

IPDC of Bangladesh Limited

Condensed Interim Financial Statements (Un-audited)

As at and for the Third Quarter Ended September 30, 2013

IPDC of Bangladesh Limited
Condensed Balance Sheet (Un-audited) as at September 30, 2013

		Figures in Taka	
As at	Note	30 September 2013	31 December 2012(Audited)
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)		65,014	68,533
Balance with Bangladesh Bank and its agent bank(s)		115,290,173	94,246,168
Balance with other banks and financial institutions	2	545,618,770	433,650,776
		660,973,957	527,965,477
Investments			
	3		
Government	3.2	415,000,000	165,000,000
Others	3.3	472,312,317	499,278,558
		887,312,317	664,278,558
Loans, leases, cash credits, overdrafts, etc.	4	5,765,756,646	5,585,644,010
Fixed assets including premises, furniture and fixtures	5	89,457,692	76,209,026
Other assets	6	293,623,727	254,313,304
Non financial institutional assets	7	3,752,405	6,096,865
TOTAL ASSETS		7,700,876,744	7,114,507,241
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks and financial institutions	8	264,683,203	29,698,701
Term deposits	9	4,438,603,905	4,208,012,043
Other liabilities	10	1,003,308,929	849,470,357
Total liabilities		5,706,596,037	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	547,066,166	580,111,599
Total shareholders' equity		1,994,280,707	2,027,326,140
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		7,700,876,744	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 Profit and Loss Account (Un-audited) for the Third Quarter ended September 30, 2013

Figures in Taka

For the third quarter ended 30 September	Note	January to September		Third quarter	
		2013	2012	2013	2012
PARTICULARS					
Interest income	17	674,367,540	556,389,115	217,292,019	196,075,512
Interest paid on deposits and borrowings etc.	18	477,355,402	401,923,305	157,035,300	140,276,005
Net interest income		197,012,137	154,465,810	60,256,719	55,799,507
Investment income	19	65,463,036	47,057,646	21,887,738	23,813,039
Commission, exchange and brokerage	20	6,601,389	4,099,202	1,503,819	1,305,594
Other operating income	21	11,267,270	17,859,477	146,751	546,806
Total operating income		280,343,832	223,482,135	83,795,026	81,464,946
Salary and allowances	22	57,311,494	44,700,733	21,358,949	15,551,356
Rent, taxes, insurance, electricity, etc.	23	8,858,401	7,961,235	3,145,837	2,799,370
Legal expenses	24	6,385,708	5,859,203	1,861,692	1,860,443
Postage, stamp, telecommunications, etc.	25	2,169,182	1,847,863	816,586	684,253
Stationery, printings, advertisements, etc.	26	6,093,917	4,285,403	1,734,569	1,177,166
Managing Director's salary and allowances	27	4,722,497	4,722,497	1,807,499	1,807,499
Directors' fees	28	2,080,805	2,492,037	477,004	852,834
Depreciation and repair of Company's assets	29	15,569,305	16,556,758	5,412,111	5,609,042
Other expenses	30	11,258,800	8,360,669	2,929,378	2,535,885
Total operating expenses		114,450,109	96,786,398	39,543,625	32,877,848
Profit before provision		165,893,723	126,695,736	44,251,401	48,587,098
Provision for loans and leases		7,175,393	65,140,227	2,593,631	(5,348,821)
Other provisions		3,052,900	6,330,331	372,150	589,908
Total provision	31	10,228,293	71,470,558	2,965,781	(4,758,913)
Profit before tax		155,665,430	55,225,178	41,285,620	53,346,011
Current tax	10.4	83,247,112	42,319,763	23,640,879	14,910,186
Deferred tax	32	1,124,516	(1,755,559)	(55,766)	(503,310)
Total tax expenses		84,371,628	40,564,204	23,585,113	14,406,876
Net profit after tax		71,293,802	14,660,974	17,700,507	38,939,135
Earnings per share (EPS)	33	0.68	0.14	0.17	0.37

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 Third Quarter Cash Flow Statement (Un-audited)

Figures in Taka

For the third quarter ended 30 September	Note	January to September	
		2013	2012
OPERATING ACTIVITIES			
Interest receipts in cash		654,112,465	500,392,881
Interest payments in cash		(445,303,588)	(337,108,602)
Dividend receipts in cash		19,222,249	19,810,102
Fee and commission receipts in cash		6,601,389	4,439,434
Recoveries of loan previously written off		10,000,000	17,287,828
Cash payments to employees		(58,975,408)	(45,911,312)
Cash payments to suppliers		(41,953,885)	(35,389,655)
Income taxes paid		(7,339,528)	(7,059,413)
Receipts from other operating activities	34	36,767,923	41,731,800
Cash generated before change in operating assets and liabilities		173,131,616	158,193,063
Increase/decrease in operating assets and liabilities			
(Purchase)/sale of trading securities		6,966,241	145,670,840
Loans, advances and leases to other banks		(121,650,162)	(103,330,000)
Loans, advances and leases to customers		(350,340,741)	(1,020,675,750)
Other assets	35	(9,808,188)	1,877,068
Deposits from customers		230,591,862	205,780,195
Trading liabilities		240,862,138	189,722,784
Other liabilities	36	90,490,021	50,448,598
Net increase/decrease in operating assets and liabilities		87,111,171	(530,506,265)
Net cash from operating activities		260,242,788	(372,313,202)
INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment		(23,919,047)	(12,981,150)
Sale proceeds of property, plant and equipment		3,438,000	-
Net cash provided/(used) in investing activities		(20,481,047)	(12,981,150)
FINANCING ACTIVITIES			
Receipts/(payments) of long term loan		(5,877,636)	(5,222,204)
Dividends paid in cash		(100,875,625)	(1,558)
Net cash provided/used) in financing activities		(106,753,261)	(5,223,762)
Net increase/(decrease) in cash		133,008,480	(390,518,113)
Cash and cash-equivalents at beginning of the period		527,965,477	942,154,926
Cash and cash-equivalents at end of the period	37	660,973,957	551,636,813

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

IPDC of Bangladesh Limited
Condensed third quarter ended Statement of Changes in Shareholders' Equity (Un-audited)

Figures in Taka

	<u>Paid up share capital</u>	<u>Share premium</u>	<u>Statutory reserve</u>	<u>Asset revaluation reserve</u>	<u>Retained earnings</u>	<u>Total</u>
Period ended September 30, 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/(loss) for the period	-	-	-	-	71,293,802	71,293,802
Payment of cash dividend	-	-	-	-	(104,339,235)	(104,339,235)
Balance as at September 30, 2013	1,043,392,350	167,014,000	223,222,211	13,585,980	547,066,166	1,994,280,707
Period ended September 30, 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	-	-	-	-	14,660,974	14,660,974
Issuance of bonus share	94,853,850	-	-	-	(94,853,850)	-
Balance as at September 30, 2012	1,043,392,350	167,014,000	197,501,563	13,585,980	491,889,979	1,913,383,872

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

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 Third Quarter ended 30 September 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 third quarter ended 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.

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)
Figures in Taka

As at	Note	September 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	43,945	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	87,729	16,255
AB Bank Ltd.	CD A/c	19,645	3,240
Standard Chartered Bank	CD A/c	805,121	406,977
Mercantile Bank Ltd.	CD A/c	3,668	-
Prime Bank Ltd.	CD A/c	-	12,492,740
Bank Alfalah Ltd.	CD A/c	1,451	1,451
		965,167	12,968,911
Dutch Bangla Bank Ltd.	STD A/c	646,674	54,868,548
Prime Bank Ltd.	STD A/c	6,896,417	37,341,034
AB Bank Ltd.	STD A/c	1,442,586	1,418,218
Standard Chartered Bank	STD A/c	355,252	6,142
Al-Arafah Islami Bank Ltd.	STD A/c	5,758	6,209
BRAC Bank Ltd.	STD A/c	494,727	714,820
Mercantile Bank Ltd.	STD A/c	77,462	-
AB Bank Ltd.	STD A/c -FC	62,403	62,403
		9,981,281	94,417,375
Mercantile Bank Ltd.	FDR	50,000,000	50,000,000
National Bank Ltd.	FDR	15,678,816	13,877,500
AB Bank Ltd.	FDR	51,406,250	-
Dhaka Bank	FDR	100,000,000	-
Standard Chartered Bank	FDR	100,000,000	-
Prime Bank Ltd.	FDR	117,587,256	62,386,991
		434,672,322	126,264,491
National Bank of Pakistan	Placement	100,000,000	150,000,000
International Leasing and Financial Services Ltd.	Placement	-	50,000,000
		100,000,000	200,000,000
		545,618,770	433,650,776
3. Investments			
Government securities	3.2	415,000,000	165,000,000
Other investments	3.3	472,312,317	499,278,558
		887,312,317	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		472,312,317	499,278,558
		887,312,317	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)**

Figures in Taka

As at	Note	September 30, 2013	December 31, 2012
3.3 Other investments			
In ordinary shares - Listed		7,007,689	7,007,689
In ordinary shares - Unlisted		11,670,869	31,670,869
In cumulative redeemable preference shares		303,633,759	310,600,000
Investment in shares		322,312,317	349,278,558
In corporate bonds		150,000,000	150,000,000
		472,312,317	499,278,558

Details of other investments are shown in Annexure - A.

4. Loans, leases and advances

Long term loan		3,106,999,613	3,296,153,533
Lease finance	4.1	1,733,291,843	1,618,199,053
Short term loan		417,665,276	316,539,819
Mortgage finance		41,227,943	32,951,684
Channel finance		150,476,561	88,120,017
Auto loan		166,821,835	106,028,436
Secured retail loan		132,281,883	109,893,163
Staff loan		16,991,692	17,758,305
		5,765,756,646	5,585,644,010

All loans, leases and advances are within Bangladesh.

4.1 Lease finance

Gross lease receivables		2,087,113,704	1,948,130,259
Less: Unearned interest income		467,052,094	449,139,080
Net lease receivables		1,620,061,610	1,498,991,179
Add: Overdue lease rentals		113,230,233	116,007,874
Add: Advance against lease finance		-	3,200,000
		1,733,291,843	1,618,199,053

5. Fixed assets including premises, furniture and fixtures

Land and building		75,684,163	75,684,163
Motor vehicles		31,374,745	20,911,776
Furniture and fixtures		29,479,148	29,241,775
Equipment and appliances		36,587,698	33,413,823
Accounting software		2,398,750	2,398,750
		175,524,504	161,650,287
Less: Accumulated depreciation		86,066,812	85,441,261
		89,457,692	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)**

Figures in Taka

As at	Note	September 30, 2013	December 31, 2012
6. Other assets			
Dividend receivable on cumulative preference shares		15,449,582	11,158,047
Stationery, stamps, printing materials in stock		64,459	52,825
Advance rent and advertisement		8,167,934	4,079,432
Interest accrued on investment but not collected		31,407,535	14,090,220
Security deposits		716,160	716,160
Preliminary, formation, renovation and prepaid expenses		929,116	375,259
Others	6.1	236,888,941	223,841,361
		<u>293,623,727</u>	<u>254,313,304</u>

6.1 Others

Advance tax		222,161,650	214,822,122
Deferred tax asset	6.1.2	5,519,361	4,697,206
Sundry assets	6.1.3	9,207,930	4,322,033
		<u>236,888,941</u>	<u>223,841,361</u>

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	12,986,732	11,052,250
Tax rate	42.50%	42.50%
Deferred tax asset	<u>5,519,361</u>	<u>4,697,206</u>

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	(822,155)	(1,210,315)
Closing balance		<u>5,519,361</u>	<u>4,697,206</u>

6.1.3 Sundry assets

City corporation tax	207,212	113,400
Hosna Centre Owners' Association	583,050	583,050
Advance others	8,417,668	3,625,583
	<u>9,207,930</u>	<u>4,322,033</u>

7. Non financial institutional assets

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

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)**

Figures in Taka

As at	Note	September 30, 2013	December 31, 2012
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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		
Prime Bank Ltd.	SOD	20,862,138	-
Dhaka Bank Ltd.	Call Loan	40,000,000	-
Dutch Bangla Bank Ltd.	Call Loan	70,000,000	-
Eastern Bank Ltd.	Call Loan	50,000,000	-
The City Bank Ltd.	Call Loan	60,000,000	-
Total short term loan		240,862,138	-
The UAE-Bangladesh Investment Company Ltd.	Long Term	23,821,065	29,698,701
		264,683,203	29,698,701

9. Deposits and other accounts/ term deposits

Inter-bank deposits		-	-
Other deposits		4,438,603,905	4,208,012,043
		4,438,603,905	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	279,893,087	269,664,794
Cumulative interest and dividend suspense	10.2	142,255,536	129,472,462
Provision for gratuity	10.3	12,986,732	11,052,250
Unclaimed dividend		7,263,700	3,800,090
Provision for corporate tax	10.4	210,038,902	126,791,790
Receipts against lease	10.5	33,966,964	27,313,330
Provision for finance charge	10.6	271,279,705	239,227,891
Withholding tax and VAT		4,328,116	6,991,938
Liabilities for special accounts	10.7	19,495,871	16,242,773
Provision for expense	10.8	6,738,645	5,853,232
Deferred tax liabilities	10.9	14,241,897	12,295,227
Payable for purchase of office equipment		819,775	764,581
		1,003,308,929	849,470,357

10.1 Cumulative provision for loans, advances, leases and investment

Provision for loans, leases and advances		197,714,539	190,472,189
Provision for investments in shares		38,005,939	38,072,894
		235,720,478	228,545,083
Provision for marking to market on Govt. securities		44,172,609	41,119,711
		279,893,087	269,664,794

10.2 Cumulative interest and dividend suspense

Interest suspense against loans, leases and advances		139,328,509	126,814,695
Dividend suspense against cumulative preference shares		2,927,027	2,657,767
		142,255,536	129,472,462

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

Figures in Taka

As at	Note	September 30, 2013	December 31, 2012
10.3 Provision for gratuity			
This represents provision for staff gratuity up to 30 September 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		2,195,982	3,055,300
		13,248,232	11,259,750
Less: Payment during the period/year		261,500	207,500
Closing balance		12,986,732	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		83,247,112	7,788,282
		210,038,902	126,791,790
Less: Adjustment during the period/year		-	-
Closing balance		210,038,902	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		7,926,537	14,467,780
		35,239,867	42,914,910
Less: Adjusted during the period/year		1,272,903	15,601,580
Closing balance		33,966,964	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		270,309,772	238,833,141
Accrued interest expenses on long term borrowings		188,474	247,489
Accrued interest expenses on call borrowings		781,458	-
Accrued interest expenses on repo borrowings		-	147,260
		271,279,705	239,227,891

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

As at	Note	Figures in Taka	
		September 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		16,374,049	14,941,452
Account payable special account - other		2,003,465	182,964
		<u>19,495,871</u>	<u>16,242,773</u>
10.8 Provision for expenses			
Legal fees		1,083,275	2,068,225
Office services		1,379,552	778,235
Pay and allowance		1,501,850	377,749
Promotion and publicity		363,713	1,500,338
Office rent		182,242	67,335
Professional fees		142,100	232,100
Audit fees		327,030	768,250
Other expenses		1,758,883	61,000
		<u>6,738,645</u>	<u>5,853,232</u>
10.9 Deferred tax liabilities			
<i>Taxable temporary differences</i>			
Property, plant and equipment		9,882,555	5,302,152
Revaluation reserve on office premises		23,627,792	23,627,792
Net taxable temporary differences		33,510,347	28,929,945
Tax rate		42.50%	42.50%
Deferred tax liabilities		<u>14,241,897</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	1,946,670	(1,185,384)
Closing balance		<u>14,241,897</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		<u>1,043,392,350</u>	<u>1,043,392,350</u>
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)**

Figures in Taka

As at	Note	September 30, 2013	December 31, 2012
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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		71,293,802	128,603,242
		651,405,401	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		547,066,166	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 third quarter ended 30 September	Note	Figures in Taka	
		2013	2012
17. Interest income			
<i>Interest income on loans, leases and advances</i>			
Interest on lease finance		187,339,297	143,465,086
Interest on long term finance		345,985,545	289,517,441
Interest on short term finance		37,443,493	17,140,362
Interest on channel finance		15,419,116	5,733,122
Interest on mortgage finance		4,921,697	1,520,443
Interest on secured finance		20,283,352	11,722,526
Interest on auto loan		16,732,031	9,399,267
Interest income on staff loan		1,338,504	1,289,683
		629,463,035	479,787,930
<i>Interest income on balance with other banks and financial institutions</i>			
Interest on fixed deposits		26,238,525	16,525,637
Interest on overnight and treasury placements		17,389,375	59,963,945
Interest on STD accounts		1,276,605	111,603
		44,904,505	76,601,185
		674,367,540	556,389,115
18. Interest paid on deposits and borrowings etc.			
Interest expenses on term deposits		459,988,058	386,497,014
Interest expenses on borrowings	18.1	17,367,344	15,426,291
		477,355,402	401,923,305
18.1 Interest paid on borrowings			
Interest expenses on long term loan		2,441,014	3,102,021
Interest expenses on call loan borrowing		10,860,887	264,687
Interest expenses on bank overdrafts		91,128	5,002,871
Interest expenses on repo borrowings		3,974,315	7,056,712
		17,367,344	15,426,291
19. Investment income			
Income on Govt. treasury bonds		28,498,432	3,765,299
Income on corporate bonds		13,450,820	13,524,658
Income from Govt. bonds and securities		41,949,252	17,289,957
Dividend income on cumulative preference shares		23,435,765	29,765,119
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
		65,463,036	47,057,646
20. Commission, exchange and brokerage			
Fees and commission income	20.1	6,601,389	4,099,202
Exchange income		-	-
		6,601,389	4,099,202

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

For the third quarter ended 30 September	Note	Figures in Taka	
		2013	2012
20.1 Fees and commission income			
<i>Fees income</i>			
Appraisal and feasibility study fees		6,581,389	4,092,202
Restructuring/renewal fees		20,000	-
		6,601,389	4,092,202
Commission		-	7,000
		6,601,389	4,099,202
21. Other operating income			
Transfer price of leased assets		34,033	50,697
Other earnings		164,350	13,375
Loan loss recovery		10,000,000	17,287,828
Income/(loss) on sale of fixed assets		1,068,886	507,577
		11,267,270	17,859,477
22. Salary and allowances			
Basic salary		22,722,659	17,698,584
House rent allowance		6,735,993	5,542,525
Medical allowance		3,552,705	3,001,834
Bonus		7,670,001	6,735,401
Leave fare assistance		3,745,898	2,900,990
Other allowances		3,143,290	1,482,853
Company's contribution to provident fund		1,703,380	1,401,984
Gratuity		2,195,982	2,547,618
Contractual staffs		5,841,586	3,388,944
		57,311,494	44,700,733
23. Rent, taxes, insurance, electricity, etc.			
Office rent		4,127,482	3,991,446
Rates and taxes		180,153	153,005
Insurance		1,598,959	1,408,406
Utilities - electricity, gas, water etc		2,951,807	2,408,378
		8,858,401	7,961,235
24. Legal expenses			
Professional fees		3,744,922	3,729,579
Legal document, court fees etc.		2,640,786	2,129,624
		6,385,708	5,859,203

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

For the third quarter ended 30 September	Note	Figures in Taka	
		2013	2012
25. Postage, stamp, telecommunications, etc.			
Postage, stamps etc.		786,327	271,498
Telephone		530,855	298,365
Internet expenses		852,000	1,278,000
		<u>2,169,182</u>	<u>1,847,863</u>
26. Stationery, printing, advertisements etc.			
Printing and stationery		1,058,186	830,074
Publicity and advertisement		5,035,731	3,455,329
		<u>6,093,917</u>	<u>4,285,403</u>
27. Managing Director's salary and allowances			
Basic salary		3,150,000	3,150,000
House rent allowance		270,000	270,000
Medical allowance		112,500	112,500
Bonus		350,000	350,000
Leave fare assistance		524,997	524,997
Company's contribution to provident fund		315,000	315,000
		<u>4,722,497</u>	<u>4,722,497</u>
28. Directors' fees			
Honorarium for attending meeting		391,000	316,250
Incidental expenses for attending meeting		1,689,805	2,175,787
		<u>2,080,805</u>	<u>2,492,037</u>
29. Depreciation and repair on fixed assets			
Depreciation	29.1	10,700,921	12,270,738
Repair and maintenance	29.2	4,868,384	4,286,020
		<u>15,569,305</u>	<u>16,556,758</u>
29.1 Depreciation			
Office premises		2,943,810	2,843,187
Motor vehicles		1,941,663	3,553,645
Furniture and fixtures		2,403,454	2,714,294
Equipment and appliances		3,112,464	3,126,331
Accounting software		299,530	33,281
		<u>10,700,921</u>	<u>12,270,738</u>
Details of depreciation is shown in Annexure - B.			
29.2 Repair and maintenance			
Office premises		412,385	-
Vehicles		3,462,295	2,553,285
Office equipments		993,704	1,732,735
		<u>4,868,384</u>	<u>4,286,020</u>

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

For the third quarter ended 30 September	Note	Figures in Taka	
		2013	2012
30. Other expenses			
Staff training		1,778,800	370,112
Membership fees, subscription and donations		1,662,885	1,095,505
News papers, periodicals, learning materials etc.		61,334	48,696
Traveling, conveyance and hotel expenses		1,629,093	1,323,071
Entertainment and public relation		715,549	490,537
AGM expenses		1,950,008	1,850,583
Recruitment expenses		88,703	110,000
Security and cleaning services		1,865,114	1,382,457
Sundry office maintenance		1,072,534	921,224
Other operational expenses		434,780	768,484
		11,258,800	8,360,669
31. Provision for loans, advances, leases and investment			
Provision for loans, advances and leases		7,175,393	65,140,227
Provision for marking to market on Govt. securities		3,052,900	6,330,331
		10,228,293	71,470,558
32. Deferred tax expense/(income)			
Expense/(income) on deductible temporary differences	6.1.2	(822,154)	(994,550)
Expense/(income) on taxable temporary differences	10.9	1,946,670	(761,009)
		1,124,516	(1,755,559)
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		71,293,802	14,660,974
<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		0.68	0.14
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		34,033	50,697
Securities income		36,569,540	41,667,728
Income from other operating activities		164,350	13,375
		36,767,923	41,731,800

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

For the third quarter ended 30 September	Note	Figures in Taka	
		2013	2012
35. (Increase)/decrease of other assets			
<i>Closing other assets</i>			
Stationery, stamps, printing materials in stock		64,459	53,105
Advance rent and advertisement		8,167,934	5,835,236
Security deposit		716,160	716,160
Other assets		14,727,291	5,739,683
		23,675,844	12,344,184
<i>Opening other assets</i>			
Stationery, stamps, printing materials in stock		52,825	94,264
Advance rent and advertisement		4,079,432	4,518,383
Security deposit		716,160	716,160
Other assets		9,019,239	5,138,309
		13,867,656	10,467,116
		(9,808,188)	1,877,068
36. Increase/(decrease) of other liabilities			
<i>Closing other liabilities</i>			
Provision for current tax		210,038,902	161,323,271
Withholding tax, VAT and excise duty		4,328,116	6,308,254
Others		53,462,834	50,744,565
		267,829,852	218,376,090
<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
		90,490,021	50,448,598
37. Cash and cash equivalents			
Cash in hand		65,014	66,198
Balance with Bangladesh Bank and its agent bank(s)		115,290,173	89,623,018
Balance with other banks and financial institutions		545,618,770	461,947,597
		660,973,957	551,636,813

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 third quarter ended Financial Statements (Un-audited)**

Annexure - A

Details statement of other investments

Figures in Taka

Particulars	30 September 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	6,159.60	5,664	6,702
	7,007,689	4,320,185	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
	11,670,869	11,670,869	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.	23,033,759	23,033,759	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
	303,633,759	303,633,759	310,600,000	310,600,000
Investment in shares	322,312,317	319,624,812	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
	472,312,317	469,624,812	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 third quarter ended 30 September 2013

Fixed assets including premises, furniture and fixtures

Annexure - B

Figures in Taka

Category of asset	Cost					Depreciation					Carrying amount as at 30 Sept. 2013
	Balance as at 1 Jan 2013	Addition during the period	Adjustment during the period	Disposal during the period	Balance as at 30 Sept. 2013	Rate	Balance as at 1 Jan 2013	Charged during the period	Adjustment during the period	Balance as at 30 Sept. 2013	
Office premises	75,684,163	-	-	-	75,684,163	5%	25,966,473	2,943,810	-	28,910,283	46,773,880
Motor vehicles	20,911,776	19,052,060	-	8,589,091	31,374,745	20%	16,896,243	1,941,663	8,571,401	10,266,505	21,108,240
Furniture and fixtures	29,241,775	419,220	-	181,847	29,479,148	12.50%	20,080,316	2,403,454	174,887	22,308,882	7,170,265
Equipment and appliances	33,413,823	4,502,961	-	1,329,086	36,587,698	20%	20,765,105	3,112,464	1,329,081	22,548,488	14,039,210
Accounting software	2,398,750	-	-	-	2,398,750	50%	1,733,124	299,530	-	2,032,654	366,096
Balance as at 30 September 2013	161,650,287	23,974,241	-	10,100,024	175,524,504		85,441,261	10,700,921	10,075,369	86,066,812	89,457,692

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.