

IPDC of Bangladesh Limited

Condensed Interim Financial Statements (Un-audited)

As at and for the Third Quarter Ended September 30, 2014

IPDC of Bangladesh Limited
Condensed Balance Sheet (Un-audited) as at September 30, 2014

		Figures in Taka	
As at	Note	September 30, 2014	December 31, 2013
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)		130,000	50,542
Balance with Bangladesh Bank and its agent bank(s)		103,450,215	154,996,460
Balance with other banks and financial institutions	2	927,307,064	546,533,211
		1,030,887,279	701,580,213
Investments			
Government	3.2	415,000,000	415,000,000
Others	3.3	398,470,869	505,970,869
		813,470,869	920,970,869
Loans, leases, cash credits, overdrafts, etc.	4	5,115,899,078	5,745,510,743
Fixed assets including premises, furniture and fixtures	5	114,485,768	107,827,295
Other assets	6	324,360,490	279,282,331
Non financial institutional assets	7	3,752,405	3,752,405
TOTAL ASSETS		7,402,855,889	7,758,923,855
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks and financial institutions	8	43,691,536	413,976,376
Term deposits	9	4,221,763,067	4,427,093,408
Other liabilities	10	1,024,423,609	852,883,256
Total liabilities		5,289,878,212	5,693,953,040
Shareholders' equity			
Paid up capital	11	1,147,731,580	1,043,392,350
Share premium	12	167,014,000	167,014,000
Statutory reserve	13	251,618,993	251,618,993
Assets revaluation reserve	14	13,585,980	13,585,980
Retained earnings	15	533,027,123	589,359,492
Total shareholders' equity		2,112,977,676	2,064,970,815
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		7,402,855,889	7,758,923,855
Off-balance sheet items			
Letters of guarantee	16	5,590,000	5,590,000

The annexed notes 1 to 37 form an integral part of these financial statements.

SD/-

Dilip Kumar Mandal
Chief Financial Officer

SD/-

Mominul Islam
Managing Director & CEO

IPDC of Bangladesh Limited
Condensed Profit and Loss Account (Un-audited) for the Third Quarter ended September 30, 2014

Figures in Taka

For the third quarter ended September 30	Note	January to September		Third quarter	
		2014	2013	2014	2013
PARTICULARS					
Interest income	17	663,690,454	674,367,540	215,830,820	217,292,018
Interest paid on deposits and borrowings etc.	18	399,188,198	477,355,402	122,909,608	157,035,300
Net interest income		264,502,256	197,012,137	92,921,211	60,256,718
Investment income	19	66,889,998	65,463,036	21,641,835	21,887,738
Commission, exchange and brokerage	20	3,906,064	6,601,389	977,894	1,503,819
Other operating income	21	29,480,873	11,267,270	19,679,249	146,751
Total operating income		364,779,191	280,343,832	135,220,189	83,795,026
Salary and allowances		62,483,225	57,311,494	19,566,630	21,358,949
Rent, taxes, insurance, electricity, etc.	22	9,680,945	8,858,401	3,369,977	3,145,837
Legal expenses	23	9,759,691	6,385,708	4,561,715	1,861,692
Postage, stamp, telecommunications, etc.	24	2,324,724	2,169,182	804,471	816,586
Stationery, printings, advertisements, etc.	25	7,937,598	6,093,917	3,033,769	1,734,569
Managing Director's salary and allowances	26	5,072,497	4,722,497	2,157,499	1,807,499
Directors' fees	27	2,823,191	2,080,805	1,161,645	477,004
Depreciation and repair of Company's assets	28	18,463,328	15,569,305	7,397,601	5,412,111
Other expenses	29	11,064,929	11,258,800	3,578,100	2,929,377
Total operating expenses		129,610,128	114,450,109	45,631,407	39,543,624
Profit before provision		235,169,063	165,893,723	89,588,783	44,251,401
Provision for loans and leases		28,826,814	7,175,393	(4,675,880)	2,593,631
Other provisions		-	3,052,900	-	372,150
Total provision	30	28,826,814	10,228,293	(4,675,880)	2,965,781
Profit before tax		206,342,249	155,665,430	94,264,663	41,285,620
Current tax	10.3	105,258,023	83,247,112	46,828,800	23,640,879
Deferred tax	31	907,748	1,124,516	450,878	(55,766)
Total tax expenses		106,165,771	84,371,628	47,279,678	23,585,113
Net profit after tax		100,176,479	71,293,802	46,984,985	17,700,507
Earnings per share (EPS)	32	0.87	0.62	0.41	0.15

The annexed notes 1 to 37 form an integral part of these financial statements.

SD/-

Dilip Kumar Mandal
Chief Financial Officer

SD/-

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 September 30	Note	2014	2013
OPERATING ACTIVITIES			
Interest receipts in cash		695,045,266	654,112,465
Interest payments in cash		(385,370,173)	(445,303,588)
Dividend receipts in cash		16,108,578	19,222,249
Fee and commission receipts in cash		3,906,064	6,601,389
Recoveries of loan previously written off		27,699,900	10,000,000
Cash payments to employees		(69,847,783)	(58,975,408)
Cash payments to suppliers		(47,105,677)	(41,953,885)
Income taxes paid		(17,348,018)	(7,339,528)
Receipts from other operating activities	33	37,095,036	36,767,923
Cash generated before change in operating assets and liabilities		260,183,193	173,131,616
Increase/decrease in operating assets and liabilities			
Loans, advances and leases to other banks		32,362,569	(121,650,162)
Loans, advances and leases to customers		430,137,214	(350,340,741)
Other assets	34	(1,126,712)	(9,808,188)
Deposits from customers		(205,330,341)	230,591,862
Trading liabilities		(369,819,507)	240,862,138
Other liabilities	35	115,650,987	90,490,021
Net increase/decrease in operating assets and liabilities		1,874,210	80,144,930
Net cash from operating activities		262,057,403	253,276,547
INVESTING ACTIVITIES			
Proceeds from repayment of securities		107,500,000	6,966,241
Payment for purchase of property, plant and equipment		(15,195,452)	(23,919,047)
Sale proceeds of property, plant and equipment		1,280,000	3,438,000
Net cash provided/(used) in investing activities		93,584,548	(13,514,806)
FINANCING ACTIVITIES			
Receipts/(payments) of long term loan		(465,333)	(5,877,636)
Dividends paid in cash		(25,869,551)	(100,875,625)
Net cash provided/(used) in financing activities		(26,334,884)	(106,753,261)
Net increase/(decrease) in cash		329,307,067	133,008,480
Cash and cash-equivalents at beginning of the period		701,580,213	527,965,477
Cash and cash-equivalents at end of the period	36	1,030,887,280	660,973,957

The annexed notes 1 to 37 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, 2014						
Opening balance	1,043,392,350	167,014,000	251,618,993	13,585,980	589,359,492	2,064,970,815
Changes in accounting policy	-	-	-	-	-	-
Restated balance	1,043,392,350	167,014,000	251,618,993	13,585,980	589,359,492	2,064,970,815
Net profit/(loss) for the period	-	-	-	-	100,176,479	100,176,479
10% Issuance of bonus share Y2013	104,339,230	-	-	-	(104,339,230)	-
5% cash dividend Y2013	-	-	-	-	(52,169,618)	(52,169,618)
Balance as at September 30, 2014	1,147,731,580	167,014,000	251,618,993	13,585,980	533,027,123	2,112,977,676
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	-	-	-	-	-	-
Net profit/(loss) for the period	-	-	-	-	71,293,802	71,293,802
10% cash dividend Y2012	-	-	-	-	(104,339,235)	(104,339,235)
Balance as at September 30, 2014	1,043,392,350	167,014,000	223,222,211	13,585,980	547,066,166	1,994,280,707

The annexed notes 1 to 37 form an integral part of these financial statements.

IPDC of Bangladesh Limited

Notes to the Condensed third quarter ended Financial Statements (Un-audited)

As at and for the third quarter ended September 30, 2014

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 September 30, 2014 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, 2013 have been followed.

1.5 Change in accounting estimate

The Company has changed the estimation of useful life of Intangible Assets from two years to five years in the year 2014 and financial impact of such change has been given prospectively in current and future periods it relates.

1.6. 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 financial statements.

1.7. Rounding off and rearrangement of figures

Figures have been rounded off to the nearest Taka and 2013 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	
		September 30, 2014	December 31, 2013
2. Balance with other banks and financial institutions			
Name of Bank/FI	Type of A/c		
Commercial Bank of Ceylon Plc	CD A/c	43,250	43,250
The Hongkong and Shanghai Banking Corporation Ltd.	CD A/c	1,451	1,026
Uttara Bank Ltd.	CD A/c	2,583	2,583
United Commercial Bank Ltd.	CD A/c	41,443	34,027
AB Bank Ltd.	CD A/c	18,375	18,950
Standard Chartered Bank	CD A/c	3,446,457	180,742
Mercantile Bank Ltd.	CD A/c	87,228	-
Bank Alfalah Ltd.	CD A/c	-	1,451
		3,640,786	282,029
Dutch Bangla Bank Ltd.	STD A/c	975,434	278,727
Prime Bank Ltd.	STD A/c	235,405	301,108
AB Bank Ltd.	STD A/c	1,491,503	1,568,943
Standard Chartered Bank	STD A/c	60,712	179,857
Al-Arafah Islami Bank Ltd.	STD A/c	5,299	5,299
BRAC Bank Ltd.	STD A/c	221,938	565,832
Mercantile Bank Ltd.	STD A/c	153,738	42,189
AB Bank Ltd.	STD A/c -FC	59,759	62,403
		3,203,787	3,004,358
Mercantile Bank Ltd.	FDR	55,367,938	52,700,001
AB Bank Ltd.	FDR	75,000,000	50,000,000
EXIM Bank Ltd.	FDR	50,000,000	50,000,000
Prime Bank Ltd.	FDR	105,594,553	122,168,007
Dhaka Bank Ltd.	FDR	100,000,000	102,700,000
Trust Bank Ltd.	FDR	100,000,000	50,000,000
National Bank of Pakistan	FDR	14,500,000	-
The City Bank Ltd.	FDR	50,000,000	-
United Commercial Bank Ltd.	FDR	-	50,000,000
ONE Bank Ltd.	FDR	-	50,000,000
National Bank Ltd.	FDR	-	15,678,816
		550,462,491	543,246,824
National Bank of Pakistan	Placement	200,000,000	-
LankaBangla Finance Limited	Call	70,000,000	-
Delta Brac Housing Finance Corp. Ltd.	Call	100,000,000	-
		927,307,064	546,533,211
3. Investments			
Government securities	3.2	415,000,000	415,000,000
Other investments	3.3	398,470,869	505,970,869
		813,470,869	920,970,869
3.1 Classification of investments			
Held for trading (HFT)		204,100,000	204,100,000
Held to maturity (HTM)		210,900,000	210,900,000
		415,000,000	415,000,000
Other investments		398,470,869	505,970,869
		813,470,869	920,970,869
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

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

As at	Note	Figures in Taka	
		September 30, 2014	December 31, 2013
3.3 Other investments			
In ordinary shares - Listed		7,000,000	7,000,000
In ordinary shares - Unlisted		11,670,869	11,670,869
In preference shares		229,800,000	337,300,000
Investment in shares		248,470,869	355,970,869
In corporate bonds		150,000,000	150,000,000
		398,470,869	505,970,869

Details of other investments are shown in Annexure - A.

4. Loans, leases, cash credits, overdrafts, etc

Long term loan		2,692,761,282	3,233,775,052
Lease finance		1,572,135,503	1,741,016,638
Short term loan		162,959,152	239,746,912
Mortgage finance		83,346,578	52,601,865
Channel finance		238,374,895	163,595,841
Auto loan		236,270,891	187,788,787
Secured retail loan		112,967,492	110,389,371
Staff loan		17,083,284	16,596,277
		5,115,899,078	5,745,510,743

All loans, leases and advances are within Bangladesh.

5. Fixed assets including premises, furniture and fixtures

Land and building		75,684,163	75,684,163
Motor vehicles		35,690,044	31,374,745
Furniture and fixtures		29,556,751	29,550,148
Equipment and appliances		59,503,963	37,591,445
Intangible assets		16,398,750	2,398,750
		216,833,671	176,599,251
Less: Accumulated depreciation		102,347,903	89,798,816
		114,485,768	86,800,435
Capital work in progress		-	21,026,860
		114,485,768	107,827,295

Details of fixed assets are shown in Annexure - B.

6. Other assets

Dividend receivable on preference shares		20,128,948	11,398,845
Stationery, stamps, printing materials in stock		118,704	97,715
Advance rent and advertisement		5,778,864	7,552,593
Interest accrued on investment but not collected		37,694,942	20,287,647
Security deposits		1,222,410	716,160
Preliminary, formation, renovation and prepaid expenses		866,257	400,227
Others	6.1	258,550,364	238,829,144
		324,360,490	279,282,331

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

As at	Note	Figures in Taka	
		September 30, 2014	December 31, 2013
6.1 Others			
Advance tax		245,113,002	227,764,984
Deferred tax asset	6.1.1	6,826,929	5,645,244
Sundry assets	6.1.2	6,610,432	5,418,916
		<u>258,550,364</u>	<u>238,829,144</u>

6.1.1 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	16,063,362	13,282,926
Tax rate	42.50%	42.50%
Deferred tax asset	<u>6,826,929</u>	<u>5,645,244</u>

Movement of deferred tax asset is as follows:

Opening balance		5,645,244	4,697,206
Add: Deferred tax income during the period/year	31	1,181,686	948,038
Closing balance		<u>6,826,929</u>	<u>5,645,244</u>

6.1.2 Sundry assets

City corporation tax	186,487	138,140
Hosna Centre Owners' Association	583,050	583,050
Advance others	5,840,895	4,697,726
	<u>6,610,432</u>	<u>5,418,916</u>

7. Non financial institutional assets

Freehold land	7.1	3,752,405	3,752,405
		<u>3,752,405</u>	<u>3,752,405</u>

7.1 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 and financial institutions

Name of Bank/FI	Type		
Prime Bank Ltd.	SOD	22,413,727	85,176,244
Mercantile Bank Ltd.	SOD	-	47,056,990
Standard Bank Ltd.	Call Loan	-	40,000,000
BASIC Bank Ltd.	Call Loan	-	50,000,000
The Farmers Bank Ltd.	Call Loan	-	50,000,000
Dutch-Bangla Bank Ltd.	Call Loan	-	60,000,000
The City Bank Ltd.	Call Loan	-	60,000,000
Total short term loan		<u>22,413,727</u>	<u>392,233,234</u>
The UAE-Bangladesh Investment Company Ltd.	Long Term	15,127,809	21,743,142
Refinancing scheme JICA assisted ESPDSME	Long Term	6,150,000	-
Total long term loan		<u>21,277,809</u>	<u>21,743,142</u>
		<u>43,691,536</u>	<u>413,976,376</u>

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

As at	Note	Figures in Taka	
		September 30, 2014	December 31, 2013
9. Deposits and other accounts			
Inter-bank deposits		-	-
Other deposits		4,221,763,067	4,427,093,408
		<u>4,221,763,067</u>	<u>4,427,093,408</u>

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	215,696,246	216,239,280
Cumulative interest and dividend suspense	10.2	61,006,198	53,165,131
Provision for gratuity		16,063,362	13,282,926
Dividend Payable		33,388,371	7,088,305
Provision for corporate tax	10.3	330,478,654	225,220,631
Receipts against lease		48,401,611	36,086,227
Provision for finance charge	10.4	265,889,132	252,071,107
Withholding tax and VAT		9,005,351	7,761,895
Liabilities for special accounts	10.5	19,259,430	22,425,305
Provision for expenses	10.6	4,805,485	4,009,842
Deferred tax liabilities	10.7	16,697,520	14,608,087
Payable for purchase of office equipment		3,732,251	924,520
		<u>1,024,423,609</u>	<u>852,883,256</u>

10.1 Cumulative provision for loans, advances, leases and investment

Provision for loans, leases and advances	148,292,354	153,895,802
Provision for investments in shares	23,231,282	18,170,869
	<u>171,523,637</u>	<u>172,066,671</u>
Provision for marking to market on Govt. securities	44,172,609	44,172,609
	<u>215,696,246</u>	<u>216,239,280</u>

10.2 Cumulative interest and dividend suspense

Interest suspense against loans, leases and advances	57,899,663	50,147,364
Dividend suspense against preference shares	3,106,534	3,017,767
	<u>61,006,198</u>	<u>53,165,131</u>

10.3 Provision for corporate tax

Provision for corporate tax has been made on the basis of the profit for the period ended September 30, 2014 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	225,220,631	126,791,790
Add: Provision made during the period/year	105,258,023	98,428,841
	<u>330,478,654</u>	<u>225,220,631</u>
Less: Adjustment during the period/year	-	-
Closing balance	<u>330,478,654</u>	<u>225,220,631</u>

10.4 Provision for finance charge

Accrued interest expenses on term deposits	265,707,302	251,696,581
Accrued interest expenses on long term borrowings	181,830	181,193
Accrued interest expenses on call borrowings	-	193,333
	<u>265,889,132</u>	<u>252,071,107</u>

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

As at	Note	Figures in Taka	
		September 30, 2014	December 31, 2013
10.5 Liabilities for special accounts			
Account payable special account - IPO		1,118,356	1,118,356
Account payable special account - DEG		15,341,490	16,381,424
Account payable special account - other		2,799,584	4,925,525
		<u>19,259,430</u>	<u>22,425,305</u>
10.6 Provision for expenses			
Legal fees		2,562,642	1,526,051
Office services		640,180	1,503,592
Promotion and publicity		450,630	239,074
Office rent		86,275	86,275
Professional fees		152,100	212,100
Audit fees		340,001	442,750
Utility expenses		332,500	-
Travel & hotel expenses		24,400	-
Repair and Maintenance		216,757	-
		<u>4,805,485</u>	<u>4,009,842</u>
10.7 Deferred tax liabilities			
<i>Taxable temporary differences</i>			
Property, plant and equipment		15,660,490	10,744,178
Revaluation reserve on office premises		23,627,792	23,627,792
Net taxable temporary differences		39,288,282	34,371,970
Tax rate		42.50%	42.50%
Deferred tax liabilities		<u>16,697,520</u>	<u>14,608,087</u>
Movement of deferred tax liabilities is as follows:			
Opening balance		14,608,087	12,295,227
Add: Charged/(released) to profit and loss account	31	2,089,433	2,312,860
Closing balance		<u>16,697,520</u>	<u>14,608,087</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>			
114,773,158 number of ordinary shares of Taka 10 each		1,147,731,580	1,043,392,350
Paid up capital is made up of 25,701,400 numbers of ordinary shares paid up in cash and 89,071,758 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)		585,942,130	532,674,670
Others		600	550
		<u>585,942,730</u>	<u>532,675,220</u>
<i>Domestic</i>			
Government of the People's Republic of Bangladesh (GoB)		251,118,680	228,289,710
General Shareholders		310,669,810	282,420,490
Others		360	6,930
		<u>561,788,850</u>	<u>510,717,130</u>
		<u>1,147,731,580</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	
		September 30, 2014	December 31, 2013

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 September 2014 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	251,618,993	223,222,211
Add: Transferred from profit during the period/year	-	28,396,782
Closing balance	251,618,993	251,618,993

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	589,359,492	580,111,599
Add: Post tax profit for the period/year	100,176,479	141,983,910
	689,535,971	722,095,509
Less: Transfer to statutory reserve during the period/year	-	28,396,782
Dividend during the period/year	52,169,618	104,339,235
Issuance of bonus shares	104,339,230	-
	156,508,848	132,736,017
Closing balance	533,027,123	589,359,492

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 September 30	Note	2014	2013
Figures in Taka			
17. Interest income			
<i>Interest income on loans, leases and advances</i>			
Interest on lease finance		180,852,655	187,339,297
Interest on long term finance		331,062,280	345,985,545
Interest on short term finance		21,146,365	37,443,493
Interest on channel finance		25,250,302	15,419,116
Interest on mortgage finance		8,724,239	4,921,697
Interest on secured finance		14,102,747	20,283,352
Interest on auto loan		28,322,445	16,732,031
Interest income on staff loan		1,437,536	1,338,504
		610,898,568	629,463,035
<i>Interest income on balance with other banks and financial institutions</i>			
Interest on fixed deposits		39,214,091	26,238,525
Interest on overnight and treasury placements		12,944,514	17,389,375
Interest on STD accounts		633,282	1,276,605
		52,791,886	44,904,505
		663,690,454	674,367,540
18. Interest paid on deposits and borrowings etc.			
Interest expenses on term deposits		388,717,597	459,988,058
Interest expenses on borrowings	18.1	10,470,601	17,367,344
		399,188,198	477,355,402
18.1 Interest paid on borrowings			
Interest expenses on long term loan		1,700,504	2,441,014
Interest expenses on call loan borrowing		8,384,444	10,860,887
Interest expenses on bank overdrafts		336,111	91,128
Interest expenses on Bangladesh Bank borrowings		49,542	3,974,315
		10,470,601	17,367,344
19. Investment income			
Income on Govt. treasury bonds		28,475,974	28,498,432
Income on corporate bonds		13,575,342	13,450,820
Income from Govt. bonds and securities		42,051,316	41,949,252
Dividend income on preference shares		24,163,558	23,435,765
Dividend income on listed shares		123	3,019
Dividend income on un-listed shares		675,000	75,000
		66,889,998	65,463,036
20. Commission, exchange and brokerage			
Fees and commission income	20.1	3,906,064	6,601,389
Exchange income		-	-
		3,906,064	6,601,389

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

For the third quarter ended September 30	Note	Figures in Taka	
		2014	2013
20.1 Fees and commission income			
<i>Fees income</i>			
Processing fees		3,906,064	6,581,389
Restructuring/renewal fees		-	20,000
		3,906,064	6,601,389
Commission		-	-
		3,906,064	6,601,389
21. Other operating income			
Transfer/sale of leased assets		38,854	34,033
Other earnings		462,120	164,350
Loan loss recovery		27,699,900	10,000,000
Income on sale of fixed assets		1,279,999	1,068,886
		29,480,873	11,267,270
22. Rent, taxes, insurance, electricity, etc.			
Office rent		4,810,214	4,127,482
Rates and taxes		201,133	180,153
Insurance		1,638,068	1,598,959
Utilities - electricity, gas, water etc		3,031,530	2,951,807
		9,680,945	8,858,401
23. Legal expenses			
Professional fees		7,247,890	3,744,922
Legal document, court fees etc.		2,511,801	2,640,786
		9,759,691	6,385,708
24. Postage, stamp, telecommunications, etc.			
Postage, stamps etc.		240,703	786,327
Telephone		776,668	530,855
Internet expenses		1,307,353	852,000
		2,324,724	2,169,182
25. Stationery, printings, advertisements etc.			
Printing and stationery		1,033,403	1,058,186
Publicity and advertisement		6,904,195	5,035,731
		7,937,598	6,093,917
26. 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		700,000	350,000
Leave fare assistance		524,997	524,997
Company's contribution to provident fund		315,000	315,000
		5,072,497	4,722,497

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

For the third quarter ended September 30	Note	Figures in Taka	
		2014	2013
27. Directors' fees			
Honorarium for attending meeting		322,000	391,000
Incidental expenses for attending meeting		2,501,191	1,689,805
		2,823,191	2,080,805
28. Depreciation and repair on fixed assets			
Depreciation	28.1	14,153,086	10,700,921
Repair and maintenance	28.2	4,310,242	4,868,384
		18,463,328	15,569,305
28.1 Depreciation			
Office premises		2,883,437	2,943,810
Motor vehicles		4,076,208	1,941,662
Furniture and fixtures		1,131,210	2,403,454
Equipment and appliances		4,862,650	3,112,466
Intangible assets		1,199,581	299,529
		14,153,086	10,700,921
Details of depreciation is shown in Annexure - B.			
28.2 Repair and maintenance			
Office premises		161,473	412,385
Vehicles		3,413,126	3,462,295
Office equipments		735,643	993,704
		4,310,242	4,868,384
29. Other expenses			
Staff training		1,309,576	1,778,800
Membership fees, subscription and donations		1,589,855	1,662,885
News papers, periodicals, learning materials etc.		100,201	61,334
Traveling, conveyance and hotel expenses		1,679,061	1,629,093
Entertainment and public relation		755,585	715,549
AGM expenses		2,294,505	1,950,008
Recruitment expenses		55,036	88,703
Security and cleaning services		1,904,429	1,865,114
Sundry office maintenance		891,102	1,072,534
Other operational expenses		485,579	434,780
		11,064,929	11,258,800
30. Provision for loans, advances, leases and investment			
Provision for loans, leases and investments		28,826,814	7,175,393
Provision for marking to market on Govt. securities		-	3,052,900
		28,826,814	10,228,293

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

For the third quarter ended September 30	Note	Figures in Taka	
		2014	2013
31. Deferred tax expense/(income)			
Expense/(income) on deductible temporary differences	6.1.1	(1,181,686)	(822,154)
Expense/(income) on taxable temporary differences	10.7	2,089,433	1,946,670
		907,748	1,124,516

32. 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: *Earnings per share*. Details are as follows:

Net profit/(loss) after tax	100,176,479	71,293,802
<i>Weighted average number of shares outstanding during the period</i>		
Number of ordinary shares as at 1 January	104,339,235	104,339,235
Bonus shares issued during this period	10,433,923	10,433,923
	114,773,158	114,773,158
Basic earning per share	0.87	0.62

Previous period EPS is restated due to issuance of bonus shares.

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.

33. Receipts from other operating activities

Transfer/sale of lease assets	38,854	34,033
Securities income	36,594,062	36,569,540
Income from other operating activities	462,120	164,350
	37,095,036	36,767,923

34. (Increase)/decrease of other assets

<i>Closing other assets</i>		
Stationery, stamps, printing materials in stock	118,704	64,459
Advance rent and advertisement	5,778,864	8,167,934
Security deposit	1,222,410	716,160
Other assets	13,437,361	14,727,291
	20,557,339	23,675,844
<i>Opening other assets</i>		
Stationery, stamps, printing materials in stock	97,715	52,825
Advance rent and advertisement	7,552,593	4,079,432
Security deposit	716,160	716,160
Other assets	11,064,159	9,019,239
	19,430,627	13,867,656
	(1,126,712)	(9,808,188)

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

For the third quarter ended September 30	Note	2014	2013
Figures in Taka			
35. Increase/(decrease) of other liabilities			
<i>Closing other liabilities</i>			
Provision for current tax		330,478,654	210,038,902
Withholding tax, VAT and excise duty		9,005,351	4,328,116
Others		67,661,040	53,462,834
		<u>407,145,045</u>	<u>267,829,852</u>
<i>Opening other liabilities</i>			
Provision for current tax		225,220,631	126,791,790
Withholding tax, VAT and excise duty		7,761,895	6,991,938
Others		58,511,532	43,556,103
		<u>291,494,058</u>	<u>177,339,831</u>
		<u>115,650,987</u>	<u>90,490,021</u>
36. Cash and cash equivalents			
Cash in hand		130,000	65,014
Balance with Bangladesh Bank and its agent bank(s)		103,450,215	115,290,173
Balance with other banks and financial institutions		927,307,065	545,618,770
		<u>1,030,887,280</u>	<u>660,973,957</u>

37. 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	September 30, 2014		December 31, 2013	
	Cost	Market price	Cost	Market price
<i>In ordinary shares - listed</i>				
Bemco Electric Metre Ltd.	7,000,000	4,312,000	7,000,000	4,305,000
	7,000,000	4,312,000	7,000,000	4,305,000
<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
	11,670,869	11,670,869	11,670,869	11,670,869
<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
ACI Godrej Agrovvet Private Ltd.	33,300,000	33,300,000	33,300,000	33,300,000
Confidence Salt Ltd.	12,500,000	12,500,000	20,000,000	20,000,000
Summit Uttaranchol Power Company Ltd.	40,000,000	40,000,000	40,000,000	40,000,000
Summit Purbanchol Power Company Ltd.	40,000,000	40,000,000	40,000,000	40,000,000
ACI Godrej Agrovvet Private Ltd.	100,000,000	100,000,000	100,000,000	100,000,000
	229,800,000	229,800,000	337,300,000	337,300,000
Investment in shares	248,470,869	245,782,869	355,970,869	353,275,869
<i>In corporate bonds</i>				
Mutual Trust Bank Ltd.	150,000,000	150,000,000	150,000,000	150,000,000
	398,470,869	395,782,869	505,970,869	503,275,869

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 September 30, 2014

Fixed assets including premises, furniture and fixtures

Annexure - B

Figures in Taka

Category of asset	Cost					Rate	Depreciation				Carrying amount as at Sep 30, 2014
	Balance as at Jan 1, 2014	Addition during the period	Adjustment during the period	Disposal during the period	Balance as at Sep 30, 2014		Balance as at Jan 1, 2014	Charged during the period	Adjustment during the period	Balance as at Sep 30, 2014	
Office premises	75,684,163	-	-	-	75,684,163	5%	29,891,554	2,883,437	-	32,774,991	42,909,172
Motor vehicles	31,374,745	5,919,299	1,604,000	-	35,690,044	20%	11,484,918	4,076,208	1,603,999	13,957,127	21,732,917
Furniture and fixtures	29,550,148	6,603	-	-	29,556,751	12.50%	22,741,196	1,131,210	-	23,872,406	5,684,345
Equipment and appliances	37,591,445	21,912,518	-	-	59,503,963	20%	23,548,649	4,862,650	-	28,411,299	31,092,665
Intangible assets	2,398,750	14,000,000	-	-	16,398,750	20%	2,132,499	1,199,581	-	3,332,080	13,066,670
	176,599,251	41,838,420	1,604,000	-	216,833,671		89,798,816	14,153,086	1,603,999	102,347,903	114,485,768
Capital work in progress - hardware	5,337,695	-	5,337,695	-	-		-	-	-	-	-
Capital work in progress - software	15,689,165	-	15,689,165	-	-		-	-	-	-	-
Balance as at 30 June 2014	197,626,111	41,838,420	22,630,860	-	216,833,671		89,798,816	14,153,086	1,603,999	102,347,903	114,485,768

Category of asset	Cost					Rate	Depreciation				Carrying amount as at Dec 31, 2013
	Balance as at Jan 1, 2013	Addition during the period/year	Adjustment during the period/year	Disposal during the period/year	Balance as at Dec 31, 2013		Balance as at Jan 1, 2013	Charged during the period/year	Adjustment during the period/year	Balance as at Dec 31, 2013	
Office premises	75,684,163	-	-	-	75,684,163	5%	25,966,473	3,925,081	-	29,891,554	45,792,609
Motor vehicles	20,911,776	19,052,060	8,589,091	-	31,374,745	20%	16,896,243	3,160,077	8,571,402	11,484,918	19,889,827
Furniture and fixtures	29,241,775	490,220	181,847	-	29,550,148	12.50%	20,111,348	2,804,735	174,887	22,741,196	6,808,952
Equipment and appliances	33,413,823	5,570,708	1,393,086	-	37,591,445	20%	20,734,073	4,207,658	1,393,082	23,548,649	14,042,796
Accounting software	2,398,750	-	-	-	2,398,750	50%	1,733,124	399,375	-	2,132,499	266,251
	161,650,287	25,112,988	10,164,024	-	176,599,251		85,441,261	14,496,926	10,139,371	89,798,816	86,800,435
Capital work in progress - hardware		5,337,695	-	-	5,337,695		-	-	-	-	5,337,695
Capital work in progress - software		15,689,165	-	-	15,689,165		-	-	-	-	15,689,165
Balance as at 31 December 2013	161,650,287	46,139,848	10,164,024	-	197,626,111		85,441,261	14,496,926	10,139,371	89,798,816	107,827,295

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 December 31, 2005. Subsequently, Company also incurred Tk. 7,242,871 for the purpose of conversion to commercial building and registration.