

IPDC of Bangladesh Limited
Condensed Interim Financial Statements (Un-audited)
As at and for the Half Year Ended June 30, 2013

IPDC of Bangladesh Limited
Condensed Half Yearly Balance Sheet (Un-audited)

Figures in Taka

As at	Note	30 June 2013	31 December 2012
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)		75,925	68,533
Balance with Bangladesh Bank and its agent bank(s)		101,335,622	94,246,168
Balance with other banks and financial institutions	2	553,699,061	433,650,776
		655,110,608	527,965,477
Investments			
	3		
Government	3.2	415,000,000	165,000,000
Others	3.3	491,682,180	499,278,558
		906,682,180	664,278,558
Loans, leases, cash credits, overdrafts, etc.	4	5,890,960,770	5,585,644,010
Fixed assets including premises, furniture and fixtures	5	82,457,079	76,209,026
Other assets	6	280,484,350	254,313,304
Non financial institutional assets	7	3,752,405	6,096,865
TOTAL ASSETS		7,819,447,392	7,114,507,241
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks and financial institutions	8	472,397,880	29,698,701
Term deposits	9	4,420,957,708	4,208,012,043
Other liabilities	10	949,511,604	849,470,357
Total liabilities		5,842,867,192	5,087,181,101
Shareholders' equity			
Paid up capital	11	1,043,392,350	1,043,392,350
Share premium	12	167,014,000	167,014,000
Statutory reserve	13	223,222,211	223,222,211
Assets revaluation reserve	14	13,585,980	13,585,980
Retained earnings	15	529,365,659	580,111,599
Total shareholders' equity		1,976,580,200	2,027,326,140
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		7,819,447,392	7,114,507,241
Off-balance sheet items			
Letters of guarantee	16	5,590,000	5,590,000

The annexed notes 1 to 38 form an integral part of these financial statements.

Dilip Kumar Mandal
Chief Financial Officer

Mominul Islam
Managing Director & CEO

IPDC of Bangladesh Limited
Condensed Half Yearly Profit and Loss Account (Un-audited)

Figures in Taka

For the half year ended 30 June	Note	Half year		2nd quarter	
		2013	2012	2013	2012
PARTICULARS					
Interest income	17	457,075,521	360,313,603	236,339,053	179,172,546
Interest paid on deposits and borrowings etc	18	320,320,102	261,647,300	160,475,489	133,399,388
Net interest income		136,755,419	98,666,303	75,863,564	45,773,158
Investment income	19	43,575,298	23,244,607	21,852,235	24,025,520
Commission, exchange and brokerage	20	5,097,570	2,793,608	1,825,441	1,396,406
Other operating income	21	11,120,519	17,312,671	11,011,364	17,281,671
Total operating income		196,548,806	142,017,188	110,552,604	88,476,754
Salary and allowances	22	35,952,545	29,149,377	17,892,168	16,245,474
Rent, taxes, insurance, electricity, etc.	23	5,712,564	5,161,865	3,018,715	2,798,346
Legal expenses	24	4,524,016	3,998,760	2,178,042	2,018,812
Postage, stamp, telecommunications, etc.	25	1,352,596	1,163,610	679,980	601,492
Stationery, printings, advertisements, etc.	26	4,359,348	3,108,237	2,739,078	1,964,231
Managing Director's salary and allowances	27	2,914,998	2,914,998	1,457,499	1,459,080
Directors' fees	28	1,603,801	1,639,203	825,170	1,066,009
Depreciation and repair of Company's	29	10,157,194	10,947,716	5,306,276	6,136,167
Other expenses	30	8,329,423	5,824,784	4,137,427	2,823,383
Total operating expenses		74,906,484	63,908,550	38,234,354	35,112,994
Profit before provision		121,642,322	78,108,638	72,318,249	53,363,760
Provision for loans and leases		4,581,762	70,489,048	(3,673,441)	11,640,490
Other provisions		2,680,750	5,740,423	-	1,775,775
Total provision	31	7,262,512	76,229,471	(3,673,441)	13,416,265
Profit before tax		114,379,810	1,879,167	75,991,690	39,947,495
Current tax	10.4	59,606,233	27,409,577	35,354,730	19,101,143
Deferred tax	32	1,180,282	(1,252,249)	1,244,424	(1,787,981)
Total tax expenses		60,786,515	26,157,328	36,599,154	17,313,162
Net profit after tax		53,593,295	(24,278,161)	39,392,536	22,634,333
Earnings per share (EPS)	33	0.51	(0.23)	0.38	0.22

The annexed notes 1 to 38 form an integral part of these financial statements.

Dilip Kumar Mandal
Chief Financial Officer

Mominul Islam
Managing Director & CEO

IPDC of Bangladesh Limited
Condensed Half Yearly Cash Flow Statement (Un-audited)

Figures in Taka

For the half year ended 30 June	Note	2013	2012
OPERATING ACTIVITIES			
Interest receipts in cash		478,824,692	330,255,885
Interest payments in cash		(306,139,556)	(229,799,809)
Dividend receipts in cash		8,682,852	16,564,271
Fee and commission receipts in cash		5,097,570	3,033,984
Recoveries of loan previously written off		10,000,000	17,287,828
Cash payments to employees		(32,794,790)	(27,940,902)
Cash payments to suppliers		(29,821,289)	(23,488,191)
Income taxes paid		(4,871,072)	(4,580,449)
Receipts from other operating activities	34	28,012,558	33,083,957
Cash generated before change in operating assets and liabilities		156,990,965	114,416,574
Increase/decrease in operating assets and liabilities			
Purchase/sale of trading securities		7,596,378	172,600,000
Loans, advances and leases to other banks		(121,650,162)	(74,599,522)
Loans, advances and leases to customers		(520,279,251)	(744,634,043)
Other assets	35	(8,822,681)	(2,229,562)
Deposits from customers		212,945,665	8,873,822
Trading liabilities		446,559,414	222,047,241
Other liabilities	36	62,811,291	30,294,267
Net increase/decrease in operating assets and liabilities		79,160,655	(387,647,797)
Net cash from operating activities		236,151,620	(273,231,223)
INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment		(13,417,156)	(11,140,370)
Sale proceeds of property, plant and equipment		3,438,000	-
Net cash provided/(used) in investing activities		(9,979,156)	(11,140,370)
FINANCING ACTIVITIES			
Receipts/(payments) of long term loan		(3,860,235)	(3,429,769)
Dividends paid in cash		(95,167,098)	(1,002)
Net cash provided/used) in financing activities		(99,027,333)	(3,430,771)
Net increase/(decrease) in cash		127,145,131	(287,802,364)
Cash and cash-equivalents at beginning of half year		527,965,477	942,154,926
Cash and cash-equivalents at end of half year	37	655,110,608	654,352,562

The annexed notes 1 to 38 form an integral part of these financial statements.

IPDC of Bangladesh Limited
Condensed Half Yearly Statement of Changes in Shareholders' Equity (Un-audited)

Figures in Taka

	Paid up share capital	Share premium	Statutory reserve	Asset revaluation reserve	Retained earnings	Total
For the half year ended 30 June 2013						
Opening balance	1,043,392,350	167,014,000	223,222,211	13,585,980	580,111,599	2,027,326,140
Changes in accounting policy	-	-	-	-	-	-
Restated balance	1,043,392,350	167,014,000	223,222,211	13,585,980	580,111,599	2,027,326,140
Net profit for the half year	-	-	-	-	53,593,295	53,593,295
Payment of cash dividend	-	-	-	-	(104,339,235)	(104,339,235)
Closing balance	1,043,392,350	167,014,000	223,222,211	13,585,980	529,365,659	1,976,580,200
For the half year ended 30 June 2012						
Opening balance	948,538,500	167,014,000	197,501,563	13,585,980	572,082,855	1,898,722,898
Changes in accounting policy	-	-	-	-	-	-
Restated balance	948,538,500	167,014,000	197,501,563	13,585,980	572,082,855	1,898,722,898
Net profit for the half year	-	-	-	-	(24,278,161)	(24,278,161)
Issuance of bonus share	94,853,850	-	-	-	(94,853,850)	-
Closing balance	1,043,392,350	167,014,000	197,501,563	13,585,980	452,950,844	1,874,444,737

The annexed notes 1 to 38 form an integral part of these financial statements.

IPDC of Bangladesh Limited

Notes to the Condensed Half Yearly Financial Statements (Un-audited)

As at and for the half year ended 30 June 2013

1. Reporting entity

1.1. Company profile

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

1.2. Nature of business of the Company

IPDC specialises in providing long term and short term financing, project financing, lease financing, mortgage financing, channel financing, equity participation, syndication finance, SME and MME finance, asset backed securitisation through issuance of zero-coupon bond and related consultancies to both local and foreign private investments in Bangladesh. In 2006, the company also started retail business to increase its activities in retail segment.

1.3. Basis of Reporting

The financial statements for the half year ended 30 June 2013 have been prepared under historical cost convention following accrual basis of accounting and based on Bangladesh Accounting Standard (BAS) 34: *Interim Financial Reporting*.

1.4. Accounting policies and method of computations

For preparing the half yearly financial statements, the accounting policies and methods in consistent with those used in the financial statements prepared for the year ended December 31, 2012 have been followed.

1.5 Change in accounting estimate

The Company has changed the useful life of reconditioned vehilces from three years to five years in the year 2013 and financial impact of such change has been given prospectively in current and future periods it relates, if any.

1.5. Post Balance Sheet events

All material events occurring after the reporting period has been considered and where necessary, adjusted for and adequately disclosed in the note no. 38 of the financial statements.

1.6. Rounding off and rearrangement of figures

Figures have been rounded off to the nearest Taka and 2012 figures have been reclassified/rearranged, where necessary, to conform to current period presentation.

IPDC of Bangladesh Limited
Notes to the Condensed Interim Financial Statements (Un-audited)

As at	Note	Figures in Taka	
		June 30, 2013	December 31, 2012
2. Balance with other banks and financial institutions			
Name of Bank/FI	Type of A/c		
Commercial Bank of Ceylon Plc	CD A/c	44,520	44,520
The Hongkong and Shanghai Banking Corporation Ltd.	CD A/c	1,026	1,146
Uttara Bank Ltd.	CD A/c	2,583	2,583
United Commercial Bank Ltd.	CD A/c	104,449	16,255
AB Bank Ltd.	CD A/c	19,645	3,240
Standard Chartered Bank	CD A/c	1,257,244	406,977
Prime Bank Ltd.	CD A/c	-	12,492,740
Bank Alfalah Ltd.	CD A/c	1,451	1,451
		1,430,917	12,968,911
Dutch Bangla Bank Ltd.	STD A/c	412,081	54,868,548
Prime Bank Ltd.	STD A/c	11,149,913	37,341,034
AB Bank Ltd.	STD A/c	1,417,068	1,418,218
Standard Chartered Bank	STD A/c	4,831,779	6,142
Al-Arafah Islami Bank Ltd.	STD A/c	6,209	6,209
BRAC Bank Ltd.	STD A/c	14,125	714,820
Mercantile Bank Ltd.	STD A/c	50,000	-
AB Bank Ltd.	STD A/c -FC	62,403	62,403
		17,943,579	94,417,375
Mercantile Bank Ltd.	FDR	50,700,000	50,000,000
National Bank Ltd.	FDR	14,780,876	13,877,500
AB Bank Ltd.	FDR	51,406,250	-
EXIM Bank Ltd.	FDR	51,518,750	-
Standard Chartered Bank	FDR	100,000,000	-
Prime Bank Ltd.	FDR	115,918,689	62,386,991
		384,324,565	126,264,491
National Bank of Pakistan	Placement	150,000,000	150,000,000
International Leasing and Financial Services Ltd.	Placement	-	50,000,000
		150,000,000	200,000,000
		553,699,061	433,650,776
3. Investments			
Government securities	3.2	415,000,000	165,000,000
Other investments	3.3	491,682,180	499,278,558
		906,682,180	664,278,558
3.1 Classification of investments			
Held for trading (HFT)		204,100,000	-
Held to maturity (HTM)		210,900,000	165,000,000
		415,000,000	165,000,000
Other investments		491,682,180	499,278,558
		906,682,180	664,278,558
3.2 Government securities			
15-year treasury bonds		242,600,000	242,600,000
20-year treasury bonds		172,400,000	172,400,000
		415,000,000	415,000,000
Less: Special repo borrowing from Bangladesh Bank		-	250,000,000
		415,000,000	165,000,000

IPDC of Bangladesh Limited
Notes to the Condensed Interim Financial Statements (Un-audited)

As at	Note	Figures in Taka	
		June 30, 2013	December 31, 2012
3.3 Other investments			
In ordinary shares - Listed		7,007,689	7,007,689
In ordinary shares - Unlisted		31,670,869	31,670,869
In cumulative redeemable preference shares		303,003,622	310,600,000
Investment in shares		341,682,180	349,278,558
In corporate bonds		150,000,000	150,000,000
		491,682,180	499,278,558

Details of other investments are shown in Annexure - A.

4. Loans, leases and advances

Long term loan		3,218,732,107	3,296,153,533
Lease finance	4.1	1,725,844,425	1,618,199,053
Short term loan		431,242,524	316,539,819
Mortgage finance		41,554,630	32,951,684
Channel finance		118,706,469	88,120,017
Auto loan		146,320,376	106,028,436
Secured retail loan		192,373,578	109,893,163
Staff loan		16,186,661	17,758,305
		5,890,960,770	5,585,644,010

All loans, leases and advances are within Bangladesh.

4.1 Lease finance

Gross lease receivables		2,106,711,818	1,948,130,259
Less: Unearned interest income		479,043,767	449,139,080
Net lease receivables		1,627,668,051	1,498,991,179
Add: Overdue lease rentals		91,402,049	116,007,874
Add: Advance against lease finance		6,774,325	3,200,000
		1,725,844,425	1,618,199,053

5. Fixed assets including premises, furniture and fixtures

Land and building		75,684,163	75,684,163
Motor vehicles		22,822,685	20,911,776
Furniture and fixtures		29,307,811	29,241,775
Equipment and appliances		34,544,880	33,413,823
Accounting software		2,398,750	2,398,750
		164,758,289	161,650,287
Less: Accumulated depreciation		82,301,210	85,441,261
		82,457,079	76,209,026

Details of fixed assets are shown in Annexure - B.

IPDC of Bangladesh Limited**Notes to the Condensed Interim Financial Statements (Un-audited)**

As at	Note	Figures in Taka	
		June 30, 2013	December 31, 2012
6. Other assets			
Dividend receivable on cumulative preference shares		18,210,744	11,158,047
Stationery, stamps, printing materials in stock		59,061	52,825
Advance rent and advertisement		5,996,030	4,079,432
Interest accrued on investment but not collected		18,473,864	14,090,220
Security deposits		716,160	716,160
Preliminary, formation, renovation and prepaid expenses		1,416,211	375,259
Others	6.1	235,612,280	223,841,361
		280,484,350	254,313,304

6.1 Others

Advance tax		219,693,194	214,822,122
Deferred tax asset	6.1.2	5,126,669	4,697,206
Sundry assets	6.1.3	10,792,417	4,322,033
		235,612,280	223,841,361

6.1.2 Deferred tax asset

Deferred tax asset has been recognised in accordance with the Bangladesh Accounting Standard (BAS) 12: *Income Taxes* based on deductible temporary difference arising due to difference in the carrying amount of the assets and liabilities in the financial statements and its tax base. Calculation of deferred tax asset is as follows:

Deductible temporary difference

Gratuity provision		12,062,751	11,052,250
Tax rate		42.50%	42.50%
Deferred tax asset		5,126,669	4,697,206

Movement of deferred tax asset is as follows:

Opening balance		4,697,206	3,486,891
Less: Charged/(released) to profit and loss account	32	(429,463)	(1,210,315)
Closing balance		5,126,669	4,697,206

6.1.3 Sundry assets

City corporation tax		-	113,400
Hosna Centre Owners' Association		583,050	583,050
Advance others		10,209,367	3,625,583
		10,792,417	4,322,033

7. Non financial institutional assets

Generator	7.1	-	2,344,460
Freehold land	7.2	3,752,405	3,752,405
		3,752,405	6,096,865

7.1 The Company had purchased a 315 KVA generator in the year 2010 for its own use and subsequently decided in the year 2012 to sell it. Accordingly the Company had classified and presented the same in compliance with BFRS 5: *Non-current Assets Held for Sale and Discontinued Operations*. The asset was sold in February 2013.

IPDC of Bangladesh Limited
Notes to the Condensed Interim Financial Statements (Un-audited)

As at	Note	Figures in Taka	
		June 30, 2013	December 31, 2012

7.2 This represents the land acquired from a default client by virtue of verdict given by the competent court and ownership has been transferred in favor of the Company. The land is mutated in the name of the Company.

8. Borrowings from other banks, financial institutions and agents

Name of Bank/FI	Type	June 30, 2013	December 31, 2012
Prime Bank Ltd.	SOD	6,559,414	-
Mutual Trust Bank Ltd.	Call Loan	100,000,000	-
Dutch Bangla Bank Ltd.	Call Loan	60,000,000	-
Eastern Bank Ltd.	Call Loan	80,000,000	-
The City Bank Ltd.	Call Loan	200,000,000	-
Total short term loan		446,559,414	-
The UAE-Bangladesh Investment Company Ltd.	Long Term	25,838,466	29,698,701
		472,397,880	29,698,701

9. Deposits and other accounts

Inter-bank deposits	-	-
Other deposits	4,420,957,708	4,208,012,043
	4,420,957,708	4,208,012,043

There was no unclaimed deposits for ten (10) years and more held by the Company at the reporting date.

10. Other liabilities

Cumulative provision for loans, leases and investments	10.1	276,927,306	269,664,794
Cumulative interest and dividend suspense	10.2	129,331,521	129,472,462
Provision for gratuity	10.3	12,062,751	11,052,250
Unclaimed dividend		12,972,227	3,800,090
Provision for corporate tax	10.4	186,398,023	126,791,790
Receipts against lease	10.5	32,338,048	27,313,330
Provision for finance charge	10.6	253,408,437	239,227,891
Withholding tax and VAT		4,302,304	6,991,938
Liabilities for special accounts	10.7	17,112,747	16,242,773
Provision for expense	10.8	10,197,818	5,853,232
Deferred tax liabilities	10.9	13,904,972	12,295,227
Payable for purchase of office equipment		555,451	764,581
		949,511,604	849,470,357

10.1 Cumulative provision for loans, advances, leases and investment

Provision for loans, leases and advances	195,053,953	190,472,189
Provision for investments in shares	38,072,894	38,072,894
	233,126,847	228,545,083
Provision for marking to market on Govt. securities	43,800,459	41,119,711
	276,927,306	269,664,794

10.2 Cumulative interest and dividend suspense

Interest suspense against loans, leases and advances	126,495,233	126,814,695
Dividend suspense against cumulative preference shares	2,836,288	2,657,767
	129,331,521	129,472,462

IPDC of Bangladesh Limited
Notes to the Condensed Interim Financial Statements (Un-audited)

As at	Note	Figures in Taka	
		June 30, 2013	December 31, 2012
10.3 Provision for gratuity			
This represents provision for staff gratuity up to 30 June 2013. The company has provided full provision for gratuity at the rate of one month's basic salary for each completed year of service.			
Opening balance		11,052,250	8,204,449
Add: Provision made during the period/year		1,142,501	3,055,300
		12,194,751	11,259,750
Less: Payment during the period/year		132,000	207,500
Closing balance		12,062,751	11,052,250

10.4 Provision for corporate tax

Provision for corporate tax has been made on the basis of the profit for the half year/year as adjusted for taxation purposes in accordance with the provision of Income Tax Ordinance 1984 and amendments thereto. Currently tax rate applicable to the company is 42.50% on its business income.

Opening balance		126,791,790	119,003,508
Add: Provision made during the period/year		59,606,233	7,788,282
		186,398,023	126,791,790
Less: Adjustment during the period/year		-	-
Closing balance		186,398,023	126,791,790

Assessment of income tax has been finalized with the tax authority for the accounting years up to 2003 and for the accounting year 2005. Final assessment of income tax for accounting years 2004 and 2006 to 2008 are pending with the Appellate Authorities and High Court Division of the Supreme Court. Income tax return for the year 2009, 2010 and 2011 have been duly submitted under section 82BB (Universal Self Assessment) of Income Tax Ordinance 1984.

10.5 Receipts against lease

Receipts against lease represents lease deposits received from lessees against finance on the stipulation that the amount will be adjusted with the outstanding rentals/installments. Lease deposits are made up as under:

Opening balance		27,313,330	28,447,130
Add: Receipts during the period/year		8,591,117	14,467,780
		35,904,447	42,914,910
Less: Adjusted during the period/year		3,566,399	15,601,580
Closing balance		32,338,048	27,313,330

Purpose of taking lease deposit is to secure the finance provided to the clients. No interest is payable on it.

10.6 Provision for finance charge

Accrued interest expenses on term deposits		253,184,001	238,833,141
Accrued interest expenses on long term borrowings		202,214	247,489
Accrued interest expenses on call borrowings		22,222	-
Accrued interest expenses on repo borrowings		-	147,260
		253,408,437	239,227,891

IPDC of Bangladesh Limited
Notes to the Condensed Interim Financial Statements (Un-audited)

As at	Note	Figures in Taka	
		June 30, 2013	December 31, 2012
10.7 Liabilities for special accounts			
Account payable special account - IPO		1,118,356	1,118,356
Account payable special account - DEG		15,947,426	14,941,452
Account payable special account - other		46,964	182,964
		<u>17,112,747</u>	<u>16,242,773</u>
10.8 Provision for expenses			
Legal fees		1,702,418	2,068,225
Office services		1,758,360	778,235
Pay and allowance		5,440,001	377,749
Promotion and publicity		380,785	1,500,338
Office rent		67,335	67,335
Professional fees		87,850	232,100
Audit fees		613,810	768,250
Other expenses		147,259	61,000
		<u>10,197,818</u>	<u>5,853,232</u>
10.9 Deferred tax liabilities			
<i>Taxable temporary differences</i>			
Property, plant and equipment		9,089,788	5,302,152
Revaluation reserve on office premises		23,627,792	23,627,792
Net taxable temporary differences		32,717,580	28,929,945
Tax rate		42.50%	42.50%
Deferred tax liabilities		<u>13,904,972</u>	<u>12,295,227</u>
Movement of deferred tax liabilities is as follows:			
Opening balance		12,295,227	13,480,611
Less: Charged/(released) to profit and loss account	32	1,609,745	(1,185,384)
Closing balance		<u>13,904,972</u>	<u>12,295,227</u>
11. Share capital			
<i>Authorized</i>			
400,000,000 ordinary shares of Taka 10 each		4,000,000,000	4,000,000,000
<i>Issued, subscribed and fully paid up</i>			
104,339,235 number of ordinary shares of Taka 10 each		1,043,392,350	1,043,392,350
Paid up capital is made up of 25,701,400 numbers of ordinary shares paid up in cash and 78,637,835 numbers of ordinary shares through issuance of bonus shares.			
11.1 Paid up capital of the company is held as follows:			
<i>Foreign</i>			
Aga Khan Fund for Economic Development (AKFED)		532,674,670	532,674,670
Others		550	550
		<u>532,675,220</u>	<u>532,675,220</u>
<i>Domestic</i>			
Government of the People's Republic of Bangladesh (GoB)		228,289,710	228,289,710
General Shareholders		282,420,490	282,420,490
Others		6,930	6,930
		<u>510,717,130</u>	<u>510,717,130</u>
		<u>1,043,392,350</u>	<u>1,043,392,350</u>

IPDC of Bangladesh Limited
Notes to the Condensed Interim Financial Statements (Un-audited)

As at	Note	Figures in Taka	
		June 30, 2013	December 31, 2012

12. Share premium		167,014,000	167,014,000
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Share premium against 1,670,140 number of ordinary shares comprising 280,140 numbers issued in 2004 and 1,390,000 numbers issued in 2006 @ Tk. 100 per share. As at 30 June 2013 total number of shares would be 16,701,400 @ Tk. 10 per share as the Company has changed the denomination of shares from Tk. 100 to Tk. 10 each in 2011 in compliance with the Bangladesh Securities and Exchange Commission's order number SEC/CMRRCD/2009-193/109 dated 15 September 2011.

13. Statutory reserve

This comprises the cumulative balance of statutory reserve as required by section 9 of the Financial Institutions Act, 1993 and regulation 4(d) and 6 of the Financial Institutions Regulations, 1994.

Opening balance		223,222,211	197,501,563
Add: Transferred from profit during the period/year		-	25,720,648
Closing balance		223,222,211	223,222,211

14. Assets revaluation reserve		13,585,980	13,585,980
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In terms of Bangladesh Accounting Standard (BAS) 16: *Property, Plant and Equipment*, the Company had revalued its office premises by a professionally qualified valuation firm of the country in 2005. Total revaluation surplus of Taka 23,627,792 has been included with value of office premises and Tk. 13,585,980 shown as assets revaluation reserve after adjustment of deferred tax.

15. Retained earnings

Opening balance		580,111,599	572,082,855
Add: Post tax profit for the period/year		53,593,295	128,603,242
		633,704,894	700,686,097
Less: Transfer to statutory reserve during the period/year		-	25,720,648
Less: Dividend during the period/year		104,339,235	94,853,850
		104,339,235	120,574,498
Closing balance		529,365,659	580,111,599

16. Letters of guarantee

Director		-	-
Government		-	-
Bank and financial institutions		5,590,000	5,590,000
		5,590,000	5,590,000

Letter of guarantee has been issued in favor of Habib Bank Limited, against Titas Gas Transmission and Distribution Company Limited on account of one client, M/s Hossain & Sons.

IPDC of Bangladesh Limited
Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended 30 June	Note	2013	2012
Figures in Taka			
17. Interest income			
<i>Interest income on loans, leases and advances</i>			
Interest on lease finance		125,871,287	86,254,584
Interest on long term finance		240,645,054	187,191,969
Interest on short term finance		22,603,792	9,989,637
Interest on channel finance		9,868,325	2,861,984
Interest on mortgage finance		3,231,586	592,060
Interest on secured finance		13,327,667	7,769,607
Interest on auto loan		10,368,613	5,666,115
Interest income on staff loan		904,645	821,882
		426,820,969	301,147,838
<i>Interest income on balance with other banks and financial institutions</i>			
Interest on fixed deposits		15,328,893	11,628,550
Interest on overnight and treasury placements		13,811,597	47,425,612
Interest on STD accounts		1,114,062	111,603
		30,254,553	59,165,764
		457,075,521	360,313,603
18. Interest paid on deposits and borrowings etc.			
Interest expenses on term deposits		309,109,910	253,511,459
Interest expenses on borrowings	18.1	11,210,192	8,135,841
		320,320,102	261,647,300
18.1 Interest paid on borrowings			
Interest expenses on long term loan		1,679,600	2,113,216
Interest expenses on call loan borrowing		5,492,364	107,260
Interest expenses on bank overdrafts		63,913	4,501,666
Interest expenses on repo borrowings		3,974,315	1,413,699
		11,210,192	8,135,841
19. Investment income			
Income on Govt. treasury bonds		18,888,929	(5,844,204)
Income on corporate bonds		8,950,820	9,024,658
Income from Govt. bonds and securities		27,839,749	3,180,454
Dividend income on cumulative preference shares		15,657,530	20,061,583
Dividend income on listed shares		2,996	-
Dividend income on un-listed shares		75,000	2,497
Capital gain on sale of shares and property		23	73
		43,575,298	23,244,607
20. Commission, exchange and brokerage			
Fees and commission income	20.1	5,097,570	2,793,608
Exchange income		-	-
		5,097,570	2,793,608

IPDC of Bangladesh Limited
Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended 30 June	Note	Figures in Taka	
		2013	2012
20.1 Fees and commission income			
<i>Fees income</i>			
Appraisal and feasibility study fees		5,077,570	2,782,358
Restructuring/renewal fees		20,000	-
		5,097,570	2,782,358
Commission		-	11,250
		5,097,570	2,793,608
21. Other operating income			
Transfer price of leased assets		27,033	15,718
Other earnings		24,600	9,125
Loan loss recovery		10,000,000	17,287,828
Income/(loss) on sale of fixed assets	21.1	1,068,886	-
		11,120,519	17,312,671
21.1 Income/(loss) from sale of fixed assets			
Cost price of the assets sold		12,444,484	-
Less: Accumulated depreciation		10,075,370	-
Written down value		2,369,114	-
Sale proceeds		3,438,000	-
Income/(loss) from sale of fixed assets		1,068,886	-
22. Salary and allowances			
Basic salary		14,886,146	11,302,718
House rent allowance		4,238,237	3,577,238
Medical allowance		2,388,662	1,896,083
Bonus		5,140,001	4,240,000
Leave fare assistance		2,405,116	1,874,654
Other allowances		1,115,162	948,423
Company's contribution to provident fund		1,043,650	881,479
Gratuity		1,142,501	2,230,973
Contractual staffs		3,593,070	2,197,809
		35,952,545	29,149,377
23. Rent, taxes, insurance, electricity, etc.			
Office rent		2,675,184	2,660,964
Rates and taxes		113,400	113,400
Insurance		1,063,629	905,768
Utilities - electricity, gas, water etc		1,860,351	1,481,733
		5,712,564	5,161,865
24. Legal expenses			
Professional fees		3,176,097	2,899,494
Legal document, court fees etc.		1,347,919	1,099,266
		4,524,016	3,998,760

IPDC of Bangladesh Limited
Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended 30 June	Note	Figures in Taka	
		2013	2012
25. Postage, stamp, telecommunications, etc.			
Postage, stamps etc.		177,861	128,925
Telephone		322,735	182,685
Internet expenses		852,000	852,000
		1,352,596	1,163,610
26. Stationery, printing, advertisements etc.			
Printing and stationery		592,084	523,770
Publicity and advertisement		3,767,264	2,584,467
		4,359,348	3,108,237
27. Managing Director's salary and allowances			
Basic salary		2,100,000	2,100,000
House rent allowance		180,000	180,000
Medical allowance		75,000	75,000
Leave fare assistance		349,998	349,998
Company's contribution to provident fund		210,000	210,000
		2,914,998	2,914,998
28. Directors' fees			
Honorarium for attending meeting		270,250	207,000
Incidental expenses for attending meeting		1,333,551	1,432,203
		1,603,801	1,639,203
29. Depreciation and repair on fixed assets			
Depreciation	29.1	6,935,319	8,085,178
Repair and maintenance	29.2	3,221,875	2,862,538
		10,157,194	10,947,716
29.1 Depreciation			
Office premises		1,962,540	1,861,917
Motor vehicles		925,817	2,393,277
Furniture and fixtures		1,829,782	1,807,595
Equipment and appliances		2,017,493	2,022,389
Accounting software		199,687	-
		6,935,319	8,085,178
Details of depreciation is shown in Annexure - B.			
29.2 Repair and maintenance			
Office premises		336,779	-
Vehicles		2,198,319	1,674,890
Office equipments		686,777	1,187,648
		3,221,875	2,862,538

IPDC of Bangladesh Limited
Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended 30 June	Note	Figures in Taka	
		2013	2012
30. Other expenses			
Staff training		1,332,800	699,521
Membership fees, subscription and donations		1,626,885	894,566
News papers, periodicals, learning materials etc.		38,024	32,900
Traveling, conveyance and hotel expenses		1,148,638	748,340
Entertainment and public relation		445,518	269,698
AGM expenses		1,425,002	1,380,000
Recruitment expenses		86,000	-
Security and cleaning services		1,248,145	924,371
Sundry office maintenance		730,351	621,088
Other operational expenses		248,060	254,300
		8,329,423	5,824,784
31. Provision for loans, advances, leases and investment			
Provision for loans, advances and leases		4,581,762	70,489,048
Provision for marking to market on Govt. securities		2,680,750	5,740,423
		7,262,512	76,229,471
32. Deferred tax expense/(income)			
Expense/(income) on deductible temporary differences	6.1.2	(429,463)	(859,976)
Expense/(income) on taxable temporary differences	10.9	1,609,745	(392,273)
		1,180,282	(1,252,249)
33. Earnings per share (EPS)			
Earnings per share (EPS) as shown in the face of the Profit and Loss Account is calculated in accordance with Bangladesh Accounting Standard (BAS) 33: <i>Earnings per share</i> . Details are as follows:			
Net profit/(loss) after tax		53,593,295	(24,278,161)
<i>Weighted average number of shares outstanding during the period/year</i>			
Number of ordinary shares as at 1 January		104,339,235	94,853,850
Bonus shares issued		-	9,485,385
		104,339,235	104,339,235
Basic earning per share		0.51	(0.23)
Diluted earning per share (DEPS)			
No DEPS is required to be calculated for the period as there was no scope for dilution of share during the period.			
34. Receipts from other operating activities			
Transfer price of lease assets		27,033	15,718
Securities income		27,960,925	33,059,114
Income from other operating activities		24,600	9,125
		28,012,558	33,083,957

IPDC of Bangladesh Limited
Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended 30 June	Note	Figures in Taka	
		2013	2012
35. (Increase)/decrease of other assets			
<i>Closing other assets</i>			
Stationery, stamps, printing materials in stock		59,061	53,105
Advance rent and advertisement		5,996,030	5,835,236
Security deposit		716,160	716,160
Other assets		15,919,086	5,739,683
		22,690,337	12,344,184
<i>Opening other assets</i>			
Stationery, stamps, printing materials in stock		52,825	88,544
Advance rent and advertisement		4,079,432	4,957,334
Security deposit		716,160	716,160
Other assets		9,019,239	8,811,708
		13,867,656	14,573,746
		(8,822,681)	(2,229,562)
36. Increase/(decrease) of other liabilities			
<i>Closing other liabilities</i>			
Provision for current tax		186,398,023	146,413,085
Withholding tax, VAT and excise duty		4,302,304	2,883,916
Others		49,450,795	48,924,758
		240,151,122	198,221,759
<i>Opening other liabilities</i>			
Provision for current tax		126,791,790	119,003,508
Withholding tax, VAT and excise duty		6,991,938	4,026,155
Others		43,556,103	44,897,829
		177,339,831	167,927,492
		62,811,291	30,294,267
37. Cash and cash equivalents			
Cash in hand		75,925	95,247
Balance with Bangladesh Bank and its agent bank(s)		101,335,622	88,349,221
Balance with other banks and financial institutions		553,699,061	565,908,094
		655,110,608	654,352,562

38. Events after the reporting period

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

IPDC of Bangladesh Limited
Notes to the Condensed Half yearly Financial Statements (Un-audited)

Annexure - A

Details statement of other investments

Figures in Taka

Particulars	30 June 2013		31 December 2012	
	Cost	Market price	Cost	Market price
<i>In ordinary shares - listed</i>				
Olympic Industries Ltd.	2,025	2,025	2,025	2,025
Bemco Electric Metre Ltd.	7,000,000	4,312,000	7,000,000	4,305,000
RAK Ceramics (Bangladesh) Ltd.	5,664	5,428	5,664	6,702
	7,007,689	4,319,453	7,007,689	4,313,727
<i>In ordinary shares - unlisted</i>				
Quality Feeds Ltd.	1,500,000	1,500,000	1,500,000	1,500,000
Alliance Bags Ltd.	3,000,000	3,000,000	3,000,000	3,000,000
Ekushey Television Ltd.	7,170,869	7,170,869	7,170,869	7,170,869
Gonophone Bangladesh Ltd.	20,000,000	20,000,000	20,000,000	20,000,000
	31,670,869	31,670,869	31,670,869	31,670,869
<i>In cumulative redeemable preference shares</i>				
Premium Seed Ltd.	4,000,000	4,000,000	4,000,000	4,000,000
Delta Brac Housing Finance Corporation Ltd.	100,000,000	100,000,000	100,000,000	100,000,000
ACI Godrej Agrovvet Private Ltd.	66,600,000	66,600,000	66,600,000	66,600,000
Confidence Salt Ltd.	22,403,622	22,403,622	30,000,000	30,000,000
Summit Uttaranchol Power Company Ltd.	55,000,000	55,000,000	55,000,000	55,000,000
Summit Purbanchol Power Company Ltd.	55,000,000	55,000,000	55,000,000	55,000,000
	303,003,622	303,003,622	310,600,000	310,600,000
Investment in shares	341,682,180	338,993,944	349,278,558	346,584,596
<i>In corporate bonds</i>				
Mutual Trust Bank Ltd.	150,000,000	150,000,000	150,000,000	150,000,000
	491,682,180	488,993,944	499,278,558	496,584,596

Industrial Promotion and Development Company of Bangladesh Limited
Notes to the Condensed Interim Financial Statements (Un-audited) as at and for the half year ended 30 June 2013

Fixed assets including premises, furniture and fixtures

Annexure - B

Figures in Taka

Category of asset	Cost					Depreciation					Carrying amount as at 30 June 2013
	Balance as at 1 Jan 2013	Addition during the period	Adjustment during the period	Disposal during the period	Balance as at 30 June 2013	Rate	Balance as at 1 Jan 2013	Charged during the period	Adjustment during the period	Balance as at 30 June 2013	
Office premises	75,684,163	-	-	-	75,684,163	5%	25,966,473	1,962,540	-	27,929,013	47,755,150
Motor vehicles	20,911,776	10,500,000	-	8,589,091	22,822,685	20%	16,896,243	925,816	8,571,402	9,250,657	13,572,028
Furniture and fixtures	29,241,775	247,883	-	181,847	29,307,811	12.50%	20,080,316	1,829,782	174,887	21,735,211	7,572,600
Equipment and appliances	33,413,823	2,460,143	-	1,329,086	34,544,880	20%	20,765,105	2,017,495	1,329,081	21,453,519	13,091,361
Accounting software	2,398,750	-	-	-	2,398,750	50%	1,733,124	199,686	-	1,932,810	465,940
Balance as at 30 June 2013	161,650,287	13,208,026	-	10,100,024	164,758,289		85,441,261	6,935,319	10,075,370	82,301,210	82,457,079

Category of asset	Cost					Depreciation					Carrying amount as at 31 Dec 2012
	Balance as at 1 Jan 2012	Addition during the year	Adjustment during the year	Disposal during the year	Balance as at 31 Dec 2012	Rate	Balance as at 1 Jan 2012	Charged during the year	Adjustment during the year	Balance as at 31 Dec 2012	
Office premises	75,684,163	-	-	-	75,684,163	5%	22,142,016	3,824,457	-	25,966,473	49,717,690
Motor vehicles	17,678,729	4,990,000	-	1,756,953	20,911,776	20%&33.33%	13,751,080	4,462,750	1,317,587	16,896,243	4,015,533
Furniture and fixtures	28,840,320	401,455	-	-	29,241,775	12.50%	16,487,425	3,623,923	-	20,111,348	9,130,427
Equipment and appliances	30,347,888	7,907,818	4,303,583	538,300	33,413,823	20%	19,148,021	4,083,475	2,497,423	20,734,073	12,679,750
Accounting software	1,600,000	798,750	-	-	2,398,750	50%	1,599,999	133,125	-	1,733,124	665,626
Balance as at 31 December 2012	154,151,100	14,098,023	4,303,583	2,295,253	161,650,287		73,128,541	16,127,730	3,815,010	85,441,261	76,209,026

Revaluation of office premises

The office premises with proportionate land comprising 11,661 square feet of office space on 4th floor of Hosna Center, 106 Gulshan Avenue, Dhaka-1212, along with parking space for 15 cars, have been revalued by a professional valuer as at 31 December 2005 in line with prevailing market price as on that date. Accordingly selling price of the premises with proportionate land is stated at Tk. 68,441,292 with a revaluation adjustment of Tk. 23,627,792 as at 31 December 2005.