Forward Looking Statements

This presentation may contain statements that constitute forward-looking statements about the Company, within the general meaning of the term and within the meaning of applicable securities laws, including financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations. These statements may appear in a number of places in this document and may include statements regarding our intent, belief or current expectations regarding our customer base, estimates regarding future growth in our different business lines, market share, financial results and other aspects of our activity and situation relating to the Company. The forward looking statements in this document can be identified, in some instances, by the use of words such as “expects”, “anticipates”, “intends”, “believes”, and similar language or the negative thereof or by the forward-looking nature of discussions of strategy, plans or intentions.

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Macros Trends

- Private sector credit growth registered a nine-year low in September this fiscal year (2019-2020) at 10.66%, amid sluggish business activities in the country
  - Some media reports point towards tight liquidity conditions and increased cost of borrowing restricting business growth during this time

- However, after being in a tight condition for over a year, both USD and BDT liquidity scenario have started to show signs of improvement:
  - Negative gap in the current account balance has dropped to a comfortable state from USD 9.6bn in FY’18 to USD 5.3bn in FY’19. The first 2 months of FY’20 (Jul’19-Aug’19) recorded positive balance of USD ~313mn in the current account
  - Open market operations in the currency market has purportedly reduced significantly, freeing up past pressures on the BDT liquidity
  - Reduction in National Savings Certificate (NSC) sales have allowed more money to flow into the banking system in the form of deposits. Net sales of NSCs dropped from a monthly average of over BDT 40bn in FY’19 to only BDT ~18bn in the current fiscal year (first two months’ average)
  - Bangladesh Bank has extended the deadline for revised AD ratio until further notice

- Stock market remained in red territory for most of the trading days with the presence of lucrative rates in fixed income instruments
Financing business maintained NPAT amidst falling investment income

*Figures for YTD Q3 2019*

**NPAT (CONSOLIDATED)**
- BDT 1,308 mn
- Base: NPAT for YTD Q3 2018

**CUSTOMER ADVANCES**
- BDT 86.8 bn
- Base: Balance at 30 Sep, 2018

**NPAT (STANDALONE)**
- BDT 1,223 mn
- Base: NPAT for YTD Q3 2018

**NON PERFORMING LOANS**
- 27 bps
- 2.94%
- Base: NPL% at 30 Sep, 2018
YoY Performance Metrics (Group)

Figures in YTD values

- **Loans & Advances**
  - Q3 2018: 79,588
  - Q3 2019: 86,848
  - Increase: 9%

- **Non-Bank Deposits**
  - Q3 2018: 51,390
  - Q3 2019: 62,598
  - Increase: 22%

- **Net Interest Income**
  - Q3 2018: 3,083
  - Q3 2019: 3,473
  - Increase: 13%

- **Fee & Other Income**
  - Q3 2018: 740
  - Q3 2019: 590
  - Decrease: 20%

- **Investment Income**
  - Q3 2018: 689
  - Q3 2019: 31
  - Increase: 96%

- **Operating Income**
  - Q3 2018: 4,513
  - Q3 2019: 4,095
  - Decrease: 9%

- **Operating Expense**
  - Q3 2018: 1,649
  - Q3 2019: 1,815
  - Increase: 10%

- **Operating Profit**
  - Q3 2018: 2,864
  - Q3 2019: 2,280
  - Decrease: 20%

- **Provision charges: Loans & Investments**
  - Q3 2018: 336
  - Q3 2019: 229
  - Decrease: 32%

- **Net Profit**
  - Q3 2018: 1,822
  - Q3 2019: 1,308
  - Decrease: 28%
2019 YTD Q3: Profit contribution from different entities

<table>
<thead>
<tr>
<th>Entity</th>
<th>YTD NPAT (BDT mn) Q3 2019</th>
<th>YTD NPAT (BDT mn) Q3 2018</th>
<th>Growth %</th>
<th>% of Group's NPAT Q3 2019</th>
<th>% of Group's NPAT Q3 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDLC Finance Limited</td>
<td>1,223</td>
<td>1,214</td>
<td>0.8%</td>
<td>94%</td>
<td>67%</td>
</tr>
<tr>
<td>IDLC Securities Limited</td>
<td>16</td>
<td>340</td>
<td>-95%</td>
<td>1%</td>
<td>19%</td>
</tr>
<tr>
<td>IDLC Investments Limited</td>
<td>85</td>
<td>241</td>
<td>-65%</td>
<td>7%</td>
<td>13%</td>
</tr>
<tr>
<td>IDLC Asset Management Limited</td>
<td>(16)</td>
<td>27</td>
<td>-160%</td>
<td>-1%</td>
<td>1%</td>
</tr>
<tr>
<td>Consolidated NPAT</td>
<td>1,308</td>
<td>1,822</td>
<td>-28%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

- IDLC Finance (standalone):
  - Compared to YTD Q3 2018, Net interest income grew ~11% on account of upward re-pricing of portfolio and growth in loan book
  - Investment loss of BDT ~27mn on proprietary investments was contrasted by release of BDT ~153mn from provisions for investments
  - Operating expenditures rose by ~9.1% owing to increase in promotional efforts and cost of living adjustments in compensation

- The 3 subsidiaries operating in the capital market continued to be affected by low trade volumes as well as persistent decline in the major index
  - Brokerage income fell by 31% to BDT ~211.6mn in 2019 (YTD September)
  - The group’s investment income fell by 96% to BDT ~31nm in 2019 (YTD September)
Deposit growth continued, caution exercised in lending

**Balance Sheet**

- Cautious approach taken on the lending side
  - Focus on portfolio growth to return as business activity picks up on account of improvements in liquidity scenario
- Customer deposit growth continued in anticipation
  - Focus on non-bank deposits to continue, in line with the company’s growth strategy

**Loans & Advances**

**Term Deposits**

**Non-Bank Deposits**
Loan book composition: IDLC FL Standalone

Portfolio Composition, Q3 2019

- SME: $36,091 (42%)
- Consumer: $30,590 (36%)
- Corporate: $19,104 (22%)

Customer Advances - SME

- Q1:18: $32,646
- Q2:18: $33,371
- Q3:18: $33,289
- Q4:18: $34,687
- Q1:19: $35,986
- Q2:19: $36,049
- Q3:19: $36,091

Customer Advances - Consumer

- Q1:18: $24,861
- Q2:18: $25,795
- Q3:18: $26,674
- Q4:18: $27,823
- Q1:19: $29,394
- Q2:19: $30,148
- Q3:19: $30,590

Customer Advances - Corporate

- Q1:18: $17,151
- Q2:18: $18,110
- Q3:18: $18,031
- Q4:18: $19,900
- Q1:19: $20,416
- Q2:19: $19,876
- Q3:19: $19,104

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Slide 8 of 15
Loan Quality

- NPL ratio rose by 36 bps in Q3 2019 owing to the cash crunch experienced in large parts of 2019
- Collection efforts are being increased to regularize top contributors of NPL
Operating Income and Expense (Consolidated)

- While registering a ~5% growth from Q3'18, Net Interest Income in Q3'19 declined from the trailing quarter, mainly on account of decreased Treasury Income.

- Operating Income further hit with a 96% reduction in investment income and a 31% fall in brokerage commissions.

- OPEX growth attributable to planned expenditures including promotional efforts and cost of living adjustments in compensation.
Shareholder Returns

**Return on Asset (Annualized)**
- 3 Quarters' Annualized ROA: 1.55%

<table>
<thead>
<tr>
<th>Quarter</th>
<th>ROA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1:18</td>
<td>2.29%</td>
</tr>
<tr>
<td>Q2:18</td>
<td>2.22%</td>
</tr>
<tr>
<td>Q3:18</td>
<td>2.62%</td>
</tr>
<tr>
<td>Q4:18</td>
<td>1.27%</td>
</tr>
<tr>
<td>Q1:19</td>
<td>2.04%</td>
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<tr>
<td>Q2:19</td>
<td>1.74%</td>
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<tr>
<td>Q3:19</td>
<td>0.88%</td>
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</table>

**Earnings per Share**
- 3 Quarters' Annualized EPS: BDT 4.62

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<thead>
<tr>
<th>Quarter</th>
<th>EPS (BDT)</th>
</tr>
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<tbody>
<tr>
<td>Q1:18</td>
<td>1.46</td>
</tr>
<tr>
<td>Q2:18</td>
<td>1.49</td>
</tr>
<tr>
<td>Q3:18</td>
<td>1.88</td>
</tr>
<tr>
<td>Q4:18</td>
<td>0.93</td>
</tr>
<tr>
<td>Q1:19</td>
<td>1.48</td>
</tr>
<tr>
<td>Q2:19</td>
<td>1.31</td>
</tr>
<tr>
<td>Q3:19</td>
<td>0.68</td>
</tr>
</tbody>
</table>

**Return on Equity (Annualized)**
- 3 Quarters' Annualized ROE: 12.8%

<table>
<thead>
<tr>
<th>Quarter</th>
<th>ROE (%)</th>
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<tbody>
<tr>
<td>Q1:18</td>
<td>17.9%</td>
</tr>
<tr>
<td>Q2:18</td>
<td>18.2%</td>
</tr>
<tr>
<td>Q3:18</td>
<td>22.0%</td>
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<tr>
<td>Q4:18</td>
<td>10.4%</td>
</tr>
<tr>
<td>Q1:19</td>
<td>16.8%</td>
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<tr>
<td>Q2:19</td>
<td>15.0%</td>
</tr>
<tr>
<td>Q3:19</td>
<td>7.6%</td>
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</table>

**Book Value Per Share**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>BVPS (BDT)</th>
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<tbody>
<tr>
<td>Q1:18</td>
<td>31.87</td>
</tr>
<tr>
<td>Q2:18</td>
<td>33.36</td>
</tr>
<tr>
<td>Q3:18</td>
<td>35.24</td>
</tr>
<tr>
<td>Q4:18</td>
<td>36.17</td>
</tr>
<tr>
<td>Q1:19</td>
<td>34.15</td>
</tr>
<tr>
<td>Q2:19</td>
<td>35.46</td>
</tr>
<tr>
<td>Q3:19</td>
<td>36.14</td>
</tr>
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</table>
Capital Adequacy and Loan-Fund Ratio

**Capital Adequacy Ratio**  
* (Consolidated)  
2018: 17.3%  
Q3, 2019: 17.1%

**Capital Adequacy Ratio**  
* (Standalone)  
2018: 15.5%  
Q3, 2019: 14.7%

**Loan to Fund Ratio**  
2018: 83.7%  
Q3, 2019: 80.9%

Adequate capital for planned business growth

* Regulatory limit for Loan to Fund Ratio: 95%
Non-financial highlights

Deposit Mobilization

- Flight to safety following the recent adverse media reports regarding a few financial institutions
  - Had a largely positive impact on IDLC
  - Core customer deposits (non-bank) registered 14.5% growth in 2019 (YTD September)

New Offerings

- **IDLC Affordable Housing loans**
  - Targeting households with monthly incomes below BDT 60,000
  - Ticket size: between BDT 0.8mn – BDT 2.5mn
  - Tab based financing

  **Phase – 01:** Primary focus area [H2 2019]
  - Outskirts of Dhaka [Savar, Gazipur & Narayanganj]
  - North Bengal Regions [Rajshahi, Bogura, Natore & Rangpur]

  **Phase – 02:** H2 2020 onward
  - All major urban and sub-urban areas

- So far, processed more than 300 applications approving close to 200 and already financed homes for **97 households**
Non-financial highlights (continued)

**New Offerings** (continued)

- **IDLC Very Small Enterprise (VSE) Financing**
  - Ticket size: between BDT 0.2mn – BDT 1.5mn
  - CRG based underwriting
  - Tab based financing

  **Phase –01**: H2 2019 (launch of scoring and TAB based financing)
  Existing SEF IDLC branches

  **Phase –02**: H2 2020 onwards
  Geographic expansion through booths

  - BDT 1,500 mn disbursed till YTD September 2019, more than 1,500 VSEs

- New wealth management product – **Monthly Deposit Pension Scheme (DPS)** – under way:
  - Initialized test phase with internal colleagues
  - Launch being held till third party integrations are readied
Non-financial highlights (continued)

**Process**
- Successfully completed pilot on eKYC with Bangladesh Bank
- Credit Risk Grading (CRG) based loan sanctioning for Small Business Loans is expected to be rolled out in all branches by year end

**Tech Implementation**
- Online Service Portal enhanced to allow automated SLA monitoring for most of the internal processes
- Customization of core banking software still under way

**Recognition**
- Awarded Best Women-Owned SME Bank by Global SME Finance Forum for efforts in financing women-owned Small & Medium Enterprises

**Financial Literacy Drive**
- Concluded the second installment of the National Finance Olympiad
Q & A