,827,680	1,858,522,855	2,369,827,680
	Add : Disbursement during the year	361,691,440	455,177,855	361,691,440	455,177,855
		2,220,214,295	2,825,005,535	2,220,214,295	2,825,005,535
	Less : Realisation during the year	810,411,718	966,482,680	810,411,718	966,482,680
	Balance at 31 December	**1,409,802,577**	**1,858,522,855**	**1,409,802,577**	**1,858,522,855**
7.5	**Personal loan**				
	Balance at 01 January	92,857,372	87,957,182	92,857,372	87,957,182
	Add : Disbursement during the year	94,760,641	47,387,733	94,760,641	47,387,733
		187,618,013	135,344,915	187,618,013	135,344,915
	Less : Realisation during the year	39,681,599	42,487,543	39,681,599	42,487,543
	Balance at 31 December	**147,936,414**	**92,857,372**	**147,936,414**	**92,857,372**

		IDLC Finance Limited		IDLC Group	
		2018	2017	2018	2017
		BDT	BDT	BDT	BDT
7.6	**Short term finance**				
	Factoring of account receivable	905,551,197	777,721,688	905,551,197	777,721,688
7.7	**Loan to Subsidiaries**				
	Balance at 01 January	1,230,349,692	260,800,000	-	-
	Add : Disbursement during the year	8,413,400,000	11,593,399,692	-	-
		9,643,749,692	11,854,199,692	-	-
	Less : Realisation during the year	9,643,749,692	10,623,850,000	-	-
	Balance at 31 December	-	**1,230,349,692**	-	-
7.7.1	**Loan to IDLC Investments Limited**				
	Balance at 01 January	1,230,349,692	260,800,000	-	-
	Add : Disbursement during the year	5,738,400,000	10,098,399,692	-	-
		6,968,749,692	10,359,199,692	-	-
	Less : Realisation during the year	6,968,749,692	9,128,850,000	-	-
	Balance at 31 December	-	**1,230,349,692**	-	-
7.7.2	**Loan to IDLC Securities Limited**				
	Balance at 01 January	-	-	-	-
	Add : Disbursement during the year	2,675,000,000	1,495,000,000	-	-
		2,675,000,000	1,495,000,000	-	-
	Less : Realisation during the year	2,675,000,000	1,495,000,000	-	-
	Balance at 31 December	-	-	-	-
7.8	**Margin loan to portfolio investors**				
	Balance at 01 January	-	-	2,063,263,811	1,341,971,074
	Add : Disbursement during the year	-	-	2,872,174,251	7,265,731,928
		-	-	4,935,438,062	8,607,703,002
	Less : Realisation during the year	-	-	3,410,765,518	6,544,439,191
	Balance at 31 December	-	-	**1,524,672,544**	**2,063,263,811**

Margin loan to portfolio investors are provided by the subsidiaries of the Company as part of their normal business activities and the Group considers this as having similar characteristics of retail/personal lending. Based on detailed review, the Group note that shortfall, if any on individual client's portfolio and margin lending exposure are temporary in nature and any potential shortfall is expected to be recouped in near future. Moreover, the Group has also continuing its recovery efforts by requesting those clients to bring in additional fund to cover shortfall. Nevertheless, the Group is closely monitoring this matter and if it become obvious that additional provision is required it shall be provided for in due course.

7.9	**Interest Receivables**				
	Lease receivable	77,832,232	113,515,497	77,832,232	113,515,497
	Long-term finance	676,210,534	511,476,489	676,210,534	511,476,489
	Real estate finance	320,225,059	269,372,331	320,225,059	269,372,331
	Car loan	13,329,194	17,799,917	13,329,194	17,799,917
	Personal loan	1,793,519	1,913,680	1,793,519	1,913,680
	Loan against deposit (LAD)	40,490,071	34,730,266	40,490,071	34,730,266
	Short term finance	10,203,462	9,032,605	10,203,462	9,032,605
		1,140,084,071	**957,840,785**	**1,140,084,071**	**957,840,785**
7.10	**Net loans, advances and leases**				
	Gross performing loans, advances and leases (Note-7)	82,409,607,473	70,665,633,916	83,934,280,017	71,498,548,035
	Less:				
	Interest suspense (Note-12.5)	351,271,406	396,051,369	351,271,406	396,051,369
	Provision for loans and advances/investments (Note-12.6 (i))	1,248,174,229	1,105,347,063	1,318,975,417	1,145,270,344
		1,599,445,635	1,501,398,432	1,670,246,823	1,541,321,713
		80,810,161,838	**69,164,235,484**	**82,264,033,194**	**69,957,226,322**

	IDLC Finance Limited		IDLC Group	
	2018	2017	2018	2017
	BDT	BDT	BDT	BDT
7.11 Residual maturity grouping of loans, advances and leases				
Repayable on demand	6,548,677,294	6,370,297,692	6,548,677,294	6,370,297,692
Over 1 month but not more than 3 months	5,632,617,612	4,279,556,642	5,632,617,612	4,279,556,642
Over 3 months but not more than 1 year	17,664,527,129	15,329,541,777	19,189,199,673	16,162,455,896
Over 1 year but not more than 5 years	36,188,068,883	32,330,656,107	36,188,068,883	32,330,656,107
Over 5 years	16,375,716,555	12,355,581,698	16,375,716,555	12,355,581,698
	82,409,607,473	**70,665,633,916**	**83,934,280,017**	**71,498,548,035**
7.12 Loans, advances and leases on the basis of significant concentration				
a) Loans, advances and lease to the institutions in which Directors have interest	1,915,239	5,542,279	1,915,239	5,542,279
b) Loans, advances and lease to Chief Executive and other senior executives	26,314,578	29,607,918	26,314,578	29,607,918
c) Loans, advances and lease to customer groups:				
i) Real estate finance	24,789,745,569	21,039,978,039	24,789,745,569	21,039,978,039
ii) Car loan	1,423,131,770	1,874,864,482	1,423,131,770	1,874,864,482
iii) Personal loan	128,047,324	74,622,789	128,047,324	74,622,789
iv) Loan against deposit (LAD)	798,246,842	449,895,029	798,246,842	449,895,029
v) Small and medium enterprises	33,220,931,682	29,042,919,423	33,220,931,682	29,042,919,423
vi) Special program loan (BB refinancing scheme)	1,915,626,645	2,320,105,027	1,915,626,645	2,320,105,027
vii) Staff loan	207,692,419	168,553,962	207,692,419	168,553,962
viii) Industrial loans, advances and leases (Note- 7.12 (d))	19,897,955,405	14,429,195,276	19,897,955,405	14,429,195,276
ix) Other loans and advances	-	1,230,349,692	1,524,672,544	2,063,263,811
	82,381,377,656	70,630,483,719	83,906,050,200	71,463,397,838
	82,409,607,473	**70,665,633,916**	**83,934,280,017**	**71,498,548,035**
d) Details of Industrial loans, advances and leases				
i) Agricultural industries	1,427,569,484	1,156,782,868	1,427,569,484	1,156,782,868
ii) Textiles, Apparels & Accessories	5,392,694,525	3,745,717,889	5,392,694,525	3,745,717,889
iii) Food and beverage	1,188,892,233	717,318,604	1,188,892,233	717,318,604
iv) Pharmaceuticals	790,035,707	729,915,255	790,035,707	729,915,255
v) Leather & leather products, chemicals	39,806,010	3,740,188	39,806,010	3,740,188
vi) Power, energy & engineering	3,149,571,491	2,198,318,968	3,149,571,491	2,198,318,968
vii) Real estate & Home appliances, cement, ceramics	1,959,399,082	1,164,505,726	1,959,399,082	1,164,505,726
viii) IT & services	4,054,299,798	3,758,318,657	4,054,299,798	3,758,318,657
ix) Transportation	844,773,812	342,441,376	844,773,812	342,441,376
x) Other industries	1,050,913,263	612,135,745	1,050,913,263	612,135,745
	19,897,955,405	**14,429,195,276**	**19,897,955,405**	**14,429,195,276**
7.13 Loans, advances and leases -geographical location-wise				
Inside Bangladesh:				
Dhaka	58,503,548,731	50,230,348,898	60,028,221,275	51,063,263,017
Chittagong	5,897,230,040	5,772,257,573	5,897,230,040	5,772,257,573
Bogra	1,905,776,173	2,004,857,286	1,905,776,173	2,004,857,286
Sylhet	1,407,478,566	1,299,497,044	1,407,478,566	1,299,497,044
Savar	2,544,336,902	1,937,591,290	2,544,336,902	1,937,591,290
Comilla	1,589,100,828	1,615,463,040	1,589,100,828	1,615,463,040
Jessore	1,907,053,650	1,651,275,716	1,907,053,650	1,651,275,716
Narsingdi	740,341,900	739,423,482	740,341,900	739,423,482
Bhulta	535,258,224	499,044,383	535,258,224	499,044,383
Khulna	1,003,320,505	863,910,501	1,003,320,505	863,910,501
Natore	634,362,043	624,204,671	634,362,043	624,204,671
Kustia	1,297,104,904	965,613,975	1,297,104,904	965,613,975
Habiganj	953,210,431	731,315,279	953,210,431	731,315,279
Mymesingh	843,836,850	680,673,141	843,836,850	680,673,141
Rangpur	1,014,371,145	673,507,323	1,014,371,145	673,507,323
Chowmuhani	605,674,751	149,937,776	605,674,751	149,937,776
Barisal	266,682,427	65,289,333	266,682,427	65,289,333
Rajshahi	310,920,849	98,427,269	310,920,849	98,427,269
Faridpur	449,998,554	62,995,936	449,998,554	62,995,936
	82,409,607,473	70,665,633,916	83,934,280,017	71,498,548,035
Outside Bangladesh:	-	-	-	-
	82,409,607,473	**70,665,633,916**	**83,934,280,017**	**71,498,548,035**

7.14 Details of large loan/investments

There were no clients with outstanding amount and classified loans/investments exceeding 15% of total capital of the financial institution. Total capital of the financial institution was BDT 11,028.59 million as at 31 December 2018 (BDT 10,569.10 million in 2017).

	IDLC Finance Limited		IDLC Group	
	2018	2017	2018	2017
	BDT	BDT	BDT	BDT
7.15 Particulars of loans, advances and leases				
i) Loans, advances and leases considered good in respect of which the financial institution is fully secured	10,087,200,665	11,968,539,208	11,611,873,209	12,801,453,326
ii) Loans, advances and leases considered good against which the financial institution holds no security other than the debtors' personal guarantee	3,919,970,937	4,062,553,626	3,919,970,937	4,062,553,626
iii) Loans, advances and leases considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	68,402,435,871	54,634,541,083	68,402,435,871	54,634,541,083
	82,409,607,473	**70,665,633,916**	**83,934,280,017**	**71,498,548,035**
iv) Loans, advances and leases adversely classified; provision not maintained there against	-	-	-	-
v) Loans, advances and leases due by directors or officers of the financial institution or any of them either separately or jointly with any other persons [Note-7.12 (b) & (c) (vii)]	234,006,997	198,161,880	234,006,997	198,161,880
vi) Loans, advances and leases due from companies or firms in which the directors of the financial institution have interest as directors, partners or managing agents or in case of private companies, as members	1,915,239	5,542,279	1,915,239	5,542,279
vii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the financial institution or any of them either separately or jointly with any other person	234,006,997	198,161,880	234,006,997	198,161,880
viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the financial institution have interest as directors, partners or managing agents or in the case of private companies, as member	1,915,239	5,542,279	1,915,239	5,542,279
ix) Due from bank and financial institutions	1,313,323,157	1,722,520,583	1,313,323,157	1,722,520,583
x) Classified loans, advances and leases				
a) Classified loans, advances and leases on which interest has not been charged (Note-7.16)	1,813,924,860	1,954,376,108	1,813,924,860	2,283,703,116
b) Provision required for the year	571,269,530	397,524,787	639,905,591	402,169,728
Provision released during the year	(205,135,012)	(169,358,827)	(242,893,167)	(169,358,827)
Total provisions charged during the year	366,134,518	228,165,960	397,012,424	232,810,901
c) Amount of written off loans, advances and leases	223,307,352	203,975,835	223,307,352	203,975,835
Total amount realised against loans and leases previously written off	44,219,017	20,260,467	44,219,017	20,260,467
d) Provision kept against loans and advances classified as bad debts	314,624,406	489,377,162	314,624,406	489,377,162
e) Interest credited to Interest Suspense Account (Note-12.5)	351,271,406	396,051,369	351,271,406	396,051,369
xi) Cumulative amount of written off loans, advances and leases				
Balance at January 1	946,103,233	742,127,398	946,103,233	742,127,398
Amount written off during the year	223,307,352	203,975,835	223,307,352	203,975,835
	1,169,410,585	946,103,233	1,169,410,585	946,103,233
The amount of written off loans, advances and leases for which law suits have been filed	2,305,689,606	1,916,638,713	2,305,689,606	1,916,638,713
7.16 Classification of loans, advances and leases				
Unclassified:				
Standard including staff loan	79,403,804,931	67,800,162,979	80,928,477,475	68,303,750,090
Special Mention Account (SMA)	1,191,877,682	911,094,829	1,191,877,682	911,094,829
	80,595,682,613	68,711,257,808	82,120,355,157	69,214,844,919
Classified:				
Sub-standard	445,572,337	291,087,794	445,572,337	620,414,802
Doubtful	343,558,708	217,098,520	343,558,708	217,098,520
Bad/Loss	1,024,793,815	1,446,189,794	1,024,793,815	1,446,189,794
	1,813,924,860	1,954,376,108	1,813,924,860	2,283,703,116
	82,409,607,473	**70,665,633,916**	**83,934,280,017**	**71,498,548,035**

			IDLC Finance Limited		IDLC Group	
			2018	2017	2018	2017
			BDT	BDT	BDT	BDT

7.17 Particulars of required provision for loans, advances and leases

Status	Base for provision	Rate (%)				
General Provision						
Loans and leases (Excluding SMA)	50,879,667,349	1.00%	508,796,673	422,516,871	510,961,800	427,182,032
Loans and leases SME-STD (Excluding SMA)	28,524,137,582	0.25%	71,310,344	63,871,189	71,310,344	63,871,189
Special Mention Account (SMA)	1,117,267,476	5.00%	55,863,374	42,654,421	55,863,374	42,654,421
			635,970,391	529,042,481	638,135,518	533,707,642
Status	**Base for provision**	**Rate (%)**				
Specific provision						
Sub-standard	299,982,831	20%	59,996,566	32,715,892	59,996,566	67,974,012
Doubtful	168,811,890	50%	84,405,945	54,211,528	84,405,945	54,211,528
Bad/ Loss	314,624,406	100%	314,624,406	489,377,162	314,624,406	489,377,162
			459,026,917	576,304,582	459,026,917	611,562,702
Required provision for loans, advances and leases			1,094,997,308	1,105,347,063	1,097,162,435	1,145,270,344
Required provision for diminution in value of investments			153,176,921	-	221,812,982	-
Total provision required			1,248,174,229	1,105,347,063	1,318,975,417	1,145,270,344
Total provision maintained (Note - 12.6 (i))			1,248,174,229	1,105,347,063	1,318,975,417	1,145,270,344
Excess/(short) provision at 31 December			-	-	-	-

		IDLC Finance Limited		IDLC Group	
		2018	2017	2018	2017
		BDT	BDT	BDT	BDT
8	**Fixed assets including land, building, furniture and fixtures**				
a.	Cost				
	Balance at 01 January	1,302,771,783	1,205,376,097	1,502,935,732	1,376,871,985
	Addition during the year	47,724,871	151,047,125	56,508,623	187,993,259
		1,350,496,653	1,356,423,222	1,559,444,355	1,564,865,244
	Disposal/Adjustments during the year	(48,060,112)	(53,651,439)	(51,280,763)	(61,929,512)
		1,302,436,541	1,302,771,783	1,508,163,591	1,502,935,732
b.	Accumulated depreciation				
	Balance at 01 January	705,515,711	598,463,488	840,143,807	722,598,634
	Charged during the year	137,598,412	145,839,286	158,725,831	164,225,017
		843,114,123	744,302,774	998,869,638	886,823,651
	Disposal/Adjustments during the year	(39,812,705)	(38,787,063)	(42,731,993)	(46,679,844)
		803,301,418	705,515,711	956,137,645	840,143,807
c.	Written down value (a-b)	**499,135,123**	**597,256,072**	**552,025,946**	**662,791,925**

A schedule of fixed assets including land, building, furniture and fixtures is given in Annexure-A

9	**Other assets**				
	Investment in subsidiary companies (Note - 9.1)	3,949,999,790	3,949,999,790	-	-
	Accounts receivable (Note - 9.2)	243,987,618	182,287,683	845,806,562	578,936,375
	Advances, deposits and prepayments (Note - 9.3)	193,401,514	213,723,589	215,268,866	236,588,461
	Deferred tax asset (Note - 9.4)	30,724,949	16,109,252	67,344,846	40,762,419
	Investment in stock exchanges (Note - 9.5)	-	-	14,869,750	18,676,000
		4,418,113,871	**4,362,120,314**	**1,143,290,024**	**874,963,255**
9.1	**Investment in subsidiary companies**				
	IDLC Securities Limited (Note- 9.1.1)	1,649,999,900	1,649,999,900	-	-
	IDLC Investments Limited (Note- 9.1.2)	2,199,999,900	2,199,999,900	-	-
	IDLC Asset Management Limited (Note- 9.1.3)	99,999,990	99,999,990	-	
		3,949,999,790	**3,949,999,790**	**-**	**-**

9.1.1 Out of the total of 20,000,000 ordinary shares issued and paid up, IDLC Finance Limited holds 19,999,992 (including bonus shares issued in 2008, 2009 and 2010) ordinary shares of BDT 100 each.

9.1.2 Out of the total of 22,000,000 ordinary shares issued and paid up, IDLC Finance Limited holds 21,999,999 ordinary shares of BDT 100 each.

9.1.3 Out of the total of 10,000,000 ordinary shares issued and paid up, IDLC Finance Limited holds 9,999,999 ordinary shares of BDT 10 each.

9.2	**Accounts receivable**				
	Interest receivable (Note - 9.2.1)	171,293,681	140,307,327	172,088,157	140,529,869
	Other receivables (Note - 9.2.2)	72,693,937	41,980,357	673,718,405	438,406,507
		243,987,618	**182,287,683**	**845,806,562**	**578,936,375**
9.2.1	**Interest receivable**				
	Interest receivable, Fixed deposit	149,025,347	121,666,250	149,819,823	121,888,792
	Receivable from Investment in bonds	22,268,333	18,641,077	22,268,333	18,641,077
		171,293,681	**140,307,327**	**172,088,157**	**140,529,869**
9.2.2	**Other receivables**				
	Accrued other income	25,662,064	32,403,180	25,662,064	32,403,180
	Other receivable	47,031,873	9,577,177	648,056,341	406,003,327
		72,693,937	**41,980,357**	**673,718,405**	**438,406,507**
9.3	**Advances, deposits and prepayments**				
	Deposits and prepayments	8,111,772	7,957,426	8,742,785	8,620,606
	Advance against expenses	185,289,742	205,766,163	206,526,081	227,967,855
		193,401,514	**213,723,589**	**215,268,866**	**236,588,461**

Advances, deposits and prepayments are considered good but not secured by collateral.

9.4 Deferred tax

Deferred tax has been calculated based on deductible/taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of International Accounting Standard (IAS) 12: "Income Taxes".

Deferred tax liability is arrived at as follows:

	IDLC Finance Limited			Subsidiaries		
2018	Carrying amount at balance sheet BDT	Tax base BDT	(Taxable)/deductible temporary difference BDT	Carrying amount at balance sheet BDT	Tax base BDT	(Taxable)/deductible temporary difference BDT
Assets (excluding land):						
Fixed assets net of depreciation as on 31 December 2018 (IDLC AML)	-	-	-	11,348,992	9,817,499	(1,531,493)
Total	**-**	**-**	**-**	**11,348,992**	**9,817,499**	**(1,531,493)**
2017						
Assets (excluding land):						
Fixed assets net of depreciation as on 31 December 2017 (IDLC AML)	-	-	-	11,697,280	10,238,854	(1,458,426)
Total	**-**	**-**	**-**	**11,697,280**	**10,238,854**	**(1,458,426)**
Applicable tax rate for IDLC FL (2017: 40%, 2018: 37.5%)			37.50%			
Applicable tax rate for IDLC AML						35.00%
Deferred tax liability as on 31 December 2018			-			(536,023)
Deferred tax liability as on 31 December 2017			-			(510,449)
Deferred tax (expenses)/ income accounted for during the year			-			(25,573)

Deferred tax asset is arrived at as follows:

	IDLC Finance Limited			Subsidiaries		
2018	Carrying amount at balance sheet BDT	Tax base BDT	(Taxable)/deductible temporary difference BDT	Carrying amount at balance sheet BDT	Tax base BDT	(Taxable)/deductible temporary difference BDT
Assets (excluding land):						
Fixed assets net of depreciation as on 31 December 2018 (IDLC FL)	472,176,653	542,662,941	70,486,287	-	-	-
* Difference for vehicle	(11,446,911)	-	11,446,911	-	-	-
Fixed assets net of depreciation as on 31 December 2018 (IDLC SL)	-	-	-	27,736,205	48,946,378	21,210,173
Fixed assets net of depreciation as on 31 December 2018 (IDLC IL)	-	-	-	13,008,583	22,929,921	9,921,338
Total	**460,729,743**	**542,662,941**	**81,933,198**	**40,744,788**	**71,876,299**	**31,131,511**
Liabilities:						
Employee gratuity as on 31 December 2018 (IDLC SL)	-	-	-	32,087,130	-	32,087,130
Employee gratuity as on 31 December 2018 (IDLC IL)	-	-	-	14,424,395	-	14,424,395
Total	**-**	**-**	**-**	**46,511,525**	**-**	**46,511,525**
Loss on sale of secondary shares (IDLC IL)	-	-	-	88,361,906	-	88,361,906
Total	**-**	**-**	**-**	**88,361,906**	**-**	**88,361,906**
Grand Total	**-**	**-**	**-**	**134,873,431**	**-**	**134,873,431**

2017	IDLC Finance Limited			Subsidiaries		
	Carrying amount at balance sheet BDT	Tax base BDT	(Taxable)/deductible temporary difference BDT	Carrying amount at balance sheet BDT	Tax base BDT	(Taxable)/deductible temporary difference BDT
Assets (excluding land):						
Fixed assets net of depreciation as on 31 December 2017 (IDLC FL)	570,297,602	609,810,828	39,513,226	-	-	-
* Difference for vehicle	(759,904)	-	759,904	-	-	-
Fixed assets net of depreciation as on 31 December 2017 (IDLC SL)	-	-	-	36,018,198	54,834,699	18,816,501
Fixed assets net of depreciation as on 31 December 2017 (IDLC IL)	-	-	-	17,756,828	25,729,052	7,972,224
Total	**569,537,698**	**609,810,828**	**40,273,130**	**53,775,026**	**80,563,751**	**26,788,725**
Liabilities:						
Employee gratuity as on 31 December 2017 (IDLC SL)	-	-	-	27,071,908	-	27,071,908
Employee gratuity as on 31 December 2017 (IDLC IL)	-	-	-	11,550,577	-	11,550,577
Employee gratuity as on 31 December 2017 (IDLC AML)	-	-	-	3,631,925	-	3,631,925
Grand Total	**-**	-	-	**42,254,410**	-	**42,254,410**

Applicable tax rate for IDLC Finance Limited (2017: 40.00%, 2018: 37.5%)	37.50%	-
Applicable tax rate for IDLC Securities Limited	-	35.00%
Applicable tax rate for IDLC Investments Limited	-	37.50%
Applicable tax rate for IDLC Asset Management Limited	-	35.00%
Applicable tax rate for loss on sale of secondary shares	10.00%	10.00%
Deferred tax asset as on 31 December 2018	30,724,949	36,619,897
Deferred tax asset as on 31 December 2017	16,109,252	24,653,167
Deferred tax (expenses)/ income accounted for during the year	14,615,697	11,966,730
Net deferred tax (expense)/income	**14,615,697**	**11,941,156**

2018: Consolidated deferred tax income was BDT 26,556,853, which includes BDT 14,615,697 for deferred tax income of IDLC Finance Limited, BDT 2,593,113 for deferred tax income of IDLC Securities Limited, BDT 10,644,790 for deferred tax income of IDLC Investments Limited and BDT 1,296,747 for deferred tax expense of IDLC Asset Management Limited.

2017: Consolidated deferred tax income was BDT 13,454,473, which includes BDT 8,519,052 for deferred tax income of IDLC Finance Limited, BDT 3,204,526 for deferred tax income of IDLC Securities Limited, BDT 1,876,182 for deferred tax income of IDLC Investments Limited and BDT 145,287 for deferred tax expense of IDLC Asset Management Limited.

* This represents the permanent difference related to sedan cars, not plying for hire, owned by IDLC. As per the provisions of Income Tax Ordinance 1984, depreciation on such cars is allowed only up to certain limit of cost (currently BDT 2.5 million per car) of such cars for tax purpose. Difference for vehicle represents the amount of depreciated cost exceeding such limits.

9.5 Investment in stock exchanges

DSE membership at cost	-	-	11,418,750	15,225,000
CSE membership at cost	-	-	3,451,000	3,451,000
	-	**-**	**14,869,750**	**18,676,000**

IDLC Securities Limited has received the following shares from DSE and CSE against the membership under demutualization scheme of the stock exchanges.

Stock Exchange	Type of Shares	Number of Shares	Face Value
Dhaka Stock Exchange Limited	Floated (53.33%)	2,886,042	10
	Blocked (46.67%)	2,525,287	10
		5,411,329	
Chittagong Stock Exchange Limited	Floated (40%)	1,714,932	10
	Blocked (60%)	2,572,398	10
		4,287,330	

Valuation of membership has been shown at cost in the accounts.

10 Borrowings from other banks, financial institutions

Inside Bangladesh (Note- 10.1)	12,246,240,919	11,230,359,336	12,496,240,919	11,400,359,336
Outside Bangladesh	-	-	-	-
	12,246,240,919	**11,230,359,336**	**12,496,240,919**	**11,400,359,336**

		IDLC Finance Limited		IDLC Group	
		2018	2017	2018	2017
		BDT	BDT	BDT	BDT
10.1	**Inside Bangladesh**				
	Secured loans				
	Secured long term loans				
	Woori Bank	93,333,333	213,333,333	93,333,333	213,333,333
	Total secured long-term loans	93,333,333	213,333,333	93,333,333	213,333,333
	Secured short Term Loan				
	Citi Bank N.A.	560,000,000	400,000,000	560,000,000	400,000,000
	Bank Alfalah Limited	-	200,000,000	-	200,000,000
	Standard Chartered Bank	2,500,000,000	1,550,000,000	2,750,000,000	1,720,000,000
	Commercial Bank of Ceylon Plc	535,000,000	535,000,000	535,000,000	535,000,000
	Total secured short term loan	3,595,000,000	2,685,000,000	3,845,000,000	2,855,000,000
	Total secured loans	**3,688,333,333**	**2,898,333,333**	**3,938,333,333**	**3,068,333,334**
	Unsecured loans				
	Zero Coupon Bond				
	A. K. Khan & Company Limited	221,932,710	325,316,491	221,932,710	325,316,491
	Universal Jeans Limited	176,137,072	258,187,691	176,137,072	258,187,691
	Grameen Telecom Trust	109,204,984	160,076,369	109,204,984	160,076,369
	Square Pharmaceuticals Limited	88,068,536	129,093,846	88,068,536	129,093,846
	Pragati Life Insurance Limited	17,613,707	25,818,769	17,613,707	25,818,769
	BETS Consulting Services Limited	17,613,707	25,818,769	17,613,707	25,818,769
	Dr. Abdus Shabur	3,522,741	5,163,754	3,522,741	5,163,754
	Bangla Telecom Limited	22,405,003	31,124,005	22,405,003	31,124,005
	Bangladesh Infrastructure Finance Fund Limited	224,050,028	311,240,055	224,050,028	311,240,055
	Delsey Cotton Spinning Mills Ltd.	44,810,006	62,248,011	44,810,006	62,248,011
		925,358,494	1,334,087,760	925,358,494	1,334,087,760
	Unsecured Long-term loans				
	Kreditanstalt fÜr Wiederaufbau (KfW)	71,318,636	81,275,994	71,318,636	81,275,994
	Bangladesh Bank (JICA-FDI Fund)	80,000,000	-	80,000,000	-
	Bangladesh Bank (BB Fund-Small Enterprise Refinancing Program)	23,086,110	33,785,833	23,086,110	33,785,833
	Bangladesh Bank (Women-Small Enterprise Refinancing Program)	1,491,262,084	2,312,457,441	1,491,262,084	2,312,457,441
	Bangladesh Bank (ADB Fund-Small Enterprise Refinancing Program)	-	24,478,125	-	24,478,125
	Bangladesh Bank (New Entrepreneur Refinancing Scheme)	36,618,976	101,998,846	36,618,976	101,998,846
	Bangladesh Bank (Home Loan Refinancing Program)	511,290,606	570,052,125	511,290,606	570,052,125
	Bangladesh Bank (Agro Loan Refinancing Program)	745,184,154	1,243,407,764	745,184,154	1,243,407,764
	Bangladesh Bank (JICA Refinancing Program)	341,717,392	564,763,035	341,717,392	564,763,035
	SME Foundation	73,450,000	30,000,000	73,450,000	30,000,000
	FMO	-	310,720,000	-	310,720,000
	Investment Promotion & Financing Facilities (IPFF)	576,593,459	602,458,911	576,593,459	602,458,911
	Bangladesh Bank Solar Bio Gas & ETP Scheme	232,813,652	2,916,668	232,813,652	2,916,668
	Bangladesh Bank Milk Production Scheme	5,400,000	3,400,000	5,400,000	3,400,000
	Bangladesh Bank (SMEDP 2)	300,700,000	-	300,700,000	-
	Saudi Bangladesh Industrial & Agricultural Investment Company Limited	423,114,023	616,223,500	423,114,023	616,223,500
		4,912,549,092	6,497,938,242	4,912,549,092	6,497,938,242
	Total unsecured long-term loan	**5,837,907,586**	**7,832,026,002**	**5,837,907,586**	**7,832,026,002**
	Unsecured Short Term Loans				
	Short-term loans				
	One Bank Limited	-	500,000,000	-	500,000,000
	National Credit & Commerce Bank Limited	500,000,000	-	500,000,000	-
	South Bangla Agriculture and Commerce Bank Limited	550,000,000	-	550,000,000	-
		1,050,000,000	500,000,000	1,050,000,000	500,000,000
	Call Loans				
	Janata Bank Limited	160,000,000	-	160,000,000	-
	United Finance Limited	50,000,000	-	50,000,000	-
	Sonali Bank Limited	420,000,000	-	420,000,000	-
	Southeast Bank Limited	390,000,000	-	390,000,000	-
	National Credit & Commerce Bank Limited	150,000,000	-	150,000,000	-
	Jamuna Bank Limited	300,000,000	-	300,000,000	-
	Mutual Trust Bank Limited	200,000,000	-	200,000,000	-
		1,670,000,000	**-**	**1,670,000,000**	**-**
	Total unsecured short-term loans	**2,720,000,000**	**500,000,000**	**2,720,000,000**	**500,000,000**
	Total Borrowings	**12,246,240,919**	**11,230,359,336**	**12,496,240,919**	**11,400,359,336**
10.2	**Security against borrowings from other banks and financial institutions**				
	Secured	3,688,333,333	2,898,333,333	3,938,333,333	3,068,333,334
	Unsecured	8,557,907,586	8,332,026,002	8,557,907,586	8,332,026,002
		12,246,240,919	**11,230,359,336**	**12,496,240,919**	**11,400,359,336**

Secured loans are covered by first equitable mortgage of all present and future immovable properties and by floating charges on movable assets of the Company ranking pari-passu among the lenders. The Company has a Pari Passu Security Sharing Agreement (PPSSA) among the secured lenders stipulating the procedure in the sharing of the security provided by the Company. Loans repayable within one year have been placed under current liabilities. Details of loans are as follows:

	IDLC Finance Limited		IDLC Group	
	2018	2017	2018	2017
	BDT	BDT	BDT	BDT

10.3 Maturity grouping of borrowings from other banks and financial institutions

Payable on demand	-	-	-	-
Up to 1 month	4,401,845,130	1,605,519,521	4,651,845,130	1,775,519,521
Over 1 month but within 3 months	2,674,430,011	2,135,231,625	2,674,430,011	2,135,231,625
Over 3 months but within 1 year	1,651,199,377	2,854,049,599	1,651,199,377	2,854,049,599
Over 1 year but within 5 years	2,963,543,618	3,983,406,946	2,963,543,618	3,983,406,946
Over 5 years	555,222,783	652,151,645	555,222,783	652,151,645
	12,246,240,919	**11,230,359,336**	**12,496,240,919**	**11,400,359,336**

11 Deposits and other accounts

Current accounts and other accounts etc	-	-	-	-
Bills payable	-	-	-	-
Savings bank deposits	-	-	-	-
Term deposits (Note- 11.1)	71,338,071,965	60,538,332,988	70,257,701,507	59,853,619,702
Bearer certificate of deposits	-	-	-	-
Refundable deposits (Note- 11.2)	2,455,047,719	2,238,814,210	2,455,047,719	2,238,814,210
	73,793,119,684	**62,777,147,198**	**72,712,749,226**	**62,092,433,912**

11.1 Term deposits

This represents deposits received from institutions and individuals for a period not less than three months.

Balance at 01 January	60,538,332,988	47,563,668,197	59,853,619,702	47,474,930,697
Add: Deposits received during the year	41,936,331,303	35,652,152,030	41,936,331,303	35,652,152,030
	102,474,664,291	83,215,820,227	101,789,951,005	83,127,082,727
Less: Matured/encashed during the year	31,136,592,326	22,677,487,239	31,136,592,326	22,677,487,239
Inter - company deposit	-	-	395,657,172	595,975,786
Balance at 31 December	**71,338,071,965**	**60,538,332,988**	**70,257,701,507**	**59,853,619,702**

11.1.1 Rate of interest

Rate of interest on term deposit receipts ranges from 6.65% to 11.10% (2017: 5.00% to 9.00%).

11.2 Refundable deposits

The Company takes deposits from the clients of lease and loan on signing of agreement, refundable at the end of the contract period. Balance at December 31 stands as under:

Deposits against loan and lease rental	256,306,587	265,089,005	256,306,587	265,089,005
Deposits against financing as per term of agreements (Security deposits)	2,198,741,132	1,973,725,205	2,198,741,132	1,973,725,205
	2,455,047,719	**2,238,814,210**	**2,455,047,719**	**2,238,814,210**

Security deposits are interest bearing while deposits against loan and lease are non interest bearing.

11.3 Group-wise break-up of deposits and other accounts

Government	-	-	-	-
Bank	18,000,000,000	18,061,108,682	18,000,000,000	18,061,108,682
Other institutions	31,337,791,508	25,543,937,556	30,257,421,050	24,859,224,270
Individuals	24,455,328,176	19,172,100,960	24,455,328,176	19,172,100,960
	73,793,119,684	**62,777,147,198**	**72,712,749,226**	**62,092,433,912**

11.4 Maturity analysis of deposits

Maturity analysis of Term deposits

Payable on demand	-	-	-	-
Up to 1 month	4,566,491,104	5,344,500,085	4,153,370,646	5,323,936,799
Over 1 month but within 6 months	23,884,949,210	20,245,242,210	23,226,799,210	19,613,242,210
Over 6 months but within 1 year	6,029,055,073	5,296,549,566	6,019,955,073	5,265,149,566
Over 1 year but within 5 years	36,371,556,448	29,250,203,773	36,371,556,448	29,249,453,773
Over 5 years but within 10 years	456,273,341	383,765,557	456,273,341	383,765,557
Above 10 years	29,746,789	18,071,797	29,746,789	18,071,797
	71,338,071,965	**60,538,332,988**	**70,257,701,507**	**59,853,619,702**

		IDLC Finance Limited		IDLC Group	
		2018	2017	2018	2017
		BDT	BDT	BDT	BDT
	Maturity analysis of Refundable deposit				
	Payable on demand	160,873,540	154,034,285	160,873,540	154,034,285
	Up to 1 month	17,964,355	10,100,628	17,964,355	10,100,628
	Over 1 month but within 6 months	91,398,745	88,646,804	91,398,745	88,646,804
	Over 6 months but within 1 year	143,085,605	153,371,962	143,085,605	153,371,962
	Over 1 year but within 5 years	2,031,631,421	1,826,268,158	2,031,631,421	1,826,268,158
	Over 5 years but within 10 years	10,094,053	6,392,373	10,094,053	6,392,373
		2,455,047,719	**2,238,814,210**	**2,455,047,719**	**2,238,814,210**
12	**Other liabilities**				
	Payable and accrued expenses (Note- 12.1)	4,471,796,045	4,567,608,997	5,724,736,747	5,343,166,922
	Provision for income tax (Note- 12.2)	2,022,431,867	1,948,570,620	2,257,218,747	2,281,617,302
	Deferred liability-employee gratuity (Note- 12.3)	-	-	46,511,525	42,254,402
	Portfolio investors' fund (Note- 12.4)	-	-	599,996,551	370,999,029
	Interest suspense account (Note- 12.5)	351,271,406	396,051,369	351,271,406	396,051,369
	Provision for doubtful accounts and future losses (Note- 12.6 (i))	1,248,174,229	1,105,347,063	1,318,975,417	1,145,270,344
	Unpaid dividend	20,124,526	16,801,159	20,124,526	16,801,159
	Deferred tax liability (Note - 9.5)	-	-	536,023	510,449
		8,113,798,073	**8,034,379,208**	**10,319,370,941**	**9,596,670,976**
12.1	**Payable and accrued expenses**				
	Receipt against leases	492,814,517	616,546,078	492,814,517	616,546,078
	Liabilities for expenses	3,482,710,057	2,803,290,053	4,732,451,978	3,575,729,042
	Liabilities for other finance	496,271,471	1,147,772,866	499,470,252	1,150,891,802
		4,471,796,045	**4,567,608,997**	**5,724,736,747**	**5,343,166,922**
12.2	**Provision for income tax**				
	Provision				
	Balance at 01 January	7,715,275,299	6,649,874,999	8,907,870,073	7,459,702,789
	Less: Adjustment during the year	-	-	-	-
		7,715,275,299	6,649,874,999	8,907,870,073	7,459,702,789
	Add: Provision made during the year	849,919,592	1,065,400,300	982,835,113	1,448,167,284
		8,565,194,891	7,715,275,299	9,890,705,186	8,907,870,073
	Settlement of previous year's tax liability	-	-	-	-
	Balance at 31 December	**8,565,194,891**	**7,715,275,299**	**9,890,705,186**	**8,907,870,073**
	Advance tax				
	Balance at 01 January	5,766,704,679	4,928,489,985	6,626,252,771	5,567,342,071
	Add: Payment made during the year:				
	Under sections 64 and 74 of ITO, 1984	631,848,670	740,958,309	676,502,387	765,827,621
	Deduction at source	143,091,781	96,076,385	329,613,387	291,903,080
	Others	1,117,894	1,180,000	1,117,894	1,180,000
		776,058,345	838,214,694	1,007,233,668	1,058,910,701
		6,542,763,024	5,766,704,679	7,633,486,439	6,626,252,771
	Less: Adjustment during the year	-	-	-	-
		6,542,763,024	**5,766,704,679**	**7,633,486,439**	**6,626,252,771**
	Net balance at 31 December	**2,022,431,867**	**1,948,570,620**	**2,257,218,747**	**2,281,617,302**
12.3	**Deferred Liability-employee gratuity**				
	Balance at 01 January	-	-	42,254,402	28,718,149
	Add: Addition during the year			9,752,299	13,760,293
		-	-	52,006,701	42,478,442
	Less: Payment during the year	-	-	5,495,176	224,040
	Balance at 31 December	**-**	**-**	**46,511,525**	**42,254,402**

		IDLC Finance Limited		IDLC Group	
		2018	2017	2018	2017
12.4	**Portfolio investors' fund**				
	This represents the balance of deposits made with the IDLC Investments Limited by the portfolio investors to take margin loan and buy marketable securities. The balance of fund has been arrived at as follows:				
	Balance at 01 January	-	-	370,999,029	187,443,773
	Add: Deposit and share sold by clients	-	-	8,066,944,138	10,248,279,322
		-	-	8,437,943,167	10,435,723,095
	Less: Purchase of share and deposit withdraw by clients	-	-	7,837,946,616	10,064,724,066
	Balance at 31 December	-	-	**599,996,551**	**370,999,029**
12.5	**Interest suspense accounts**				
	On lease finance	35,695,541	84,677,038	35,695,541	84,677,038
	On real-estate finance	117,578,938	122,264,764	117,578,938	122,264,764
	On term finance	191,832,774	180,832,816	191,832,774	180,832,816
	On car loan	3,404,606	4,440,593	3,404,606	4,440,593
	On personal loan	980,226	1,412,351	980,226	1,412,351
	On short term finance	1,779,321	2,423,807	1,779,321	2,423,807
		351,271,406	**396,051,369**	**351,271,406**	**396,051,369**
12.6	**Provision for loans and advances/investments**				
12.6(i)	Balance at 01 January	1,105,347,063	1,081,156,938	1,145,270,344	1,116,435,278
	Provision required for the year	571,269,530	397,524,787	639,905,591	402,169,728
	Provision released during the year	(205,135,012)	(169,358,827)	(242,893,167)	(169,358,827)
	Provision charged for the year (Note- 12.6 (ii))	366,134,518	228,165,960	397,012,424	232,810,901
	Write off during the year	223,307,352	203,975,835	223,307,352	203,975,835
	Balance at 31 December	**1,248,174,229**	**1,105,347,063**	**1,318,975,417**	**1,145,270,344**
12.6(ii)	**Provision charged for the year**				
	General provision	93,718,957	57,242,047	91,218,921	61,886,988
	Specific provision	119,238,640	170,923,913	83,980,521	170,923,913
	Provision for diminutions in value of investments	153,176,921	-	221,812,982	-
	Other Provisions	-	-	-	-
		366,134,518	**228,165,960**	**397,012,424**	**232,810,901**
12.6(iii)	**Product wise break up of provision**				
	Lease	109,855,135	153,648,511	109,855,135	153,648,511
	Long- term finance	584,038,617	539,516,413	584,038,617	539,516,413
	Real estate finance	333,400,005	319,627,905	333,400,005	319,627,905
	Car loan	24,189,408	31,346,700	24,189,408	31,346,700
	Investment in shares	161,040,921	7,864,000	229,676,984	7,864,000
	Personal Loan	6,420,648	5,747,825	6,420,648	5,747,825
	Short term finance	8,169,354	18,429,350	8,169,354	18,429,350
	Loan against Deposit	7,982,468	4,498,950	7,982,468	4,498,950
	Loan to subsidiaries	-	12,303,497	-	482,392
	Other Assets	13,077,673	12,363,912	13,077,673	12,363,912
	Margin loan	-	-	2,165,124	51,744,386
		1,248,174,229	**1,105,347,063**	**1,318,975,417**	**1,145,270,344**

	IDLC Finance Limited		IDLC Group	
	2018	2017	2018	2017
	BDT	BDT	BDT	BDT

13 Share capital

Authorised				
1,000,000,000 ordinary shares of BDT 10 each	**10,000,000,000**	**10,000,000,000**	**10,000,000,000**	**10,000,000,000**
Issued, subscribed and paid-up				
377,050,780 ordinary shares of BDT 10 each	**3,770,507,800**	**3,770,507,800**	**3,770,507,800**	**3,770,507,800**

Paid-up share capital as on 31 December 2018 comprises the following:

Composition of shareholding:

		31 December 2018			31 December 2017
Sl. No.	Name of the Shareholders	% of holding	Number of shares	BDT	BDT
1	**SPONSORS/DIRECTORS**				
	The City Bank Limited (CBL) and its subsidiaries	23.21	87,510,575	875,105,750	875,105,750
	The City Bank Limited (CBL)	9.00	33,935,329	339,353,290	339,353,290
	City Bank Capital Resources Limited (CBCRL)	9.90	37,328,028	373,280,280	373,280,280
	City Brokerage Limited	4.31	16,247,218	162,472,180	162,472,180
	Transcom Group	13.33	50,273,164	502,731,640	502,731,640
	Eskayef Pharmaceuticals Limited	8.00	30,164,062	301,640,620	301,640,620
	Transcraft Limited	4.01	15,132,033	151,320,330	151,320,330
	Bangladesh Lamps Limited	1.32	4,977,069	49,770,690	49,770,690
	Sadharan Bima Corporation (SBC)	7.62	28,727,494	287,274,940	287,274,940
	Reliance Insurance Limited	7.00	26,393,553	263,935,530	263,935,530
	Mercantile Bank Limited	5.50	20,737,791	207,377,910	207,377,910
		56.66	**213,642,577**	**2,136,425,770**	**2,136,425,770**
2	**GENERAL**				
	Institutions:				
	Investment Corporation of Bangladesh (ICB)	4.72	17,785,020	177,850,200	52,519,130
	Bangladesh Fund	1.51	5,680,374	56,803,740	63,300,000
	Marina Apparels Limited	1.00	3,770,506	37,705,060	37,705,060
	Other Institutions	10.32	38,898,239	388,982,390	449,306,050
	Sub-Total	**17.54**	**66,134,139**	**661,341,390**	**602,830,240**
	Individuals:				
	General Public (Individuals)	11.98	45,171,377	451,713,770	596,882,550
	Sub-Total	**11.98**	**45,171,377**	**451,713,770**	**596,882,550**
3	**FOREIGN**				
	Institutions & Individuals	13.82	52,102,687	521,026,870	434,369,240
		13.82	**52,102,687**	**521,026,870**	**434,369,240**
	Total Holdings	**100.00**	**377,050,780**	**3,770,507,800**	**3,770,507,800**

The shares were listed with Dhaka Stock Exchange Limited on 20 March 1993, and with Chittagong Stock Exchange Limited on 25 November 1996, and quoted at BDT 69.70 at Dhaka Stock Exchange Limited and BDT 68.30 at Chittagong Stock Exchange Limited respectively on 31 December 2018.

13.1 Capital Adequacy Ratio (CAR):

As per the Section 4(GHA) of the Financial Institutions Rule, 1994 and subsequently updated vide DFIM Circular No. 5, dated 24 July 2011, the minimum paid-up capital of the Financial Institution (FI) shall be BDT 100 crore; provided that the sum of paid-up capital and reserves shall not be less than the minimum capital required under the Risk-Based Assets of the company, criteria determined by the Bangladesh Bank.

The surplus eligible capital of the company as well as the Group at the close of business on 31 December 2018 were BDT 412.25 crore and BDT 604.16 crore, respectively.

Details are as follows:

	IDLC Finance Limited		IDLC Group	
	2018	2017	2018	2017
	BDT	BDT	BDT	BDT
Core Capital (Tier-1)/Shareholders' Equity				
Paid-up capital (Note-13)	3,770,507,800	3,770,507,800	3,770,507,800	3,770,507,800
Share premium (Note-14)	1,260,585,930	1,260,585,930	1,260,585,930	1,260,585,930
Statutory reserves (note 15)	2,416,541,850	2,098,412,371	2,416,541,850	2,098,412,371
General reserves (Note 16)	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Dividend equalization reserves	46,500,000	46,500,000	46,500,000	46,500,000
Retained earnings	2,534,456,251	2,393,090,675	5,143,188,211	4,421,469,765
Non-controlling interest	-	-	3,158	3,001
A) Sub-Total	**11,028,591,831**	**10,569,096,776**	**13,637,326,949**	**12,597,478,867**
Supplementary capital (Tier -II)				
General Provision (Unclassified loans up to specified limit + SMA + off Balance Sheet exposure)*	635,970,391	529,042,481	638,135,518	533,707,642
Assets Revaluation Reserves up to 50%	-	-	-	-
Revaluation Reserve for Securities up to 45%	-	-	-	-
All others preference shares	-	-	-	-
Others (if any other item approved by Bangladesh Bank)	-	-	-	-
B) Sub-Total	**635,970,391**	**529,042,481**	**638,135,518**	**533,707,642**
C) Total eligible capital	**11,664,562,222**	**11,098,139,257**	**14,275,462,467**	**13,131,186,509**
Total assets including off-balance sheet exposures	**107,718,533,695**	**94,636,754,226**	**111,702,471,223**	**97,712,714,799**
D) Total risk weighted assets	**75,420,815,521**	**72,546,445,689**	**82,338,539,263**	**79,991,798,556**
E) Required capital based on risk weighted assets (10% of D)	**7,542,081,552**	**7,254,644,569**	**8,233,853,926**	**7,999,179,856**
F) Surplus (C-E)	**4,122,480,670**	**3,843,494,688**	**6,041,608,540**	**5,132,006,654**
Capital Adequacy Ratio (%)	**15.47**	**15.30**	**17.34**	**16.42**

* Limited to 1.25% of RWA as per CAMD guideline.

14 Share premium

Balance at 01 January	1,260,585,930	3,750,000	1,260,585,930	3,750,000
Add: Received during the year	-	1,256,835,930	-	1,256,835,930
Balance at 31 December	**1,260,585,930**	**1,260,585,930**	**1,260,585,930**	**1,260,585,930**

This represents Share Premium amount was received @50% over par value of share @Taka 100 against issue of 75,000 Ordinary Shares during IPO in 1993 and subsequently Share Premium amount was received @100 % over par value of share @Taka 10 per share on 125,683,593 no. of Ordinary Shares in 2017 against Rights Issue (1R:2).

15 Statutory reserves

Balance at 01 January	2,098,412,371	1,782,004,350	2,098,412,371	1,782,004,350
Add: Transferred on appropriation of profit	318,129,479	316,408,021	318,129,479	316,408,021
Balance at 31 December	**2,416,541,850**	**2,098,412,371**	**2,416,541,850**	**2,098,412,371**

In compliance with the clause no 6 of Financial Institutions Regulations, 1994, Financial Institution is required to transfer at least 20% of it's profit after tax and before appropriation of dividend in a particular year, if the financial institution's sum of Share Premium Account (if any) and Statutory Reserves is less than the paid up capital of that financial institution. Accordingly, 20% of current year's profit after tax has been transferred to Statutory Reserves Account.

16 General reserves

Balance at 01 January	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Add: Transferred on appropriation of profit	-	-	-	-
Balance at 31 December	**1,000,000,000**	**1,000,000,000**	**1,000,000,000**	**1,000,000,000**

17 Business commitments and contingencies

In the normal course of business, the Company makes various commitments and incurs certain contingent liabilities. No material losses are anticipated as a result of these transactions. These contingent liabilities and business commitments are quantified below:

	IDLC Finance Limited		IDLC Group	
	2018	2017	2018	2017
	BDT	BDT	BDT	BDT
17.1 Contingent liabilities				
Acceptances and endorsements	-	-	-	-
Letters of guarantee (Note - 17.1.1)	11,853,790	91,601,562	11,853,790	91,601,562
Irrevocable letters of credit	-	-	-	-
Bills for collection	-	-	-	-
Indemnity bond	-	-	-	-
Corporate guarantee (Note - 17.1.2)	750,000,000	750,000,000	750,000,000	750,000,000
	761,853,790	**841,601,562**	**761,853,790**	**841,601,562**
17.1.1 Money for which the Company is contingently liable in respect of guarantee given in favour of:				
Directors or officers	-	-	-	-
Government	-	-	-	-
Banks and other financial institutions	-	-	-	-
Others	11,853,790	91,601,562	11,853,790	91,601,562
	11,853,790	**91,601,562**	**11,853,790**	**91,601,562**
17.1.2 The Company is contingently liable on behalf of IDLC Securities Limited for the guarantees given below in favour of:				
Dhaka Stock Exchange Limited	700,000,000	700,000,000	700,000,000	700,000,000
Chittagong Stock Exchange Limited	50,000,000	50,000,000	50,000,000	50,000,000
	750,000,000	**750,000,000**	**750,000,000**	**750,000,000**
17.2 Other commitments				
Documentary credits and short term trade related transactions	-	-	-	-
Forward assets purchased and forward deposits placed	-	-	-	-
Un-drawn note issuance and revolving underwriting	-	-	-	-
Un-drawn formal standby facilities, credit lines	-	-	-	-
Lease and term finance commitments outstanding at 31 December	647,584,179	344,407,701	647,584,179	344,407,701
Real estate finance commitments outstanding at 31 December	1,126,786,809	828,654,280	1,126,786,809	828,654,280
Car loan commitments outstanding at 31 December	434,333	408,333	434,333	408,333
Personal loan commitments outstanding at 31 December	124,077	124,077	124,077	124,077
Loan Against Deposit commitments outstanding at 31 December	-	10,575,755	-	10,575,755
	1,774,929,398	**1,184,170,146**	**1,774,929,398**	**1,184,170,146**

17.2.1 Sanction and Disbursements

On 31 December, the Company had following amounts of sanction and disbursement :

	2018		2017	
	Contracts/ sanction	Disbursement	Contracts/ sanction	Disbursement
	BDT	BDT	BDT	BDT
Lease and term finance	1,583,097,789	935,513,610	941,023,600	596,615,899
Real estate finance	3,775,381,207	2,648,594,398	2,738,969,670	1,910,315,390
Car loans	4,010,000	3,575,667	2,560,000	2,151,667
Personal loans	1,000,000	875,923	1,000,000	875,923
Loan Against Deposit (LAD)	-	-	10,575,755	-
	5,363,488,996	**3,588,559,598**	**3,694,129,025**	**2,509,958,879**

17.2.2 Capital expenditure commitments

There was no capital expenditure contracted but not incurred or provided for at 31 December 2018 (2017: nil). There was no material capital expenditure authorised by the Board but not contracted for at 31 December 2018 (2017: nil).

17.2.3 Unacknowledged debt

The Company had no claim, legal or others, which has not been acknowledged as debt at the balance sheet date.

		IDLC Finance Limited		IDLC Group	
		2018	2017	2018	2017
		BDT	BDT	BDT	BDT
18	**Income statement**				
	Income				
	Interest, discount and similar income (Note-18.1)	11,206,746,696	9,174,637,988	11,570,470,144	9,838,140,889
	Dividend income (Note-21)	31,927,537	48,998,371	151,755,893	137,228,732
	Fees, commission and brokerage (Note-22)	45,343,775	42,055,874	597,129,398	755,121,539
	Other operating income (Note-23)	436,992,055	437,656,645	445,097,147	447,973,309
		11,721,010,063	9,703,348,878	12,764,452,582	11,178,464,469
	Expenses				
	Interest on deposits and borrowings etc. (Note-20)	7,015,750,078	4,902,102,651	6,940,206,955	4,898,052,961
	Administrative expenses (Note-18.2)	1,448,153,420	1,434,976,538	1,767,971,379	1,761,357,343
	Other expenses (Note-33)	327,422,345	353,343,088	373,257,311	410,185,643
	Depreciation on assets (Note-32)	137,598,412	145,839,286	158,725,831	164,225,017
		8,928,924,255	6,836,261,563	9,240,161,476	7,233,820,964
	Operating Income	**2,792,085,808**	**2,867,087,315**	**3,524,291,106**	**3,944,643,505**
18.1	**Interest, discount and similar income**				
	Interest income (Note -19)	10,941,528,941	8,706,732,278	11,162,932,726	8,892,872,138
	Gain on sale of marketable securities & DSE share (Note - 21)	184,568,942	349,300,398	303,852,150	808,151,293
	Income from investment in bonds (Note - 21)	80,648,813	99,583,090	103,685,268	118,095,236
	Income from investment in commercial paper (Note - 21)	-	19,022,222	-	19,022,222
		11,206,746,696	**9,174,637,988**	**11,570,470,144**	**9,838,140,889**
18.2	**Administrative expenses**				
	Salary and allowances (Note-24)	1,053,414,823	1,050,489,189	1,291,787,009	1,293,549,163
	Rent, taxes, insurance, electricity, etc. (Note-25)	183,828,267	179,080,115	224,066,909	220,165,817
	Legal expenses (Note-26)	11,192,037	21,562,320	13,840,499	25,855,925
	Postage, stamp, telecommunication, etc. (Note-27)	31,073,127	30,186,959	38,997,409	37,748,974
	Stationery, printing, advertisement, etc. (Note-28)	145,763,908	114,900,212	170,416,794	139,569,069
	Managing Director's salary and fees (Note-29)	11,940,004	11,940,004	11,940,004	11,940,004
	Directors' fees (Note-30)	1,464,473	1,619,200	2,144,666	2,283,518
	Auditors' fees (Note-31)	2,496,940	1,023,381	2,841,940	1,368,381
	Repair of Company's assets (Note-32)	6,979,841	24,175,158	11,936,149	28,876,492
		1,448,153,420	**1,434,976,538**	**1,767,971,379**	**1,761,357,343**
19	**Interest income**				
	This represents interest income from the following products:				
	Lease finance	558,016,665	561,588,550	558,016,665	561,588,550
	Real estate finance	2,750,373,868	2,187,021,348	2,750,373,868	2,187,021,348
	Term finance	5,821,349,436	4,605,514,561	5,821,349,436	4,605,514,561
	Short term finance	113,978,460	104,661,960	113,978,460	104,661,960
	Car loan	207,466,154	287,787,934	207,466,154	287,787,934
	Personal loan	15,435,326	12,122,550	15,435,326	12,122,550
	Margin loan to portfolio investors	-	-	210,696,771	210,724,275
	Loan to subsidiaries	58,713,463	77,150,892	-	-
		9,525,333,372	**7,835,847,795**	**9,677,316,680**	**7,969,421,178**
	Interest on balance with other banks and financial institutions	1,361,109,502	819,774,626	1,430,529,979	872,341,103
	Call loan	124,389	-	124,389	-
	Loan against deposit	54,961,678	51,109,857	54,961,678	51,109,857
		10,941,528,941	**8,706,732,278**	**11,162,932,726**	**8,892,872,138**
20	**Interest on deposits and borrowings etc.**				
	Interest on term deposits	5,995,380,911	4,012,549,026	5,908,049,669	4,001,085,608
	Interest on borrowings	694,102,214	595,483,462	705,890,333	602,897,190
	Interest on secured/unsecured zero coupon bonds	109,535,327	140,719,276	109,535,327	140,719,276
	Interest on security deposit	117,083,682	107,201,859	117,083,682	107,201,859
	Interest on call loan	99,647,944	46,149,028	99,647,944	46,149,028
		7,015,750,078	**4,902,102,651**	**6,940,206,955**	**4,898,052,961**

		IDLC Finance Limited		IDLC Group	
		2018	2017	2018	2017
		BDT	BDT	BDT	BDT
21	**Investment income**				
	Gain on sale of marketable securities	184,568,942	349,300,398	269,779,083	808,151,293
	Dividend income	31,927,537	48,998,371	151,755,893	137,228,732
	Income from investment in bonds	80,648,813	99,583,090	103,685,268	118,095,236
	Income from investment in commercial paper	-	19,022,222	-	19,022,222
	Gain/(loss) on sale of DSE Shares	-	-	34,073,067	-
		297,145,292	**516,904,081**	**559,293,311**	**1,082,497,483**
22	**Commission, exchange and brokerage**				
	Agency fees	17,821,666	18,079,166	17,821,666	18,079,166
	Arrangement fees	12,908,201	14,415,672	12,908,201	14,415,672
	Advisory fees	14,013,041	8,436,956	14,013,041	8,436,956
	Commission & brokerage	-	698,267	387,845,448	543,155,522
	Documentation fees	-	-	547,000	945,500
	Custodial fees	600,867	425,813	600,867	425,813
	Fees from mutual fund	-	-	22,347,863	13,655,430
	Issue management fees	-	-	16,282,616	2,500,000
	Portfolio management fees	-	-	50,102,579	50,818,643
	Corporate advisory fees	-	-	43,529,723	44,059,460
	Settlement charges	-	-	31,130,394	58,629,377
		45,343,775	**42,055,874**	**597,129,398**	**755,121,539**
23	**Other operating income**				
	Application, processing and documentation fees	285,091,762	284,658,987	285,091,762	284,658,987
	Loan settlement and others	71,819,912	93,966,736	71,819,912	93,966,736
	Service charges	15,557,202	10,055,799	15,557,202	10,055,799
	Gain on disposal of fixed assets	7,731,912	12,701,436	8,688,267	13,666,742
	Account opening & BO account maintenance fees	-	-	2,502,630	3,369,052
	IPO service charge	-	-	83,675	45,810
	Revenue from write off collection	44,219,017	20,260,467	44,219,017	20,260,467
	Commission on Corporate Guarantee	2,761,111	2,661,458	2,761,111	2,661,458
	Miscellaneous income	9,811,139	13,351,762	14,373,571	19,288,258
		436,992,055	**437,656,645**	**445,097,147**	**447,973,309**
24	**Salaries and allowances**	**1,053,414,823**	**1,050,489,189**	**1,291,787,009**	**1,293,549,163**

24.1 Salaries and allowances

Salaries and allowances of IDLC Finance Limited include annual contribution of BDT 39,359,549 to Provident Fund and BDT 35,000,000 to Gratuity Fund. Salaries and allowances of IDLC Group include annual contribution of BDT 47,565,987 to Provident Fund and BDT 45,132,036 to Gratuity Fund.

24.2 Employee benefits

IDLC Finance Limited operates a funded gratuity scheme (which is a defined benefit scheme as specified in IAS 19). Gratuity fund is administered by a Board of Trustees and Company contributions are invested separately from company assets. Employees are entitled to gratuity benefit after completion of minimum years of service with the Company. The Company is contributing to the fund as prescribed by actuarial valuation report. Disclosures of IDLC Finance Limited Employees' Gratuity Fund has been given below:

		IDLC Finance Limited	
		2018	2017
		BDT	BDT
	Net defined benefit assets & liabilities		
	Defined benefit obligation (Note: 24.2.1)	(282,364,295)	(231,257,703)
	Fair value of plan assets (Note: 24.2.2)	209,563,537	174,300,068
	Net defined benefit obligation	**(72,800,758)**	**(56,957,635)**
24.2.1	**Change in benefit obligation**		
	Benefit obligation at end of prior year	(231,257,703)	(170,910,472)
	Current service cost	(20,456,129)	(24,272,643)
	Interest expense	(17,922,472)	(19,067,811)
	Benefit payments	12,802,766	32,443,050
	Remeasurements due to change in demographic assumptions	(2,100,000)	(1,720,007)
	Remeasurements due to change in financial assumptions	-	(36,775,390)
	Measurements due to experience adjustments	(23,430,757)	(10,954,430)
	Defined benefit obligation at end of year	**(282,364,295)**	**(231,257,703)**

		IDLC Finance Limited	
		2018	2017
		BDT	BDT
24.2.2	**Change in fair value of plan assets**		
	Fair value of plan assets at end of prior year	174,300,068	134,355,274
	Interest income	13,066,235	12,386,588
	Employer contributions	35,000,000	60,001,256
	Benefit payments from plan assets	(12,802,766)	(32,443,050)
	Fair value of plan assets at end of year	**209,563,537**	**174,300,068**
	Fair value of plan assets		
	Cash and cash equivalents	815,988	8,092,134
	Debt instruments	208,747,549	166,207,934
	Total fair value of plan assets	**209,563,537**	**174,300,068**
	Expected cash flows for following year		
	Expected employer contributions	39,660,000	29,880,000
	Expected total benefit payments		
	Year 1	6,600,000	-
	Year 2	-	5,400,000
	Year 3	5,800,000	-
	Year 4	2,600,000	5,400,000
	Year 5	600,000	2,400,000
	Significant actuarial assumptions		
	Discount rate in %	7.75%	7.75%
	Future salary growth in %	8.00%	8.00%

Sensitivity analysis

A change of 100 basis points in following significant assumptions would have increased/(decreased) defined benefit obligation of the company by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant.

	As at 31 December 2018	
	1% increase	1% decrease
	BDT	BDT
Discount rate in %	(36,529,757)	44,258,855
Future salary growth in %	43,700,739	(36,762,294)

Significant characteristics of the gratuity plan

Plan sponsor	:	IDLC Finance Limited
Name of the gratuity plan	:	IDLC Finance Limited Employees' Gratuity Fund
Nature of benefits	:	Final salary defined benefit plan
Risks associated with the plan	:	Plan sponsor bears interest rate risks associated of the plan
Vesting criteria	:	5 year of continuous service
Applicable salary	:	Last drawn monthly basic salary
Maximum limit of benefit paid	:	No upper limit on benefit
Basis of gratuity	:	Accrued benefit
Normal retirement age	:	60 years
Benefit calculation	:	- Past service of 5 years to 10 years: One month's basic pay for each year of service - Above from 10 years to 15 years: One & a half month's basic pay for each year of service - More than 15 years: Two month's basic pay for each year of service

		IDLC Finance Limited		IDLC Group	
		2018	2017	2018	2017
		BDT	BDT	BDT	BDT
25	**Rent, taxes, insurance, electricity, etc.**				
	Rent, rate and taxes	137,519,744	132,275,809	169,992,408	166,374,941
	Insurance	4,427,032	4,894,850	5,129,399	5,467,303
	Power and electricity	41,881,491	41,909,456	48,945,102	48,323,573
		183,828,267	**179,080,115**	**224,066,909**	**220,165,817**
26	**Legal expenses**				
	Renewal and registration	2,936,533	7,557,918	4,372,468	9,146,039
	Other professional charges	8,255,504	14,004,402	9,468,031	16,709,886
		11,192,037	**21,562,320**	**13,840,499**	**25,855,925**
27	**Postage, stamp, telecommunication, etc.**				
	Postage	1,313,866	983,837	1,437,546	1,178,394
	Telecommunication and internet etc.	29,759,261	29,203,122	37,559,863	36,570,580
		31,073,127	**30,186,959**	**38,997,409**	**37,748,974**

		IDLC Finance Limited		IDLC Group	
		2018	2017	2018	2017
		BDT	BDT	BDT	BDT
28	**Stationery, printing, advertisements, etc.**				
	Stationery & printing	63,494,722	50,467,568	66,952,177	54,811,257
	Advertisement and publicity	82,269,186	64,432,644	103,464,617	84,757,812
		145,763,908	**114,900,212**	**170,416,794**	**139,569,069**
29	**Managing Director's salary and benefits**				
	Basic pay	6,000,000	6,000,000	6,000,000	6,000,000
	Allowances	2,340,000	2,340,000	2,340,000	2,340,000
	Bonus	2,500,000	2,500,000	2,500,000	2,500,000
	Company's contribution to provident fund	1,100,004	1,100,004	1,100,004	1,100,004
		11,940,004	**11,940,004**	**11,940,004**	**11,940,004**
30	**Directors' fees**				
	Honorarium for attending meeting	1,464,473	1,619,200	2,144,666	2,283,518
	Incidental expenses for attending meeting	-	-	-	-
		1,464,473	**1,619,200**	**2,144,666**	**2,283,518**

30.1 Directors' fees

In compliance with Bangladesh Bank's circular No. DFIM Circular No. 13, dated 30 November 2015, BDT 8,000 has been paid to directors of the board excluding the CEO & Managing Director for attending per meeting of the board and its sub-committees of IDLC Finance Limited.

31	**Auditors' fees**				
	Annual statutory audit fees (including VAT)	690,000	690,000	1,035,000	1,035,000
	Other audit fees (including VAT)	1,806,940	333,381	1,806,940	333,381
		2,496,940	**1,023,381**	**2,841,940**	**1,368,381**
32	**Depreciation and repair of company's assets**				
	Freehold assets (Note-8 (b))	137,598,412	145,839,286	158,725,831	164,225,017
	Repair and maintenance for premises, vehicles, computers and computers accessories	6,979,841	24,175,158	11,936,149	28,876,492
		144,578,253	**170,014,444**	**170,661,980**	**193,101,509**
33	**Other expenses**				
	Bank charges	5,327,621	6,657,090	6,013,353	7,151,481
	Books and periodicals	259,294	270,515	354,122	362,175
	Car expenses	29,999,451	30,722,420	34,628,979	34,650,208
	Donations and subscriptions	776,698	593,860	1,025,885	2,333,937
	Medical & welfare expenses	11,986,406	17,825,322	13,575,220	19,126,991
	Entertainment expenses	11,906,446	14,985,561	13,897,613	17,840,538
	Consultancy fees	6,386,555	10,233,741	6,386,555	10,233,741
	Office service expenses	84,382,011	84,755,788	103,896,982	105,399,803
	Training expenses	17,634,321	13,797,528	20,398,275	24,505,923
	Travel and conveyances	21,631,229	23,296,703	23,812,073	25,415,283
	CDBL charges	6,450	900	1,309,782	1,398,729
	Howla and Laga charge	-	-	54,476,277	61,975,600
	Portfolio Management Charge	46,435,225	50,632,208	-	-
	Sales Incentive	56,192,312	57,640,875	57,194,893	57,640,875
	Repossession fees and others	34,498,325	41,930,577	36,287,302	42,150,359
		327,422,345	**353,343,088**	**373,257,311**	**410,185,643**

34 Operating Segment Report

Revenue and profit

	For the year 2018				
	Core financing business	Investment banking business	Brokerage business	Asset management business	Total
External revenue					
Net interest income	3,925,778,863	141,712,554	149,261,504	5,972,850	4,222,725,771
Investment income	297,145,292	(24,626,633)	275,432,622	11,342,030	559,293,311
Commission and brokerage	45,343,775	140,236,524	387,845,448	81,114,415	654,540,162
Other operating income	436,992,055	2,793,125	5,003,960	308,007	445,097,147
Inter-segment revenue/interest expense	28,617,779	10,592,480	(81,250,492)	(15,370,532)	(57,410,764)
Total Segment Revenue	4,733,877,764	270,708,050	736,293,042	83,366,770	5,824,245,627
Other operating expenses	1,775,575,765	91,522,314	288,049,361	43,492,014	2,198,639,454
Major non-cash expenses:					
Depreciation	137,598,412	6,420,028	11,492,255	3,215,136	158,725,832
Provision for future losses	366,134,518	(15,303,571)	40,466,147	5,715,330	397,012,424
Inter-segment expense	(46,435,224)	(3,544,074)	(7,431,465)	-	(57,410,764)
Total Segment Expense	2,232,873,471	79,094,696	332,576,298	52,422,480	2,696,966,945
Reportable segment profit before tax	**2,501,004,294**	**191,613,354**	**403,716,744**	**30,944,290**	**3,127,278,682**

	For the year 2017				
	Core financing business	Investment banking business	Brokerage business	Asset management business	Total
External revenue					
Net interest income	3,804,629,627	105,256,335	81,930,215	3,003,000	3,994,819,177
Investment income	516,904,081	276,369,399	255,817,499	33,406,504	1,082,497,483
Commission and brokerage	42,055,874	153,132,304	544,912,056	68,491,399	808,591,633
Other operating income	437,656,645	5,324,197	4,964,344	28,123	447,973,309
Inter-segment revenue/interest expense	(74,937,474)	57,379,583	(30,860,899)	(5,051,304)	(53,470,094)
Total Segment Revenue	4,726,308,753	597,461,818	856,763,215	99,877,722	6,280,411,508
Other operating expenses	1,788,319,626	83,005,574	301,844,658	51,843,222	2,225,013,079
Major non-cash expenses:					
Depreciation	145,839,286	6,413,744	10,118,568	1,853,419	164,225,017
Provision for future losses	228,165,960	4,644,941	-	-	232,810,901
Inter-segment expense	(50,632,208)	(383,085)	(2,454,801)	-	(53,470,094)
Total Segment Expense	2,111,692,664	93,681,174	309,508,425	53,696,641	2,568,578,904
Reportable segment profit before tax	**2,614,616,089**	**503,780,644**	**547,254,790**	**46,181,081**	**3,711,832,604**

Segment assets and liabilities

	For the year 2018				
	Core financing business	Investment banking business	Brokerage business	Asset management business	Total
External assets					
Total assets	105,181,750,507	4,205,692,659	4,934,669,138	208,787,960	114,530,900,264
Inter-segment assets	(4,056,347,049)	(57,250,000)	(1,195,700,000)	(55,915,180)	(5,365,212,229)
Total Segment Assets	**101,125,403,458**	**4,148,442,659**	**3,738,969,138**	**152,872,780**	**109,165,688,035**
External liabilities					
Total liabilities	94,153,158,676	1,461,015,740	1,316,733,851	24,486,365	96,955,394,632
Inter-segment liabilities	(1,109,779,215)	(284,747,259)	(32,507,072)	-	(1,427,033,546)
Total Segment Liabilities	**93,043,379,461**	**1,176,268,481**	**1,284,226,779**	**24,486,365**	**95,528,361,086**

	For the year 2017				
	Core financing business	Investment banking business	Brokerage business	Asset management business	Total
External assets					
Total assets	92,610,982,518	4,838,156,060	4,135,974,638	178,816,816	101,763,930,032
Inter-segment assets	(5,189,936,253)	(34,150,000)	(801,033,333)	(51,867,355)	(6,076,986,941)
Total Segment Assets	**87,421,046,265**	**4,804,006,060**	**3,334,941,305**	**126,949,461**	**95,686,943,091**
External liabilities					
Total liabilities	82,041,885,742	1,027,850,542	2,129,234,044	29,302,154	85,228,272,482
Inter-segment liabilities	(698,184,987)	(1,439,936,463)	(686,808)	-	(2,138,808,258)
Total Segment Liabilities	**81,343,700,755**	**(412,085,921)**	**2,128,547,236**	**29,302,154**	**83,089,464,224**

35 Tax expenses

35.1 Current tax

Provisions for current tax has been made on the basis of the profit for the year as adjusted for taxation purposes in accordance with the provisions of Income Tax Ordinance, 1984 and amendments made thereto. The current tax rate for the Company is 37.50% on taxable income (In 2017: 40%). Adequate provision has been made for disputed tax against which appeal has been made and decision is pending.

35.2 Deferred tax

Deferred tax is provided using the balance sheet method for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes as per International Accounting Standard (IAS) 12: "Income Taxes".

	IDLC Finance Limited		IDLC Group	
	2018	2017	2018	2017
	BDT	BDT	BDT	BDT

35.3 Average effective tax rate

The average effective tax rate is calculated below as per International Accounting Standard (IAS) 12: "Income Taxes".

Tax expenses (A)	835,303,895	1,056,881,248	956,278,260	1,434,712,811
Accounting profit before tax (B)	2,425,951,290	2,638,921,355	3,127,278,682	3,711,832,604
Average effective tax rate (A÷B)	**34.43%**	**40.05%**	**30.58%**	**38.65%**

36 Earnings Per Share (EPS)

Earnings Per Share as shown in the face of the Profit and Loss Account is calculated in accordance with International Accounting Standard (BAS) 33: "Earnings Per Share".

Basic earnings per share has been calculated as follows:

Earnings attributable to ordinary shareholders (Net profit after tax) (A)	1,590,647,395	1,582,040,107	2,171,000,265	2,277,119,177
Weighted average number of ordinary shares outstanding during the year (B)	377,050,780	371,384,449	377,050,780	371,384,449
Earnings Per Share (A÷B)	**4.22**	**4.26** *	**5.76**	**6.13** *

* As IDLC Finance Limited has issued right share in the year 2017, required adjustments have been made to the weighted average number of shares to reflect Theoretical Ex Right Share Price (TERP) for 2017, as per BAS 33 "Earnings Per Share".

37 Net Asset Value (NAV) Per Share

Net Asset (total assets less total liabilities) (A)	11,028,591,831	10,569,096,776	13,637,326,949	12,597,478,867
Total number of ordinary shares outstanding (B)	377,050,780	377,050,780	377,050,780	377,050,780
Net Asset Value per share (NAV) (A÷B)	**29.25**	**28.03**	**36.17**	**33.41**

38. Net Operating Cash Flows Per Share (NOCFPS)

Net cash flows from operating activities (A)	4,142,614,766	4,546,641,887	4,166,671,146	7,448,994,670
Total number of ordinary shares outstanding (B)	377,050,780	377,050,780	377,050,780	377,050,780
Net operating cash flows per share (NOCFPS) (A÷B)	**10.99**	**12.06**	**11.05**	**19.76**

39 Reconciliation of Net Profit with Cash Flows from Operating Activities

Net profit after tax	**1,590,647,395**	**1,582,040,107**	**2,171,000,422**	**2,277,119,793**
Items not involved in cash movement:				
Add: Depreciation	137,598,412	145,839,286	158,725,831	164,225,017
Add: Provision for loans and investments	366,134,518	228,165,960	397,012,424	232,810,901
Add: Provision for taxation	849,919,592	1,065,400,300	982,835,113	1,448,167,284
Add/ (Less): Accrued expenses	3,399,771,114	2,751,648,557	3,877,988,860	2,555,699,956
Add/ (Less): Accrued income	(243,943,221)	(32,171,201)	(449,113,473)	(60,351,590)
Less: Gain On Disposal of Fixed assets	(7,731,912)	(12,701,436)	(8,688,267)	(13,666,742)
Increase/(Decrease) in Employee gratuity	-	-	4,257,123	13,536,253
Increase/(Decrease) in deferred tax	(14,615,697)	(8,519,052)	(26,556,854)	(13,454,473)
Adjustments to reconcile net profit after tax to net cash provided by operating activities	**6,077,780,201**	**5,719,702,521**	**7,107,461,179**	**6,604,086,399**
Increase/(decrease) in operating assets and liabilities				
(Increase)/Decrease in Loans & advances	(11,561,730,271)	(9,553,012,664)	(12,253,488,696)	(9,304,755,709)
(Increase)/Decrease in Other assets	20,322,075	(2,439,564,002)	25,125,845	(39,324,165)
Increase/(Decrease) in Short term borrowings	3,130,000,000	565,000,000	3,210,000,000	565,000,000
Increase/(Decrease) in Term & other deposits	11,015,972,486	13,364,084,868	10,620,315,314	12,768,109,082
Increase/(Decrease) in Payable and accrued expenses	(3,718,891,418)	(2,294,049,429)	(3,719,726,387)	(2,291,460,779)
(Increase)/Decrease in Income tax	(776,058,345)	(838,214,694)	(1,007,233,668)	(1,058,910,701)
Increase/(Decrease) in Portfolio investors fund	-	-	228,997,522	183,555,256
Increase/(Decrease) in Interest suspense	(44,779,963)	22,695,287	(44,779,963)	22,695,287
	(1,935,165,436)	**(1,173,060,634)**	**(2,940,790,033)**	**844,908,271**
Net cash flows from/(used in) operating activities	**4,142,614,766**	**4,546,641,887**	**4,166,671,146**	**7,448,994,670**

40 Related party disclosure

a. Particulars of Directors and their interest in different entities

SL No.	Name of the Director	Status in IDLC	Name of the firms/companies in which interested is the proprietor, partner, director, managing agent, guarantor, employee etc.	Status in interested entity	(%) of Holding/Interest in the concern as on 31 December 2018
1.	Mr. Aziz Al Mahmood	Chairman	Danish Condensed Milk Bangladesh Limited	Managing Director	75.00%
			Danish Milk Bangladesh Limited	Managing Director	75.00%
			Danish Foods Limited	Managing Director	75.00%
			Danish Distribution Network Limited	Managing Director	75.00%
			Rubel Steel Mills Limited	Managing Director	75.00%
			Danish Dairy Firm Limited	Managing Director	75.00%
			Suborna Bhumi Housing Limited	Managing Director	50.00%
			Fabiana Flower Mills Limited	Managing Director	75.00%
			Voice Tel Limited	Managing Director	22.50%
			Partex Tissue Limited	Managing Director	70.00%
			Partex LPG Limited	Managing Director	90.00%
			Danish Multipurpose Farm Limited	Managing Director	70.00%
			Star Particle Board Mills Limited	Director	15.00%
			Corvee Maritime Company Limited	Director	15.00%
			Partex Furniture Industries Limited	Director	15.00%
			Partex Builders Limited	Director	15.00%
			Partex Laminates Limited	Director	15.00%
			Partex Limited	Director	15.00%
			Partex Housing Limited	Director	50.00%
			Partex PVC Limited	Director	15.00%
			Star Adhesive Limited	Director	15.00%
			Partex Aeromine Logistics Limited	Director	15.00%
			Partex Cables Limited	Director	15.00%
2.	Mr. S.M. Mashrur Arefin	Director	The City Bank Limited	Managing Director	-
			CBL Money Transfer Sdn.Bhd.	Director-nominated By CBL	-
			City Bank Capital Resources Limited	Director-nominated By CBL	-
3.	Mr. Monower Uddin Ahmed	Independent Director	Monower Associates	CEO & Lead Consultant	100%
4.	Ms. Mahia Juned	Director	The City Bank Limited	Deputy Managing Director & Head of Operations	-
5.	Mr. Mohammad Mahbubur Rahman, FCA	Director	The City Bank Limited	Deputy Managing Director & Chief Financial Officer (CFO)	-
			City Bank Capital Resources Limited	Director nominated by CBL	-
			City Brokerage Limited	Director nominated by CBL	-
6.	Mr. Md. Kamrul Hassan, FCA	Director	Transcom Group of Companies	Executive Director - Finance	-
			National Asset Management Limited	Director	12%
7.	Mr. Syed Shahriyar Ahsan	Director	Sadharan Bima Corporation	Managing Director	-
			Investment Corporation of Bangladesh	Director – Nominated by SBC	-
			Central Depository Bangladesh Limited	Director – Nominated by SBC	-
			National Tea Company Limited	Director – Nominated by SBC	-
			SBC Securities and Investment Limited.	Chairman- Nominated by SBC	-
			Aroma Tea Limited	Director – Nominated by SBC	-
			Asian Reinsurance Corporation	Council Member for Bangladesh	-
8.	Mr. Atiqur Rahman	Director	Transcom Limited		-
			M. Rahman Tea Co. Limited		7.29%
			Monipur Tea Co. Limited	Group Finance Director	3.66%
			Marina Tea Co. Limited		8.11%
			W. Rahman Jute Mills Limited		0.01%
			Heritage Agro Farms Limited		5.00%
			Reliance Insurance Limited	Director nominated by Transcom Limited	-

SL No.	Name of the Director	Status in IDLC	Name of the firms/companies in which interested is the proprietor, partner, director, managing agent, guarantor, employee etc.	Status in interested entity	(%) of Holding/Interest in the concern as on 31 December 2018
9.	Mr. Mati Ul Hasan	Director	Mercantile Bank Limited	Additional Managing Director & CRO	-
10.	Mr. Niaz Habib	Independent Director	-	-	-
11.	Mr. Matiul Islam Nowshad CMgr, FCMI	Independent Director	Axiata Group Berhad	Special Projects Director	-

b. Significant contract where the Company is party and wherein Directors have interest - Nil

c. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operational decision and include associated companies with or without common directors and key management positions. The Company has entered into transaction with other related entities in normal course of business that fall within the definition of related party as per International Accounting Standard 24: " Related Party Disclosures." Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other customers of similar credentials and do not involve more than a normal risk.

Details of transactions with related parties and balances with them as at 31 December 2018 were as follows:

Name of the related party	Transaction nature	Relationship	Balance as at 01 January 2018 BDT	Addition BDT	Adjustment BDT	Balance at year end 31 December 2018 receivable/ (payable) BDT
The City Bank Limited	Term Deposit	Sponsor shareholder	(2,590,000,000)	(6,500,000,000)	4,790,000,000	(4,300,000,000)
	Subordinated Bond	Sponsor shareholder	234,750,000	-	(234,750,000)	-
	Term Deposit	Sponsor shareholder	(97,098,917)	(75,472,255)	172,571,172	-
Mercantile Bank Limited	Subordinated Bond	Shareholder	240,000,000	-	(60,000,000)	180,000,000
Transcom group	Lease/Loan	Shareholder	3,260,414	-	(1,363,337)	1,897,076
	Term Deposit	Shareholder	(934,497,594)	(579,123,928)	243,214,722	(1,270,406,800)
Reliance Insurance Limited	Term Deposit	Shareholder	(125,500,000)	(116,861,800)	44,361,800	(198,000,000)
Directors & their families	Lease/Loan	Shareholder	2,246,295	-	(2,246,295)	-
	Term Deposit	Shareholder	(55,045,720)	(71,142,526)	28,327,016	(97,861,229)
IDLC Securities Limited	Loan to IDLC IL	Subsidiary	200,000,000	-	(21,600,000)	178,400,000
	Term Deposit	Subsidiary	(600,000,000)	(400,000,000)	-	(1,000,000,000)
IDLC Investments Limited	Borrowings from IDLC SL	Subsidiary	(200,000,000)	-	21,600,000	(178,400,000)
	Term Deposit	Subsidiary	(34,150,000)	(26,500,000)	3,400,000	(57,250,000)
IDLC Asset Management Limited	Term Deposit	Subsidiary	(50,563,286)	-	27,442,828	(23,120,458)
			(4,006,598,808)	**(7,769,100,508)**	**5,010,957,906**	**(6,764,741,411)**

d. Share issued to Directors and executives without consideration or exercisable at a discount - Nil

e. Lending policy to related parties

Related parties are allowed Loans and Advances as per General Loan Policy of the Company.

f. Loans, advances and leases to Directors and their related concern

Name of the related party	Transaction nature	Classification status	Provision kept	Security amount
Transcom group	Lease/Loan	Standard	19,152	110,750

g. Investment in the Securities of Directors and their related concern - Nil

41 Receivable from Directors

The Company has receivable from Directors of the Company amounting BDT 1,897,076 as at 31 December 2018.

42 Disclosure on Audit committee

a. Particulars of audit committee

The Audit Committee of the Board was duly constituted by the Board of Directors of the Company in accordance with DFIM Circular no. 13 issued on October 26, 2011 by Bangladesh Bank and in accordance with Bangladesh Securities and Exchange Commission (BSEC) the condition No. 5 of the notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated June 3, 2018.

The Audit Committee of the Board of Directors as of 31 December 2018 consisted of the following members of the Board:

Name	Status at the Company	Status at committee
Mr. Monower Uddin Ahmed	Independent Director	Chairman
Mr. Mohammad Mahbubur Rahman FCA	Director	Member
Mr. Md. Kamrul Hassan, FCA	Director	Member
Mr. Syed Shahriyar Ahsan	Director	Member

The company secretary is to act as the Secretary of the Audit Committee .

b.	Meetings held by the committee during the year by date:	Meeting No		Held on
		60th		14-Feb-2018
		61st		25-Apr-2018
		62nd		29-Jul-2018
		63rd		19-Aug-2018
		64th		14-Oct-2018
		65th		19-Dec-2018

c. Six meetings of the audit committee were held during the year 2018 where it carried out the following tasks:

i) Conducted discussions with the statutory external auditors and management prior to finalization of financial statements for the year ended 31 December 2017
ii) Reviewed the financial statements of IDLC Finance Limited for the year ended 31 December 2017;
iii) Recommended for appointment of statutory external auditors for the year 2018;
iv) Reviewed report of the audit committee for 2017 prior to its publication in the annual report 2017;
v) Reviewed Internal Control & Compliance report of 2017;
vi) Reviewed and approved annual audit plan for the year 2018;
vii) Reviewed report on utilization of funds raised through rights issue;
viii) Reviewed and approved the IDLC Whistle Blower Guideline;
ix) Reviewed the quarterly un-audited financial statements of IDLC Finance Limited for the first quarter ended on 31 March 2018;
x) Recommended appointment of external audit firm for ICT audit of IDLC Finance Limited;
xi) Reviewed the management letter issued by the statutory external auditors, A. Qasem & Co, Chartered Accountants, based on their annual audit of financial statements of IDLC Finance Limited for the year ended 31 December 2017;
xii) Reviewed the summary of internal audit & investigation reports circulated in the first quarter of 2018;
xiii) Reviewed the quarterly un-audited financial statements of IDLC Finance Limited for the second quarter ended on 30 June 2018;
xiv) Reviewed the compliance status of management letter issued by A. Qasem & Co, Chartered Accountants, statutory external auditors of the company, based on their annual audit of financial statements of IDLC Finance Limited for the year ended 31 December 2017;
xv) Reviewed the compliance status of Bangladesh Bank's inspection reports on Dilkusha, Gazipur, Uttara & Mirpur branches of IDLC Finance Limited, based on financials as of 31 December 2017;
xvi) Reviewed Bangladesh Bank's comprehensive inspection report on Corporate Head Office of IDLC Finance Limited based on the financials as of 31 December 2017 and management responses thereto;
xvii) Reviewed the quarterly un-audited financial statements of IDLC Finance Limited and its subsidiaries for the third quarter ended on 30 September 2018;
xviii) Reviewed the summary of internal audit & investigation reports circulated in the third quarter of 2018;
xix) Reviewed the audited financial statements of IDLC Finance Limited and its subsidiaries for the nine months ended on 30 September 2018 prior to their authentication by the Board for submission to regulatory authorities as part of the process for applying for issuance of non-convertible zero coupon bonds by IDLC Finance Limited;
xx) Reviewed the revised ICT policy of IDLC Finance Limited.

43 Foreign remittance

There were no foreign remittance during the year 2018.

44 Number of employees

The Company paid an aggregate amount more than BDT 36,000 per annum to 1,150 employees, who were in employment for full year or part of the year. (2017: 1,154)

45 Events after the reporting period

45.1 Dividend for the year 2018

45.2 Purchase of Land

The Board of Directors of IDLC Finance Limited at its 261st meeting held on 16 October 2017 at 4.00 p.m., has decided to purchase a land measuring 20 Katha 14 Chhatak, located at 153, Tejgaon Industrial Area, Dhaka for construction of IDLC's future Corporate Headquarter at a cost of BDT 57.98 Crore (BDT fifty-seven crore and ninety-eight lac only) excluding the cost of registration and other related expenses. Accordingly, on February 05, 2019 the registration of that land has been executed.

46 General

46.1 The Company publishes its quarterly accounts as per the Bangladesh Securities and Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2008-183/Admin/03-34, dated 27 September 2009.

46.2 The Company does not have any restriction on distribution and payment of dividends.

46.3 During the year under report, no matters were submitted to a vote of shareholders of the Company.

46.4 Previous year's figures have been rearranged where necessary to conform to current year's presentation.

Sd/-	Sd/-	Sd/-	Sd/-
Chairman	Director	CEO & Managing Director	Company Secretary

Dhaka, 17 February 2019

Fixed assets including land, building, furniture and fixtures-for 2018 **(Annexure A)**

Asset category	Cost					Depreciation				Written down value at 31 December 2018
	Balance at 01 January 2018	Addition during the year	Disposal/ adjustment during the year	Balance at 31 December 2018	Rate	Balance at 01 January 2018	Charged for the year	Adjustment during the year	Balance at 31 December 2018	
	BDT	BDT	BDT	BDT	%	BDT	BDT	BDT	BDT	BDT
Free hold assets:										
Land	26,958,470	-	-	26,958,470	-	-	-	-	-	26,958,470
Building	207,519,303	-	-	207,519,303	2.50	25,937,101	5,187,983	-	31,125,083	176,394,219
Furniture and fixtures	90,315,859	5,184,259	(2,469,342)	93,030,776	12.50	36,708,013	9,948,508	(1,837,220)	44,819,301	48,211,475
Electrical equipment	81,037,425	2,703,847	(4,193,483)	79,547,789	20.00	49,808,858	9,367,514	(3,732,740)	55,443,632	24,104,157
Curtain and carpets	4,642,899	873,549	(328,613)	5,187,835	33.33	2,907,215	1,165,407	(257,289)	3,815,333	1,372,502
Office equipment	121,410,081	4,317,592	(5,822,950)	119,904,724	20.00	82,241,692	14,856,080	(5,656,652)	91,441,121	28,463,603
Office decoration	149,687,850	4,883,690	(6,391,432)	148,180,108	20.00	72,981,018	21,910,532	(5,818,433)	89,073,117	59,106,991
Computers	171,402,743	11,600,441	-	183,003,184	20.00	96,037,907	21,176,830	-	117,214,737	65,788,447
Software (Office Operation)	33,042,494	4,237,051	-	37,279,545	33.33	28,168,806	3,637,991	-	31,806,797	5,472,747
Software (Business Operation)	137,540,494	-	-	137,540,494	20.00	133,939,095	1,028,969	-	134,968,064	2,572,430
Telephone and telex	10,582,494	2,520,242	(647,854)	12,454,882	33.33	8,269,774	1,444,154	(475,766)	9,238,162	3,216,720
Motor vehicles	268,631,671	11,404,200	(28,206,439)	251,829,432	25.00	168,516,231	47,874,443	(22,034,604)	194,356,070	57,473,362
Total 2018	**1,302,771,783**	**47,724,871**	**(48,060,112)**	**1,302,436,541**		**705,515,711**	**137,598,412**	**(39,812,705)**	**803,301,418**	**499,135,123**

Fixed assets including land, building, furniture and fixtures-for 2017

Asset category	Cost					Depreciation				Written down value at 31 December 2017
	Balance at 01 January 2017	Addition during the year	Disposal/ adjustment during the year	Balance at 31 December 2017	Rate	Balance at 01 January 2017	Charged for the year	Adjustment during the year	Balance at 31 December 2017	
	BDT	BDT	BDT	BDT	%	BDT	BDT	BDT	BDT	BDT
Free hold assets:										
Land	26,958,470	-	-	26,958,470	-	-	-	-	-	26,958,470
Building	207,519,303	-	-	207,519,303	2.50	20,749,118	5,187,983	-	25,937,101	181,582,202
Furniture and fixtures	80,113,694	11,856,586	(1,654,421)	90,315,859	12.50	28,392,735	9,517,012	(1,201,733)	36,708,013	53,607,847
Electrical equipment	73,366,607	11,512,907	(3,842,089)	81,037,425	20.00	44,116,701	9,066,281	(3,374,124)	49,808,858	31,228,567
Curtain and carpets	4,068,398	1,024,451	(449,950)	4,642,899	33.33	2,105,442	1,094,755	(292,981)	2,907,215	1,735,684
Office equipment	91,913,364	31,230,640	(1,733,923)	121,410,081	20.00	71,957,365	12,018,105	(1,733,778)	82,241,692	39,168,389
Office decoration	121,069,649	30,980,029	(2,361,829)	149,687,850	20.00	56,697,601	18,645,106	(2,361,689)	72,981,018	76,706,832
Computers	133,051,766	38,350,977	-	171,402,743	20.00	77,593,707	18,444,200	-	96,037,907	75,364,836
Software (Office Operation)	31,905,836	1,136,658	-	33,042,494	33.33	22,398,904	5,769,902	-	28,168,806	4,873,688
Software (Business Operation)	137,540,494	-	-	137,540,494	20.00	121,877,160	12,061,935	-	133,939,095	3,601,399
Telephone and telex	9,329,361	1,817,817	(564,684)	10,582,494	33.33	7,303,848	1,380,244	(414,317)	8,269,774	2,312,720
Motor vehicles	288,539,155	23,137,060	(43,044,544)	268,631,671	25.00	145,270,908	52,653,764	(29,408,441)	168,516,231	100,115,440
Total 2017	**1,205,376,097**	**151,047,125**	**(53,651,439)**	**1,302,771,783**		**598,463,488**	**145,839,286**	**(38,787,063)**	**705,515,711**	**597,256,072**

A.1 Details of disposals/adjustments-for 2018

Asset category	Cost	Accumulated depreciation	Book value	Sale price/ adjustment	Profit/(loss) on disposal	Mode of disposal	Buyer
	BDT	BDT	BDT	BDT	BDT		
Free hold assets :							
Furniture and fixtures	2,469,342	(1,837,220)	632,122	222,635	(409,487)	As per policy of the Company	Employees/Outsider
Electrical equipment	4,193,483	(3,732,740)	460,743	508,327	47,584	As per policy of the Company	Employees/Outsider
Curtain and carpets	328,613	(257,289)	71,324	84,660	13,336	As per policy of the Company	Employees/Outsider
Office decoration	6,391,432	(5,818,433)	572,999	57,523	(515,476)	As per policy of the Company	Employees/Outsider
Office equipment	5,822,950	(5,656,652)	166,298	791,870	625,572	As per policy of the Company	Employees/Outsider
Telephone and telex	647,854	(475,766)	172,087	196,518	24,431	As per policy of the Company	Employees/Outsider
Motor vehicles	28,206,439	(22,034,604)	6,171,835	14,117,786	7,945,951	As per policy of the Company	Employees/Outsider
Total 2018	**48,060,112**	**(39,812,705)**	**8,247,408**	**15,979,319**	**7,731,912**		

A(a) Consolidated fixed assets including land, building, furniture and fixtures-for 2018

Asset category	Cost				Depreciation					Written down value at 31 December 2018
	Balance at 01 January 2018	Addition during the year	Disposal/ adjustment during the year	Balance at 31 December 2018	Rate	Balance at 01 January 2018	Charged for the year	Adjustment during the year	Balance at 31 December 2018	
	BDT	BDT	BDT	BDT	%	BDT	BDT	BDT	BDT	BDT
Free hold assets:										
Land	26,958,470	-	-	26,958,470	-	-	-	-	-	26,958,470
Building	207,519,303	-	-	207,519,303	2.50	25,937,101	5,187,983	-	31,125,083	176,394,219
Furniture and fixtures	108,574,018	5,916,493	(2,809,497)	111,681,014	12.50	46,372,467	11,676,470	(1,954,200)	56,094,737	55,586,277
Electrical equipment	105,956,223	3,223,786	(4,329,706)	104,850,304	20.00	70,729,957	10,555,308	(3,868,918)	77,416,347	27,433,957
Curtain and carpets	5,884,508	1,019,773	(328,613)	6,575,667	33.33	3,820,262	1,365,808	(257,289)	4,928,781	1,646,887
Office equipment	157,519,357	6,403,013	(5,854,668)	158,067,703	20.00	113,287,954	16,453,466	(5,688,360)	124,053,060	34,014,643
Office decoration	181,153,710	5,137,104	(6,391,487)	179,899,327	20.00	89,501,205	25,953,991	(5,818,444)	109,636,752	70,262,574
Computers	195,119,528	12,996,448	-	208,115,976	20.00	112,738,036	23,519,287	-	136,257,323	71,858,653
Software (Office Operation)	43,282,873	4,237,051	-	47,519,924	33.33	35,426,043	4,363,897	-	39,789,940	7,729,984
Software (Business Operation)	139,245,597	2,931,023	-	142,176,620	20.00	134,116,621	2,214,894	-	136,331,515	5,845,105
Telephone and telex	13,946,953	2,989,732	(860,354)	16,076,332	33.33	10,991,938	1,897,914	(667,489)	12,222,363	3,853,969
Motor vehicles	317,775,191	11,654,200	(30,706,439)	298,722,952	25.00	197,222,225	55,536,812	(24,477,292)	228,281,744	70,441,208
Total 2018	**1,502,935,732**	**56,508,623**	**(51,280,763)**	**1,508,163,591**		**840,143,807**	**158,725,831**	**(42,731,993)**	**956,137,645**	**552,025,946**

Consolidated Fixed assets including land, building, furniture and fixtures-for 2017

Asset category	Cost					Depreciation				Written down value at 31 December 2017
	Balance at 01 January 2017	Addition during the year	Disposal/ adjustment during the year	Balance at 31 December 2017	Rate	Balance at 01 January 2017	Charged for the year	Adjustment during the year	Balance at 31 December 2017	
	BDT	BDT	BDT	BDT	%	BDT	BDT	BDT	BDT	BDT
Free hold assets:										
Land	26,958,470	-	-	26,958,470		-	-	-	-	26,958,470
Building	207,519,303	-	-	207,519,303	2.50	20,749,118	5,187,983	-	25,937,101	181,582,202
Furniture and fixtures	97,374,689	13,293,973	(2,094,644)	108,574,018	12.50	36,472,604	11,531,461	(1,631,598)	46,372,467	62,201,552
Electrical equipment	95,970,699	13,827,614	(3,842,089)	105,956,223	20.00	64,113,090	9,990,991	(3,374,124)	70,729,957	35,226,267
Curtain and carpets	5,109,062	1,261,731	(486,285)	5,884,508	33.33	2,855,226	1,294,347	(329,311)	3,820,262	2,064,246
Office equipment	125,458,984	34,504,408	(2,444,035)	157,519,357	20.00	102,790,783	12,941,045	(2,443,875)	113,287,954	44,231,404
Office decoration	150,272,999	36,013,543	(5,132,832)	181,153,710	20.00	72,403,675	22,221,897	(5,124,367)	89,501,205	91,652,505
Computers	151,998,424	43,121,104	-	195,119,528	20.00	92,449,197	20,288,839	-	112,738,036	82,381,492
Software (Office Operation)	39,708,911	3,573,962	-	43,282,873	33.33	28,244,756	7,181,286	-	35,426,043	7,856,830
Software (Business Operation)	137,540,494	1,705,103	-	139,245,597	20.00	121,877,160	12,239,461	-	134,116,621	5,128,976
Telephone and telex	12,508,526	2,308,112	(869,684)	13,946,953	33.33	9,897,557	1,761,944	(667,563)	10,991,938	2,955,015
Motor vehicles	326,451,426	38,383,709	(47,059,944)	317,775,191	25.00	170,745,467	59,585,764	(33,109,006)	197,222,225	120,552,966
Total 2017	**1,376,871,985**	**187,993,259**	**(61,929,512)**	**1,502,935,732**		**722,598,634**	**164,225,017**	**(46,679,844)**	**840,143,807**	**662,791,925**