

IPDC of Bangladesh Limited
Condensed Financial Statements (Un-audited)
For the Third Quarter Ended September 30, 2012

IPDC of Bangladesh Limited

Condensed Balance Sheet (Un-audited) as at September 30, 2012

As at	Note	September 30, 2012	Figs. in Taka December 31, 2011
PROPERTY AND ASSETS			
Cash in hand		66,198	40,200
Balance with Bangladesh Bank and its agent bank (s)		89,623,018	79,521,979
Balance with other banks and financial institutions	2	461,947,597	742,592,747
Money at call and short notice	3	-	120,000,000
		551,636,813	942,154,926
Investments	4		
Government	4.2	165,000,000	587,600,000
Others	4.3	562,578,558	572,578,558
		727,578,558	1,160,178,558
Loans, leases, cash credits, overdrafts, etc.	5	5,485,234,639	4,325,023,676
Fixed assets including premises, furniture and fixtures	6	80,224,855	81,022,559
Other assets	7	271,604,001	252,709,608
Non financial institutional assets	8	3,752,405	-
TOTAL ASSETS		7,120,031,270	6,761,089,327
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	9	38,523,668	104,023,088
Term deposits	10	4,004,016,662	3,798,236,467
Other liabilities	11	1,164,107,068	960,106,874
Total liabilities		5,206,647,398	4,862,366,429
Shareholders' equity			
Paid up capital	12	1,043,392,350	948,538,500
Share premium	13	167,014,000	167,014,000
Statutory reserve	14	197,501,563	197,501,563
Assets revaluation reserve	15	13,585,980	13,585,980
Retained earnings	16	491,889,979	572,082,855
Total shareholders' equity		1,913,383,872	1,898,722,898
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		7,120,031,270	6,761,089,327
Off-balance sheet items			
Letters of guarantee	17	5,590,000	15,590,000

The annexed notes 1 to 39 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, 2012

Figs. in Taka

Period ended September 30	Note	January to September		Third quarter	
		2012	2011	2012	2011
PARTICULARS					
Interest income	18	556,048,883	404,605,336	195,975,657	142,379,128
Interest paid on deposits and borrowings etc.	19	401,923,305	311,824,472	140,276,005	115,194,833
Net interest income		154,125,577	92,780,863	55,699,651	27,184,295
Investment income	20	47,057,646	112,758,343	23,813,039	33,327,169
Commission, exchange and brokerage	21	4,439,434	2,330,404	1,405,450	190,134
Other operating income	22	17,859,477	1,381,538	546,806	455,975
Total operating income		223,482,134	209,251,147	81,464,947	61,157,573
Salary and allowances	23	44,700,733	44,771,511	15,551,356	15,044,680
Rent, taxes, insurance, electricity, etc.	24	7,961,235	7,355,233	2,799,370	2,418,838
Legal expenses	25	5,859,203	6,466,505	1,860,443	2,112,547
Postage, stamp, telecommunications, etc.	26	1,847,863	1,469,025	684,253	526,042
Stationery, printings, advertisements, etc.	27	4,105,763	4,362,461	1,151,066	1,412,636
Managing Director's salary and allowances	28	4,722,497	5,725,003	1,807,499	2,175,003
Directors' fees	29	2,492,037	2,505,048	852,834	509,679
Depreciation and repair of Company's assets	30	16,578,305	14,563,541	5,630,589	4,971,875
Other expenses	31	8,518,761	7,909,728	2,540,437	2,375,603
Total operating expenses		96,786,398	95,128,056	32,877,848	31,546,903
Profit before provision		126,695,737	114,123,092	48,587,099	29,610,670
Provision for loans and leases		65,098,354	13,751,088	(5,357,516)	(578,664)
Provision for diminution in value of investments		41,873	11,359,487	8,695	(296,041)
Other provisions		6,330,331	18,156,068	589,908	12,111,652
Provision for loans, advances and leases	32	71,470,558	43,266,643	(4,758,913)	11,236,947
Profit before tax		55,225,178	70,856,448	53,346,012	18,373,723
Current tax	11.4	42,319,763	45,901,019	14,910,186	3,806,513
Deferred tax	33	(1,755,559)	1,663,395	(503,310)	3,305,742
Total tax expenses		40,564,204	47,564,414	14,406,876	7,112,255
Net profit after tax		14,660,974	23,292,034	38,939,136	11,261,468
Earnings per share (EPS)	34	0.14	0.22	0.37	0.11

The annexed notes 1 to 39 form an integral part of these financial statements.

Dilip Kumar Mandal
Chief Financial Officer

Mominul Islam
Managing Director & CEO

IPDC of Bangladesh Limited

Condensed Cash Flows Statement (Un-audited) for the Third Quarter ended September 30, 2012

Figs. in Taka

Period ended September 30	Note	January to September	
		2012	2011
OPERATING ACTIVITIES			
Interest receipts in cash		500,392,881	441,120,679
Interest payments in cash		(337,108,602)	(263,846,785)
Dividend receipts in cash		19,810,102	35,424,228
Fee and commission receipts in cash		4,439,434	2,974,975
Recoveries of loan previously written off		17,287,828	170,000
Cash payments to employees		(45,911,312)	(48,909,495)
Cash payments to suppliers		(35,389,655)	(34,820,570)
Income taxes paid		(7,059,413)	(13,573,658)
Receipts from other operating activities	35	41,731,800	44,480,943
Cash generated before change in operating assets and liabilities		158,193,063	163,020,318
Increase/decrease in operating assets and liabilities			
(Purchase) /sale of trading securities		145,670,840	(458,480,978)
Loans, advances and leases to other banks		(103,330,000)	17,125,588
Loans, advances and leases to customers		(1,020,675,750)	(305,240,458)
Other assets	36	1,877,068	(41,158,093)
Deposits from customers		205,780,195	411,615,218
Trading liabilities		189,722,784	(49,362,561)
Other liabilities	37	50,448,598	12,199,709
Net increase/decrease in operating assets and liabilities		(530,506,265)	(413,301,576)
Net cash from operating activities		(372,313,202)	(250,281,258)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(12,981,150)	(10,947,738)
Net cash provided/(used) in investing activities		(12,981,150)	(10,947,738)
FINANCEING ACTIVITIES			
Receipts/(payments) of long term loan		(5,222,204)	14,570,988
Dividends paid in cash		(1,558)	(1,062)
Net cash provided/used) in financing activities		(5,223,762)	14,569,926
Net (decrease)/increase in cash		(390,518,113)	(246,659,071)
Cash and cash-equivalents at beginning of the period		942,154,926	635,923,246
Cash and cash-equivalents at end of the period	38	551,636,813	389,264,175

The annexed notes 1 to 39 form an integral part of these financial statements.

IPDC of Bangladesh Limited**Condensed Statement of Changes in Equity (Un-audited) for the Third Quarter ended September 30, 2012**

Figs. in Taka

Period ended September 30, 2012	Paid up share capital	Share premium	Statutory reserve	Asset revaluation reserve	Retained earnings	Total
Balance as at January 1, 2012	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/(loss) for the period	-	-	-	-	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
Period ended September 30, 2011						
Balance at January 1, 2011	862,307,800	167,014,000	175,166,707	13,585,980	760,881,342	1,978,955,829
Changes in accounting policy	-	-	-	-	(191,907,209)	(191,907,209)
Restated balance	862,307,800	167,014,000	175,166,707	13,585,980	568,974,133	1,787,048,619
Net profit/(loss) for the period	-	-	-	-	23,292,034	23,292,034
Issuance of bonus share	86,230,700	-	-	-	(86,230,700)	-
Balance as at September 30, 2011 (Restated)	948,538,500	167,014,000	175,166,707	13,585,980	506,035,467	1,810,340,653

Prior period's "Retained Earnings" has been retrospectively restated due to changes in Accounting Policy for recognition of "Deferred Tax Assets" on specific provision maintained against classified loan, leases and advances in compliance with Bangladesh Bank circular number DFIM 07 dated July 31, 2011.

The annexed notes 1 to 39 form an integral part of these financial statements.

IPDC of Bangladesh Limited

**Selected explanatory notes to the Condensed Financial Statements (Un-audited)
as at and for the Third Quarter ended September 30, 2012**

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 February 7, 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 and the Chittagong Stock Exchange 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, 2012 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 quarterly financial statements, we have followed accounting policies and method in consistent with those used in the financial statements prepared for the year ended December 31, 2011.

1.5. Change in accounting policy

Accounting for deferred tax

Upto the year 2010, the Company has been recognizing "Deferred Tax Asset" on specific provision against classified loans, leases and advances as per Bangladesh Accounting Standard (BAS) 12: *Income Taxes*.

IPDC of Bangladesh Limited

**Selected explanatory notes to the Condensed Financial Statements (Un-audited)
as at and for the Third Quarter ended September 30, 2012**

During the year 2011 Bangladesh Bank vide circular no. DFIM-07 dated July 31, 2011 has directed NBFIs not to recognize the “Deferred Tax Asset” on specific provision.

In compliance with the Bangladesh Bank circular the company has changed its Accounting Policy regarding recognition of “Deferred Tax Asset” on specific provision and with retrospective effect has adjusted the balance of “Deferred Tax Asset” with the “Retained Earnings”. Due to the change in Accounting Policy, the Company’s “Retained Earnings” is negatively impacted by Tk. 191,907,209 up to the year 2010.

1.6. Approval of third quarter financial statements

The financial statements for the third quarter ended September 30, 2012 were approved by the Board of Directors in its 129th meeting held on October 16, 2012.

1.7. Post balance sheet events

No material events occurred after the reporting date, which would significantly affect the financial position of the company as at the Balance sheet date.

1.8. Rounding off and rearrangement of figures

Figures have been rounded off to the nearest Taka and 2011 figures have been rearranged, where necessary, to conform to current period presentation.

IPDC of Bangladesh Limited

Notes to the Condensed Financial Statements (Un-audited) for the third quarter ended September 30, 2012

As at	Note	September 30, 2012	Figs. in Taka December 31, 2011
2. Balance with other banks and financial institutions			
Name of Bank/FI	Type of A/c		
Commercial Bank of Ceylon Plc	CD A/c	45,790	45,790
The Hongkong and Shanghai Banking Corporation Ltd.	CD A/c	1,146	37,396
Uttara Bank Ltd.	CD A/c	3,158	3,158
United Commercial Bank Ltd.	CD A/c	110,950	50,275
Standard Chartered Bank	CD A/c	315,509	-
AB Bank Ltd.	CD A/c	3,815	4,390
Citibank N.A.	CD A/c	3,449	3,449
Bank Alfalah Ltd.	CD A/c	1,451	1,451
AB Bank Ltd.	CD A/c -FC	1,367	
		486,635	145,909
Dutch Bangla Bank Ltd.	STD A/c	360,805	30,054,312
AB Bank Ltd.	STD A/c	1,396,232	1,347,065
Standard Chartered Bank	STD A/c	6,142	408,050
IFIC Bank Ltd.	STD A/c	12,268	12,268
AL-Arafah Islami Bank Ltd.	STD A/c	155,908	15,122
Prime Bank Ltd.	STD A/c	54,186,301	534,527
Brac Bank Ltd.	STD A/c	705,964	53,332
AB Bank Ltd.	STD A/c -FC	61,036	62,403
		56,884,656	32,487,078
National Bank of Pakistan	Placement	150,000,000	150,000,000
AB Bank Ltd.	Placement	-	120,000,000
IFIC Bank Ltd.	Placement	-	50,000,000
Eastern Bank Ltd.	Placement	-	70,000,000
		150,000,000	390,000,000
Eastern Bank Ltd.	FDR	-	50,000,000
Mercantile Bank Ltd.	FDR	50,000,000	-
Prime Bank Ltd.	FDR	60,698,805	55,723,278
The City Bank Ltd.	FDR	-	100,000,000
National Bank of Pakistan	FDR	-	14,236,483
National Bank Ltd.	FDR	13,877,500	-
		124,576,305	219,959,760
International Leasing and Financial Services Ltd	Placement	80,000,000	100,000,000
Prime Finance & Investment Ltd.	Placement	50,000,000	-
		130,000,000	100,000,000
		461,947,597	742,592,747

IPDC of Bangladesh Limited

Notes to the Condensed Financial Statements (Un-audited) for the third quarter ended September 30, 2012

As at	Note	September 30, 2012	Figs. in Taka December 31, 2011
3. Money at call and short notice			
Prime Bank Ltd.		-	50,000,000
Agrani Bank Ltd.		-	70,000,000
		-	120,000,000
4. Investments			
Government securities - BGTB	4.2	165,000,000	587,600,000
Other investments	4.3	562,578,558	572,578,558
		727,578,558	1,160,178,558
4.1 Classification of investments			
Held for trading (HFT)		-	363,000,000
Held to maturity (HTM)		165,000,000	224,600,000
		165,000,000	587,600,000
Other investments		562,578,558	572,578,558
		727,578,558	1,160,178,558
4.2 Government securities - BGTB			
10-year treasury bonds		-	160,400,000
15-year treasury bonds		242,600,000	242,600,000
20-year treasury bonds		172,400,000	184,600,000
		415,000,000	587,600,000
Less: Special Repo with Bangladesh Bank		250,000,000	-
		165,000,000	587,600,000
4.3 Other investments			
Listed		7,007,689	7,007,689
Unlisted		31,670,869	31,670,869
In ordinary shares		38,678,558	38,678,558
Preference shares		373,900,000	383,900,000
Investment in corporate bonds		150,000,000	150,000,000
		562,578,558	572,578,558

Detail of other investments shown in annexure - A

IPDC of Bangladesh Limited

Notes to the Condensed Financial Statements (Un-audited) for the third quarter ended September 30, 2012

As at	Note	September 30, 2012	Figs. in Taka December 31, 2011
5. Loans, advances and leases			
Long term loan		3,147,006,965	2,756,285,816
Lease finance	5.1	1,775,493,654	1,231,435,484
Short term loan		254,340,804	196,459,516
Mortgage finance		25,582,364	-
Channel financing		75,761,548	-
Auto loan		100,366,128	66,833,056
Secured retail loan		88,959,737	57,873,126
Staff loan		17,723,439	16,136,678
		5,485,234,639	4,325,023,676

5.1. Lease finance

Gross lease receivables		2,113,988,665	1,411,608,015
Less: Unearned interest income		451,408,479	270,891,841
Net lease receivables		1,662,580,186	1,140,716,174
Add: Overdue lease rentals		112,913,468	90,719,310
		1,775,493,654	1,231,435,484

6. Fixed assets including premises, furniture and fixtures

Land and building		75,684,163	75,684,163
Motor vehicles		20,911,776	17,678,729
Furniture and fixtures		29,075,945	28,840,320
Equipment and appliances		35,697,613	30,347,888
Accounting software		2,398,750	1,600,000
Total cost of fixed assets		163,768,247	154,151,100
Less: Accumulated depreciation		83,543,392	73,128,541
Written down value		80,224,855	81,022,559

Details are shown in annexure - B

7. Other assets

Dividend receivable against preference shares		23,291,877	13,334,289
Stationery, stamps, printing materials in stock		94,264	53,105
Advance rent and advertisement		4,518,383	5,835,236
Interest accrued on investment but not collected		23,907,256	21,147,345
Security deposits		716,160	716,160
Preliminary, formation renovation and prepaid expenses		778,221	349,797
Others	7.1	218,297,840	211,273,675
		271,604,001	252,709,608

IPDC of Bangladesh Limited

Notes to the Condensed Financial Statements (Un-audited) for the third quarter ended September 30, 2012

As at	Note	September 30, 2012	Figs. in Taka December 31, 2011
7.1 Others			
Advance tax		209,456,311	202,396,898
Deferred tax assets	7.1.1	4,481,441	3,486,891
Sundry assets	7.1.2	4,360,088	5,389,886
		<u>218,297,840</u>	<u>211,273,675</u>

7.1.1. Deferred tax asset

Deferred tax asset have been recognised in accordance with the provision of Bangladesh Accounting Standard (BAS) 12: *Income Taxes* based on 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 differences			
Gratuity provision		10,544,567	8,204,449
Net deductible temporary differences		<u>10,544,567</u>	<u>8,204,449</u>
Tax rate		42.50%	42.50%
Deferred tax assets		<u>4,481,441</u>	<u>3,486,891</u>

Movement of deferred tax asset are follows:

Opening balance		3,486,891	3,061,361
Less: Charged/(released) to profit and loss account		(994,550)	(425,530)
Balance as at September 30/December 31		<u>4,481,441</u>	<u>3,486,891</u>

7.1.2. Sundry assets

City corporation tax		189,000	113,400
Hosna Centre Owners' Society		677,067	583,050
Advance others		3,494,021	4,693,436
		<u>4,360,088</u>	<u>5,389,886</u>

8. Non financial institutional assets		<u>3,752,405</u>	-
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Non financial institutional assets represent the land valuing Taka 3,752,405 for which ownership has been transferred in favour of the Company based on the verdict given by the court against a defaulted borrower.

IPDC of Bangladesh Limited

Notes to the Condensed Financial Statements (Un-audited) for the third quarter ended September 30, 2012

As at	Note	September 30, 2012	Figs. in Taka December 31, 2011
9. Borrowings from other banks, financial institutions and agents			
Name of bank/FI	Type		
Prime Bank Ltd.	SOD	6,978,759	16,798,283
Standard Chartered Bank	SOD	-	50,457,692
Total short term loan		6,978,759	67,255,975
The UAE-Bangladesh Investment Company Ltd.	Long Term	31,544,909	36,767,113
		38,523,668	104,023,088

10. Deposits and other accounts

Inter-bank deposits	-	-
Term deposits	4,004,016,662	3,798,236,467
	4,004,016,662	3,798,236,467

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

11. Other liabilities

Cumulative provision for loans, advances, leases and investments	11.1	464,654,177	393,183,619
Cumulative interest and dividend suspense	11.2	178,818,433	162,935,475
Provision for gratuity	11.3	10,544,567	8,204,449
Unclaimed dividend		3,800,090	3,801,648
Provision for corporate tax	11.4	161,323,271	119,003,508
Receipts against lease	11.5	32,943,569	28,447,130
Provision for finance charge	11.6	269,189,262	204,374,559
Withholding tax, VAT and excise duty		6,308,254	4,026,155
Liabilities for special accounts	11.7	17,800,996	16,450,699
Provision for expense	11.8	5,756,096	4,881,520
Deferred tax liabilities	11.9	12,719,602	13,480,611
Account payable for purchase of office equipment		248,751	1,317,501
		1,164,107,068	960,106,874

11.1. Cumulative provision for loans, advances, leases and investments

Provision for loans, advances and leases	382,023,056	316,924,702
Provision for investments in equity	43,646,870	43,604,997
M2M provision for investments in Govt. securities	38,984,251	32,653,920
	464,654,177	393,183,619

11.2. Cumulative interest and dividend suspense

Interest suspense against loans, advances and leases	176,252,392	160,639,681
Dividend suspense against investment in preference shares	2,566,041	2,295,794
	178,818,433	162,935,475

IPDC of Bangladesh Limited

Notes to the Condensed Financial Statements (Un-audited) for the third quarter ended September 30, 2012

As at	Note	September 30, 2012	Figs. in Taka December 31, 2011
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11.3. Provision for gratuity

This liability represents provision for staff gratuity up to September 30, 2012. 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		8,204,449	7,203,203
Add: Provision made during the period/year		2,547,618	3,321,927
		10,752,067	10,525,130
Less: Payment during the period/year		207,500	2,320,681
Balance as at September 30/December 31		10,544,567	8,204,449

11.4. Provision for corporate tax

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

Opening balance		119,003,508	119,882,915
Add: Provision made during the period/year		42,319,763	26,175,525
		161,323,271	146,058,440
Less: Adjustment/paid during the period/year		-	27,054,932
Balance as at September 30/December 31		161,323,271	119,003,508

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 2009 are pending with the Appellate Authorities and High Court Division of Supreme Court. Income tax return for the years 2010 and 2011 have been submitted in due time u/s 82BB (Universal Self Assessment) of Income Tax Ordinance 1984 and assessment orders are yet to receive.

11.5. 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		28,447,130	31,894,338
Add: Receipts during the period/year		10,740,003	10,464,694
		39,187,133	42,359,032
Less: Adjusted during the period/year		6,243,564	13,911,902
Balance as at September 30/December 31		32,943,569	28,447,130

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

IPDC of Bangladesh Limited

Notes to the Condensed Financial Statements (Un-audited) for the third quarter ended September 30, 2012

As at	Note	September 30, 2012	Figs. in Taka December 31, 2011
11.6. Provision for finance charge			
Accrued interest expenses on term deposits		267,473,793	204,071,533
Accrued interest expenses on long term borrowings		1,641,839	303,026
Accrued interest payable on Repo		73,630	-
		<u>269,189,262</u>	<u>204,374,559</u>
11.7. Liabilities for special accounts			
Account payable special account - IPO		1,118,356	1,118,356
Account payable special account - DEG		14,930,628	13,437,194
Account payable special account - other		1,752,012	1,895,149
		<u>17,800,996</u>	<u>16,450,699</u>
11.8. Provision for expenses			
Legal fees		1,846,460	2,149,350
Office services		979,774	849,928
Pay and allowance		1,473,800	302,000
Promotion and publicity		432,788	795,820
Office rent		67,335	67,335
Professional fees		242,825	151,500
Audit fees		667,625	365,750
Other expense		45,489	199,837
		<u>5,756,096</u>	<u>4,881,520</u>
11.9. Deferred tax liabilities			
Taxable temporary differences			
Property, plant and equipment		6,300,683	8,091,292
Revaluation reserve on office premises		23,627,792	23,627,792
Net taxable temporary differences		<u>29,928,475</u>	<u>31,719,084</u>
Tax rate		42.50%	42.50%
Deferred tax liabilities		<u>12,719,602</u>	<u>13,480,611</u>
Movement of deferred tax asset is as follows:			
Opening balance		13,480,611	11,306,524
Less: Charged/(released) to profit and loss account		(761,009)	2,174,087
Balance as at September 30/December 31		<u>12,719,602</u>	<u>13,480,611</u>

IPDC of Bangladesh Limited

Notes to the Condensed Financial Statements (Un-audited) for the third quarter ended September 30, 2012

As at	Note	September 30, 2012	Figs. in Taka December 31, 2011
12. Share capital			
Authorized			
10,000,000 ordinary shares of Taka 10 each		4,000,000,000	4,000,000,000
Issued, subscribed and fully paid up			
104,339,235 number of ordinary shares of Taka 10 each		1,043,392,350	948,538,500

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.

12.1. Paid up capital of the company is held as follows:

Foreign			
Aga Khan Fund for Economic Development - AKFED		532,674,670	484,249,700
Others		550	500
		532,675,220	484,250,200
Domestic			
Government of the People's Republic of Bangladesh - GoB		228,289,710	207,536,100
General Shareholders		282,420,600	256,745,900
Others		6,820	6,300
		510,717,130	464,288,300
		1,043,392,350	948,538,500

13. Share premium	167,014,000	167,014,000
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Share premium against 280,140 number of ordinary shares issued in 2004 and 1,390,000 number of ordinary shares issued in 2006 @ Tk 100 per share i.e. total number of shares would be 16,701,400 @ Tk 10 per share.

14. Statutory reserve

This comprises of 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	197,501,563	175,166,707
Add: Transferred from profit during the period/year	-	22,334,856
Balance as at September 30/December 31	197,501,563	197,501,563

IPDC of Bangladesh Limited

Notes to the Condensed Financial Statements (Un-audited) for the third quarter ended September 30, 2012

As at	Note	September 30, 2012	Figs. in Taka December 31, 2011
15. Assets revaluation reserve		13,585,980	13,585,980

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 assets revaluation reserve after adjustment of deferred tax.

16. Retained earnings

Opening balance	572,082,855	568,974,133
Add: Post tax profit for the period/year	14,660,974	111,674,278
	586,743,829	680,648,411
Less: Transfer to statutory reserve	-	22,334,856
Less: Issuance of bonus shares	94,853,850	86,230,700
	94,853,850	108,565,556
Balance as at September 30/December 31	491,889,979	572,082,855

17. Letters of guarantee

Director	-	-
Government	-	-
Bank and financial institutions	5,590,000	15,590,000
Others	-	-
	5,590,000	15,590,000

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

IPDC of Bangladesh Limited

Notes to the Condensed Financial Statements (Un-audited) for the third quarter ended September 30, 2012

Period ended September 30	Note	Figs. in Taka	
		January to September	
		2012	2011
18. Interest income			
Interest income on lease finance		143,465,086	106,206,179
Interest income on long term finance		289,517,441	238,563,210
Interest income on short term finance		17,140,362	13,672,631
Interest income on secured finance		11,722,526	5,378,069
Interest income on auto loan		9,399,267	7,889,261
Interest income on staff loan		1,289,683	1,262,411
Interest income on mortgage finance		1,520,443	-
Interest income on factoring finance		5,392,890	-
Interest income on loans, leases and advances		479,447,698	372,971,762
Interest income on fixed deposits placement		16,525,637	8,697,493
Interest income on overnight and treasury placements		59,963,944	22,255,347
Interest income on STD accounts		111,603	680,734
Interest income on placement of fund		76,601,184	31,633,574
		556,048,883	404,605,336
19. Interest paid on deposits and borrowings etc.			
Interest expenses on term deposits		386,497,014	277,088,032
Interest expenses on borrowings	19.1	15,426,292	34,736,441
		401,923,305	311,824,472
19.1. Interest paid on borrowings			
Interest expenses on long term lines of credit		3,102,021	3,093,539
Interest expenses on call loan borrowing		140,417	5,893,898
Interest expenses on bank overdrafts		5,127,141	1,143,242
Interest expenses on Repo borrowings		7,056,712	24,605,761
		15,426,292	34,736,441
20. Investment income			
Investment income on Govt. treasury bills		-	15,031,212
Investment income on Govt. treasury bonds		3,765,299	52,144,133
Income from Government Securites		3,765,299	67,175,345
Income on corporate bonds		13,524,658	13,495,206
Dividend income on preference shares		29,765,119	32,084,361
Dividend income on listed shares		73	3,431
Dividend income on un-listed shares		2,497	-
		43,292,347	45,582,998
		47,057,646	112,758,343

IPDC of Bangladesh Limited

Notes to the Condensed Financial Statements (Un-audited) for the third quarter ended September 30, 2012

Period ended September 30	Note	Figs. in Taka	
		January to September	
		2012	2011
21. Commission, exchange and brokerage			
Appraisal and feasibility study fees		3,306,102	1,508,004
Documentation fees		1,126,332	-
Other fees		7,000	822,400
		<u>4,439,434</u>	<u>2,330,404</u>
22. Other operating income			
Transfer price of leased assets		50,697	1,201,564
Profit on Sale of Fixed Assets		507,577	-
Other earnings		13,375	9,974
Loan loss recovery		17,287,828	170,000
		<u>17,859,477</u>	<u>1,381,538</u>
23. Salary and allowances			
Basic salary		17,698,584	17,812,903
House rent allowance		5,542,525	5,335,142
Medical allowance		3,001,834	2,477,451
Bonus		6,735,401	8,224,380
Leave fare assistance		2,900,990	3,192,532
Other allowances		1,482,853	1,501,354
Company's contribution to provident fund		1,401,984	1,572,411
Gratuity		2,547,618	2,171,667
Contractual staffs		3,388,944	2,483,671
		<u>44,700,733</u>	<u>44,771,511</u>
24. Rent, taxes, insurance, electricity, etc.			
Office rent		3,991,446	3,997,098
Rates and taxes		153,005	171,905
Insurance		1,408,406	1,362,064
Utilities - electricity, gas, water etc		2,408,378	1,824,166
		<u>7,961,235</u>	<u>7,355,233</u>
25. Legal expenses			
Professional fees		3,729,579	5,323,639
Legal document, court fees etc.		2,129,624	1,142,866
		<u>5,859,203</u>	<u>6,466,505</u>

IPDC of Bangladesh Limited

Notes to the Condensed Financial Statements (Un-audited) for the third quarter ended September 30, 2012

Period ended September 30	Note	Figs. in Taka	
		January to September	
		2012	2011
26. Postage, stamp, telecommunications, etc.			
Postage, stamps etc.		271,498	201,403
Telephone		298,365	269,622
Internet expenses		1,278,000	998,000
		<u>1,847,863</u>	<u>1,469,025</u>
27. Stationery, printing, advertisements etc.			
Printing and stationery		830,074	751,804
Publicity and advertisement		3,275,689	3,610,657
		<u>4,105,763</u>	<u>4,362,461</u>
28. Managing Director's salary and allowances			
Basic salary		3,150,000	3,600,000
House rent allowance		270,000	630,000
Medical allowance		112,500	135,000
Bonus		350,000	400,000
Leave fare assistance		524,997	600,003
Company's contribution to provident fund		315,000	360,000
		<u>4,722,497</u>	<u>5,725,003</u>
29. Directors' fees			
Honorarium for attending meeting		316,250	460,000
Incidental expenses for attending meeting		2,175,787	2,045,048
		<u>2,492,037</u>	<u>2,505,048</u>
30. Depreciation and repair on fixed assets			
Depreciation	30.1	12,270,738	10,572,653
Repair and maintenance	30.2	4,307,567	3,990,888
		<u>16,578,305</u>	<u>14,563,541</u>
30.1. Depreciation			
Office premises		2,843,187	2,838,159
Motor vehicles		3,553,645	2,925,432
Furniture and fixtures		2,714,294	2,318,527
Equipment and appliances		3,159,612	2,490,535
		<u>12,270,738</u>	<u>10,572,653</u>

Details are shown in annexure-A

IPDC of Bangladesh Limited

Notes to the Condensed Financial Statements (Un-audited) for the third quarter ended September 30, 2012

Period ended September 30	Note	Figs. in Taka	
		January to September	
		2012	2011
30.2. Repair and maintenance			
Vehicles		2,553,285	3,317,817
Office equipments		1,754,282	673,071
		4,307,567	3,990,888
31. Other expenses			
Staff training		370,112	825,540
Recruitment Expenses		110,000	-
Membership fees, subscription and donations		1,095,505	966,283
News papers, periodicals, learning materials etc.		48,696	59,710
Traveling, conveyance and hotel expenses		1,323,071	1,027,837
Entertainment and public relation		490,537	482,414
Annual General Meeting expenses		1,850,583	1,771,562
Security and cleaning services		1,382,457	968,336
Sundry office maintenance		1,079,317	1,190,342
Other operational expenses		768,484	617,704
		8,518,761	7,909,728
32. Provision for loans, advances, leases and investment			
Provision for loans, advances and leases		65,098,354	13,751,088
Provision for diminution of value of investment in shares		41,873	11,359,487
Other - provision for marking to market of Govt. securities		6,330,331	18,156,068
		71,470,558	43,266,643
33. Deferred tax			
Deferred tax expense/(income) on deductible temporary differences	7.1.1	(994,550)	(471,050)
Deferred tax expense/(income) on taxable temporary differences	11.9	(761,009)	2,134,446
		(1,755,559)	1,663,395
34. Earnings per share (EPS)			
Basic earnings per share has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the third quarter ended September 30, 2012 as per Bangladesh Accounting Standard (BAS) 33: <i>Earnings per share (EPS)</i> .			
Net profit after tax		14,660,974	23,292,034
Number of ordinary shares		104,339,235	104,339,235
Basic earning per share		0.14	0.22
Diluted Earning Per Share (DEPS)			
No DEPS is required to be calculated since there was no scope for dilution of share during the period under review.			

IPDC of Bangladesh Limited

Notes to the Condensed Financial Statements (Un-audited) for the third quarter ended September 30, 2012

Period ended September 30	Note	Figs. in Taka	
		January to September	
		2012	2011
35. Receipts from other operating activities			
Opening - accrued interest receivable on securities		15,873,838	21,677,809
Transfer price of lease assets		50,697	749,564
Interest income on Govt. securities		30,694,459	48,941,152
Interest income on corporate bond		13,524,658	8,970,548
Income from other operating activities		13,375	5,999
Total receivable from other operating activities		60,157,026	80,345,072
Less: Closing - accrued interest receivable on securities		18,425,226	35,864,129
Receipts from other operating activities		41,731,800	44,480,943
36. (Increase)/decrease of other assets			
Opening other assets			
Stationery, stamps, printing materials in stock		53,105	25,220
Advance rent and advertisement		5,835,236	7,483,321
Security Deposit		716,160	403,856
Preliminary, formation renovation and prepaid expenses		349,797	7,188,292
Sundry assets		5,389,886	2,606,348
Total opening other assets		12,344,184	17,707,037
Closing other assets			
Stationery, stamps, printing materials in stock		94,264	74,525
Advance rent and advertisement		4,518,383	6,713,138
Security Deposit		716,160	716,160
Preliminary, formation renovation and prepaid expenses		778,221	8,501,892
Sundry assets		4,360,088	42,859,415
Total closing other assets		10,467,116	58,865,130
		1,877,068	(41,158,093)
37. Increase/(decrease) of other liabilities			
Closing other liabilities			
Provision for corporate tax		161,323,271	134,922,489
Receipts against lease		32,943,569	32,241,263
Withholding tax and VAT		6,308,254	1,899,334
Liabilities for special accounts		17,800,996	15,753,416
Total closing other liabilities		218,376,090	184,816,503
Opening other liabilities			
Provision for corporate tax		119,003,508	119,882,915
Receipts against lease		28,447,130	31,894,338
Withholding tax and VAT		4,026,155	2,544,335
Liabilities for special accounts		16,450,699	18,295,206
Total opening other liabilities		167,927,492	172,616,794
		50,448,598	12,199,709

IPDC of Bangladesh Limited

Notes to the Condensed Financial Statements (Un-audited) for the third quarter ended September 30, 2012

Period ended September 30	Note	Figs. in Taka	
		January to September	
		2012	2011
38. Cash and cash equivalents			
Cash in hand		66,198	40,557
Balance with Bangladesh Bank and its agent bank(s)		89,623,018	71,087,959
Balance with other banks and financial institutions		461,947,597	318,135,660
		<u>551,636,813</u>	<u>389,264,175</u>

39. Events after the balance sheet date

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

Figs. in Taka

Detail statement of other investment

Detail statement of other investment	September 30, 2012		December 31, 2011	
	Cost	Market price	Cost	Market price
Investment in ordinary shares - listed				
Tripti Industries Ltd.*	2,025	2,025	2,025	2,025
Bemco Electric Metre Ltd.	7,000,000	4,305,000	7,000,000	4,305,000
RAK Ceramics (Bangladesh) Ltd.	5,664	7,989	5,664	9,428
	7,007,689	4,315,014	7,007,689	4,316,453
Investment in ordinary shares - un-listed				
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
Investment in cumulative redeemable preference shares				
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 Limited	99,900,000	99,900,000	99,900,000	99,900,000
Confidence Salt Ltd.	30,000,000	30,000,000	40,000,000	40,000,000
Summit Uttaranchol Power Company Ltd.	70,000,000	70,000,000	70,000,000	70,000,000
Summit Purbanchol Power Company Ltd.	70,000,000	70,000,000	70,000,000	70,000,000
	373,900,000	373,900,000	383,900,000	383,900,000
Investment in bonds				
Mutual Trust Bank Ltd.	150,000,000	150,000,000	150,000,000	150,000,000
	562,578,558	559,885,883	572,578,558	569,887,322

* Tripti Industries Limited amalgamated with Olympic Industries Limited.

Fixed assets including premises, furniture and fixtures

Figs. in Taka

Category of asset	Cost					Rate	Depreciation				Carrying amount as at 30-Sep-12
	Balance as at 01-Jan-12	Addition during the period	Adjustment during the period	Disposal during the period	Balance as at 30-Sep-12		Balance as at 01-Jan-12	Charged during the period	Adjustment during the period	Balance as at 30-Sep-12	
As at September 30, 2012											
Office premises	75,684,163	-	-	-	75,684,163	5%	22,142,016	2,843,187	-	24,985,203	50,698,960
Motor vehicles	17,678,729	4,990,000	1,756,953	-	20,911,776	20% & 33.33%	13,751,080	3,553,645	1,317,587	15,987,138	4,924,638
Furniture and fixtures	28,840,320	235,625	-	-	29,075,945	12.50%	16,518,457	2,714,294	-	19,232,751	9,843,194
Equipment and appliances	30,347,888	5,888,025	538,300	-	35,697,613	20%	19,116,989	3,126,331	538,300	21,705,020	13,992,593
Accounting software	1,600,000	798,750	-	-	2,398,750	50%	1,599,999	33,281	-	1,633,280	765,470
Balance as at September 30, 2012	154,151,100	11,912,400	2,295,253	-	163,768,247		73,128,541	12,270,738	1,855,887	83,543,392	80,224,855

Category of asset	Cost					Rate	Depreciation				Carrying amount as at 31-Dec-11
	Balance as at 01-Jan-11	Addition during Year	Adjustment during Year	Disposal during Year	Balance as at 31-Dec-11		Balance as at 01-Jan-11	Charged during Year	Adjustment during Year	Balance as at 31-Dec-11	
As at December 31, 2011											
Office premises	68,841,763	6,842,400	-	-	75,684,163	5%	18,357,808	3,784,208	-	22,142,016	53,542,147
Motor vehicles	21,559,953	-	-	3,881,225	17,678,729	20% & 33.33%	12,606,708	3,775,582	2,631,210	13,751,080	3,927,649
Furniture and fixtures	24,732,271	4,108,049	-	-	28,840,320	12.50%	13,328,882	3,189,575	-	16,518,457	12,321,863
Equipment and appliances	26,779,127	4,680,052	-	1,111,291	30,347,888	20%	16,932,484	3,295,796	1,111,291	19,116,989	11,230,899
Accounting software	1,600,000	-	-	-	1,600,000	50%	1,599,999	-	-	1,599,999	1
Balance as at December 31, 2011	143,513,114	15,630,501	-	4,992,516	154,151,100		62,825,881	14,045,161	3,742,501	73,128,541	81,022,559

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 car parking for 15 cars, have been revalued by a professional valuer as at December 31, 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.