

# IPDC Finance Limited

## Financial Statements (Un-audited)

### As at and for the half year ended 30 June 2020

#### Condensed Balance Sheet (Un-Audited)

Figures in Taka		
As of	June 30 2020	December 31 2019
<b>PROPERTY AND ASSETS</b>		
Cash		
In hand (including foreign currencies)	395,000	395,000
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	605,585,843	901,983,717
	<b>605,980,843</b>	<b>902,378,717</b>
<b>Balance with other banks and financial institutions</b>	<b>9,558,445,621</b>	<b>8,874,989,218</b>
	<b>9,558,445,621</b>	<b>8,874,989,218</b>
<b>Money at call and short notice</b>	<b>-</b>	<b>-</b>
<b>Investments</b>	<b>3,578,217,920</b>	<b>1,570,822,111</b>
	<b>3,578,217,920</b>	<b>1,570,822,111</b>
Loans, advances and leases		
Loans, cash credits, overdrafts etc.	51,128,557,533	50,725,778,746
	<b>51,128,557,533</b>	<b>50,725,778,746</b>
<b>Fixed assets including land, building, furniture and fixture</b>	<b>744,926,640</b>	<b>787,574,658</b>
<b>Other assets</b>	<b>1,686,577,591</b>	<b>1,536,803,435</b>
<b>Non banking assets</b>	<b>3,752,405</b>	<b>3,752,405</b>
<b>Total assets</b>	<b>67,306,458,553</b>	<b>64,402,099,290</b>
<b>Liabilities and capital</b>		
<b>Liabilities</b>		
Borrowings from other banks, financial institutions and agents	7,684,107,091	7,037,982,481
Deposits and other accounts	48,225,759,752	46,361,357,299
Other liabilities	5,836,250,393	5,426,777,837
<b>Total liabilities</b>	<b>61,746,117,237</b>	<b>58,826,117,617</b>
<b>Shareholders' equity</b>		
Paid up capital	3,710,915,470	3,534,205,210
Share premium	402,627,680	402,627,680
Statutory reserve	662,955,660	662,955,660
Revaluation reserve on govt. securities	21,062,900	-
Assets revaluation reserve	309,454,754	309,129,013
Retained earnings	453,324,852	667,064,110
<b>Total shareholders' equity</b>	<b>5,560,341,317</b>	<b>5,575,981,673</b>
<b>Total liabilities and shareholders' equity</b>	<b>67,306,458,553</b>	<b>64,402,099,290</b>
<b>Off-balance sheet items</b>		
<b>Contingent liabilities</b>		
Acceptances and endorsements	-	-
Letters of guarantee	60,140,993	81,148,614
Irrevocable letters of credit	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
<b>Total contingent liabilities</b>	<b>60,140,993</b>	<b>81,148,614</b>
<b>Other commitments</b>		
Documentary credits and short term trade-related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
<b>Total other commitments</b>	<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>	<b>60,140,993</b>	<b>81,148,614</b>
<b>Net Asset Value (NAV) per Share</b>	<b>14.98</b>	<b>15.03</b>

				
Chairman	Director	Managing Director & CEO	Chief Financial Officer	Company Secretary

#### Condensed Cash Flow Statement (Un-Audited)

Figures in Taka		
For the period	Jan to Jun 30 2020	Jan to Jun 30 2019
<b>A) Cash flows from operating activities</b>		
Interest received	3,976,175,371	3,230,423,708
Interest paid	(2,776,507,997)	(2,280,303,546)
Dividend received	47,310,000	24,318,907
Fee and commission received	39,261,663	30,986,407
Recoveries of loan previously written off	4,381,500	12,831,050
Payment to employees	(331,924,152)	(264,153,847)
Payment to suppliers	(185,081,431)	(144,882,955)
Income taxes paid	(189,473,938)	(160,683,953)
Receipt from other operating activities	242,417	475,237
Payment for other operating activities	-	-
<b>Cash generated from/(used in) operating activities before changes in operating assets and liabilities</b>	<b>584,383,433</b>	<b>449,011,008</b>
<b>Changes in operating assets and liabilities</b>		
Statutory deposits	-	-
Sale of trading securities	-	-
Loans and advances to other banks	31,045,933	10,153,526
Loans and advances to customers	(433,824,721)	(1,723,434,519)
Other assets	(20,606,611)	(169,655,262)
Deposits from other banks and financial institutions	(1,240,000,000)	(1,924,868,739)
Deposits from customers	3,104,402,453	5,054,360,538
Other liability accounts of customers	-	-
Trading liabilities	(654,755,843)	(1,035,574,085)
Other liabilities	45,826,824	(57,576,100)
<b>Cash received/(paid) from operating assets and liabilities</b>	<b>832,088,036</b>	<b>153,405,359</b>
<b>Net cash from operating activities</b>	<b>1,416,471,469</b>	<b>602,416,367</b>
<b>B) Cash flows from investing activities</b>		
Proceeds from sale of securities	-	-
Payments for purchase of securities	(1,986,332,909)	(73,016,839)
Purchase of property, plant and equipment	(17,405,487)	(42,480,586)
Sale proceeds of property, plant and equipment	961,345	1,550,000
<b>Net cash (used in)/ from investing activities</b>	<b>(2,002,777,051)</b>	<b>(113,947,425)</b>
<b>C) Cash flows from financing activities</b>		
Receipts from issue of loan and debt securities	960,670,007	168,170,400
Payments for redemption of loan and debt securities	-	-
Receipts from issue of ordinary share	-	-
Receipts/(payments) of long term loan	340,210,446	652,365,378
Dividends returned/(paid) in cash	(327,516,342)	(152,085,848)
<b>Net cash (used in)/ from financing activities</b>	<b>973,364,111</b>	<b>668,449,930</b>
<b>D) Net increase in cash (A+B+C)</b>	<b>387,058,529</b>	<b>1,156,918,872</b>
<b>E) Effect of changes in exchange rate over cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>F) Cash and cash equivalents at 1 January</b>	<b>9,777,367,935</b>	<b>3,759,401,255</b>
<b>G) Cash and cash equivalents at the end of the year (D+E+F)</b>	<b>10,164,426,464</b>	<b>4,916,320,127</b>
<b>Break down of cash and cash equivalents:</b>		
Cash in hand	395,000	395,000
Balance with Bangladesh Bank and its agent bank(s)	605,585,843	590,676,286
Balance with other banks and financial institutions	9,558,445,621	4,325,248,841
	<b>10,164,426,464</b>	<b>4,916,320,127</b>
<b>Net Operating Cashflow per Share (NOCFPS)</b>	<b>3.82</b>	<b>1.62</b>



#### Condensed Profit and Loss Account (Un-Audited)

Figures in Taka				
For the period	Jan to Jun 30 2020	Jan to Jun 30 2019	Apr to Jun 30 2020	Apr to Jun 30 2019
<b>PARTICULARS</b>				
Interest income	3,722,143,522	3,145,268,234	1,827,785,910	1,583,243,845
Less: Interest paid on deposits and borrowings, etc.	2,598,403,492	2,190,675,354	1,255,364,142	1,148,275,231
<b>Net interest income</b>	<b>1,123,740,030</b>	<b>954,592,880</b>	<b>572,421,768</b>	<b>434,968,614</b>
Investment income	133,800,076	42,807,674	79,639,181	22,630,213
Commission, exchange and brokerage	39,261,663	30,986,407	4,329,808	13,342,145
Other operating income	4,626,929	13,306,287	1,659,680	9,073,642
<b>Total operating income</b>	<b>1,301,428,698</b>	<b>1,041,693,248</b>	<b>658,050,437</b>	<b>480,014,614</b>
Salary and allowances	336,510,509	258,118,847	178,729,536	141,915,542
Rent, taxes, insurance, electricity, etc.	15,450,043	10,858,834	8,572,474	5,583,093
Legal expenses	11,180,891	17,967,790	5,205,516	9,609,663
Postage, stamp, telecommunications, etc.	5,617,205	4,389,215	2,339,351	1,996,560
Stationery, printing, advertisements, etc.	46,295,339	61,573,270	7,592,814	21,909,085
Managing Director's salary and allowances	6,035,000	6,035,000	3,330,000	3,330,000
Directors' fees	1,143,676	537,855	220,000	209,206
Auditors' fees	402,498	289,170	201,249	144,585
Charges on loan loss	-	-	-	-
Depreciation and repair of assets	79,664,947	53,181,239	39,550,868	27,812,123
Other expenses	64,232,897	35,855,047	39,241,026	11,024,133
<b>Total operating expenses</b>	<b>566,533,005</b>	<b>448,806,267</b>	<b>284,982,834</b>	<b>223,533,990</b>
<b>Profit before provision</b>	<b>734,895,693</b>	<b>592,886,981</b>	<b>373,067,603</b>	<b>256,480,624</b>
Provision for loans and advances	153,001,622	55,114,206	71,555,672	(4,312,392)
Provision/(reversal) for diminution in value of investments	(554,160)	730,168	(497,877)	768,432
Other Provisions	-	-	-	-
<b>Total provision</b>	<b>152,447,462</b>	<b>55,844,374</b>	<b>71,057,795</b>	<b>(3,543,960)</b>
<b>Profit before tax</b>	<b>582,448,231</b>	<b>537,042,607</b>	<b>302,009,808</b>	<b>260,024,584</b>
Provision for taxation				
Current tax expense	275,372,674	223,732,767	141,833,045	96,190,287
Deferred tax expense/ (income)	(9,315,966)	98,261	(6,212,303)	5,674,350
	<b>266,056,708</b>	<b>223,831,028</b>	<b>135,620,742</b>	<b>101,864,637</b>
	<b>316,391,523</b>	<b>313,211,579</b>	<b>166,389,066</b>	<b>158,159,947</b>
<b>Net profit after tax</b>				
Appropriations				
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
Proposed dividend	-	-	-	-
	<b>316,391,523</b>	<b>313,211,579</b>	<b>166,389,066</b>	<b>158,159,947</b>
<b>Retained surplus</b>	<b>0.85</b>	<b>1.04</b>	<b>0.45</b>	<b>0.53</b>
<b>Earnings per share (EPS)</b>				

				
Chairman	Director	Managing Director & CEO	Chief Financial Officer	Company Secretary

#### Condensed Statement of Changes in Shareholders' Equity (Un-Audited)

Figures in Taka							
Particulars	Paid up capital	Share premium	Statutory reserve	Revaluation reserve on govt. securities	Assets revaluation reserve	Retained earnings	Total
Balance as at 1 January 2020	3,334,205,210	402,627,680	662,955,660	-	309,129,013	667,064,110	5,575,981,673
Surplus/(deficit) on account of revaluation of assets	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	21,062,900	-	-	21,062,900
Transfer of revaluation reserve due to excess depreciation on building	-	-	-	-	-	-	-
Deferred tax liability	-	-	-	-	325,741	-	325,741
Currency translation differences	-	-	-	-	-	-	-
Net gain/(loss) not recognised in the profit and loss account	-	-	-	-	-	-	-
Net profit for the half year ended 30 June 2020	-	-	-	-	-	316,391,523	316,391,523
Dividend	-	-	-	-	-	(353,420,521)	(353,420,521)
Issuance of bonus share	176,710,260	-	-	-	-	(176,710,260)	-
Issuance of share capital	-	-	-	-	-	-	-
Appropriation during the period	-	-	-	-	-	-	-
<b>Balance as at 30 June 2020</b>	<b>3,710,915,470</b>	<b>402,627,680</b>	<b>662,955,660</b>	<b>21,062,900</b>	<b>309,454,754</b>	<b>453,324,853</b>	<b>5,560,341,317</b>
Balance as at 1 January 2019	2,181,608,160	167,014,000	550,461,309	-	310,864,292	541,979,610	3,751,927,371
Surplus/(deficit) on account of revaluation of assets	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-
Transfer of revaluation reserve due to excess depreciation on building	-	-	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-
Net gain/(loss) not recognised in the profit and loss account	-	-	-	-	-	-	-
Net profit for the half year ended 30 June 2019	-	-	-	-	-	313,211,579	313,211,579
Dividend	-	-	-	-	-	(152,712,571)	(152,712,571)
Issuance of bonus share	174,528,650	-	-	-	-	(174,528,650)	-
Issuance of share capital	-	-	-	-	-	-	-
Appropriation during the year	-	-	-	-	-	-	-
<b>Balance as at 30 June 2019</b>	<b>2,356,136,810</b>	<b>167,014,000</b>	<b>550,461,309</b>	<b>-</b>	<b>310,864,292</b>	<b>527,949,968</b>	<b>3,912,426,379</b>

The details of the published quarterly (Q2) financial statement are available in the website of the company. The address of the website is <https://www.ipdcdb.com/aboutus/investmentrelation>

**IPDC Finance Limited**  
Hosna Centre (4<sup>th</sup> Floor), 106 Gulshan Avenue, Dhaka -1212  
Tel: (+88 02) 55068931-37, Fax: (+88 02) 55068930  
Email: email@ipdcdb.com, Website: www.ipdcdb.com

**IPDC Finance Limited**  
**Selective Notes to the Condensed Interim Financial Statements**  
**as at and for the half year ended 30 June 2020**

**1. Reporting entity**

**1.1. Company profile**

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

**1.2. Nature of business of the Company**

The Company specialises in providing long term and short term financing, project financing, lease financing, supply chain finance, work order finance, mortgage finance, equity financing, syndication finance and Small & Medium Enterprises (SME), asset backed securitisation and related consultancies. The Company also started retail business to increase its activities in retail segment including consumer white goods financing.

**1.3. Basis of Reporting**

The financial statements for the half year ended 30 June 2020 have been prepared under historical cost convention following accrual basis of accounting and based on International Accounting Standard (IAS) 34: Interim Financial Reporting, Securities and Exchange Rules 1987, Regulations issued by Bangladesh Bank and other applicable laws and regulations.

**1.4. Accounting policies and method of computations**

For preparing the quarterly / half yearly financial statements, the accounting policies and methods in consistent with those used in the financial statements prepared for the year ended 31 December 2019 have been followed.

**1.5. Post Balance Sheet events**

All material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed in note no. 40 of these financial statements.

**1.6. Rounding off and rearrangement of figures**

Figures have been rounded off to the nearest Taka and 2019 figures have been reclassified/rearranged, where necessary, to conform to current period presentation.

The Financial Statement of IPDC Finance Limited for the year ended 31 December 2019, reflected the full year impact of IFRS 16: "Leases" which was incorporated at the end of the year. For better comparability between the financial statements and notes as at and for the period end June 30, 2020 & June 30, 2019 and to reflect the impact of IFRS 16, some re-arrangements were made in the financial statements and notes for the period ending 30 June 2019. Due to the implementation of IFRS 16, profit after tax for the comparative period has been reduced by BDT 7,191,144 during the half year ended 30 June 2019 and reduced by 3,555,372 in quarter ended Q2'2019.

**1.7. Lease of Premises**

In January 2016 the Board issued IFRS 16 Leases. IFRS 16 replaces IAS 17, IFRIC 4, SIC 15 and SIC 27. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. Requirement of IFRS 16 lease is effective from annual reporting periods beginning on or after 1 January 2019. IPDC Finance Limited has sixteen contract for renting premises which were classified as operating lease under IAS 17 Leases. As per para C5(b) of IFRS 16: Lease, the Company has taken the decision to apply IFRS 16 retrospectively with the cumulative effect of initially applying the standards recognised at the date of initial application (1 January 2019).

Particulars	Amount
Depreciation charge for right-of-use assets by class of underlying asset;	12,812,856
Interest expense on lease liabilities;	3,314,078
Total cash outflow for leases;	13,912,772
Additions to right-of-use assets;	-
Carrying amount of right-of-use assets at the end of the period	67,045,819