

AUDITORS' REPORT

We have audited the accompanying Balance Sheet of **IFIC Bank Ltd.** as on 31 December 2009 and the related Profit and Loss Account, Cash Flow Statement, Statement of Changes in Shareholders Equity and Notes to the Financial Statements for the year then ended. The preparation of these financial statements are the responsibility of the bank management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the Bank's affairs as of 31 December 2009 and of the results of its operations and cash flows for the year then ended and comply with the applicable sections of the Bank Companies Act, 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act, 1994, the Securities and Exchange Rule, 1987 and other applicable laws and regulations.

We also report that :

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by the bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches and not visited by us ;
- (iii) the Bank's balance sheet and profit and loss account of the Bank dealt with by the report are in agreement with the books of account and returns;

- (iv) the expenditure incurred was for the purpose of the business of the Bank;
- (v) the financial position of the bank as at 31 December 2009 and the profit for the year then ended have been properly reflected in the financial statements and prepared in accordance with the generally accepted accounting principles ;
- (vi) the financial statements have been drawn up in conformity with the Bank Companies Act, 1991 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank ;
- (vii) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery ;
- (viii) the financial statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (ix) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements ;
- (x) the information and explanations required by us have been received and found satisfactory and
- (xi) the capital adequacy ratio (CAR), as required by law, has been maintained adequately during the year.

Date : 29 April 2010
Place : Dhaka

M. J. ABEDIN & CO
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Balance Sheet
As at 31 December 2009

	Amount in Taka	
	31 Dec. 2009	31 Dec. 2008
<u>PROPERTY AND ASSETS</u>		
Cash	4,633,980,079	3,340,418,678
Cash in hand (including foreign currency)	670,698,496	620,428,180
Balance with Bangladesh Bank and its Agents Bank (including foreign currency)	3,963,281,583	2,719,990,498
Balance with other Banks and financial institutions	8,155,648,754	1,887,430,340
In Bangladesh	7,203,872,949	1,534,186,160
Outside Bangladesh	951,775,805	353,244,180
Money at call on short notice	200,000,000	70,000,000
Investments	9,082,951,144	5,229,884,252
Government	7,848,544,488	4,259,954,637
Others	831,389,483	560,761,209
Outside Bangladesh	403,017,173	409,168,406
Loans and advances	37,793,886,723	33,018,385,382
Loans, cash credits, overdrafts, etc.	35,986,175,332	30,211,825,472
Bills purchased and discounted	1,807,711,391	2,806,559,910
Fixed assets including premises, furniture and fixtures	616,262,074	511,452,828
Other assets	2,419,136,205	1,671,901,710
Non Banking Assets	-	-
Total assets	62,901,864,980	45,729,473,190
<u>LIABILITIES AND CAPITAL</u>		
Liabilities		
Borrowing from other banks, financial Institutions and agents	1,250,000,000	203,530,016
In Bangladesh	1,250,000,000	203,530,016
Outside Bangladesh	-	-
Deposit and other accounts	50,017,960,808	36,092,169,540
Current deposits and other accounts	6,569,331,019	5,398,152,070
Bills payable	1,279,279,322	1,014,004,246
Savings bank deposits	8,170,413,132	6,448,647,253
Term deposits	33,998,937,335	23,231,365,971
Other liabilities	7,436,447,934	6,237,046,589
Total liabilities	58,704,408,742	42,532,746,145
Capital/ Shareholders' equity		
Paid up capital	1,743,860,800	1,341,431,400
Statutory reserve	1,545,408,159	1,215,504,476
Other reserve	179,907,922	78,697,145
Surplus in Profit and Loss Account	728,279,357	561,094,024
Total shareholders' equity	4,197,456,238	3,196,727,045
Total liabilities and shareholders' equity	62,901,864,980	45,729,473,190

	Amount in Taka	
	31 Dec. 2009	31 Dec. 2008
<u>OFF BALANCE SHEET ITEMS</u>		
Contingent liabilities		
Acceptances and endorsements	6,762,868,026	8,356,402,534
Letters of guarantee	3,186,598,664	2,551,588,790
Irrevocable letters of credit	7,593,746,458	6,661,492,830
Bills for collection	3,823,520,949	2,966,778,856
	<u>21,366,734,096</u>	<u>20,536,263,010</u>
Other Commitments:		
Documents credit 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	-	-
	<u>-</u>	<u>-</u>
	<u>21,366,734,096</u>	<u>20,536,263,010</u>

These financial statements should be read in conjunction with the annexed notes.

Mosharraf Hossain Managing Director	Director	Director
Director	Director	Director
Director	Director	Director
Director	Director	Chairman

As per our separate report of even date annexed.

Date : 29 April 2010
Place : Dhaka

M. J. ABEDIN & CO
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Profit and Loss Account
For the year ended 31 December 2009

	Amount in Taka	
	2009	2008
INCOME		
Interest income	3,872,149,004	3,515,483,197
Less: Interest paid on deposits, borrowings, etc.	2,769,970,423	2,346,781,999
Net Interest income	1,102,178,581	1,168,701,198
Income from investment	1,061,507,533	691,437,620
Commission, exchange and brokerage	887,032,769	874,123,199
Other operating income	345,050,855	442,911,096
Capital gain	328,586,416	2,430,784
Total operating income	3,724,356,154	3,179,603,897
Salaries and allowances	999,494,974	933,701,010
Rent, taxes, insurance, lighting and travelling	227,029,788	191,858,248
Legal expenses	2,688,785	2,572,540
Postage, stamp, telegram and telephone	48,080,038	46,276,778
Auditors' fee	500,000	500,000
Stationery, printing and advertisement	48,023,390	45,188,275
Charges on loan loss	20,148,300	69,284,885
Managing Director's salary	5,740,000	4,590,000
Directors' meeting fee	1,012,000	1,348,000
Repair, maintenance and depreciation of assets	169,680,091	148,544,175
Other expenses	242,440,373	113,429,288
Total operating expenses	1,764,837,738	1,557,293,199
Profit before provision	1,959,518,416	1,622,310,698
Provision for loans & advance, other assets & off BS items	310,000,000	305,000,000
Profit before taxation	1,649,518,416	1,317,310,698
Provision for taxation:	750,000,000	660,000,000
Current tax	735,754,470	642,581,879
Deferred tax	14,245,530	17,418,121
Profit after taxation	899,518,416	657,310,698
Retained profit brought forward	158,664,624	167,245,466
	1,058,183,040	824,556,164
Appropriations		
Statutory reserve	329,903,683	263,462,140
Retained earnings	728,279,357	561,094,024
Earnings per Share (EPS)	51.58	37.69

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Mosharraf Hossain Managing Director	Director	Director	Director
Director	Director	Director	Director
Director	Director	Director	Chairman

As per our separate report of even date annexed.

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Cash Flow Statement

For the year ended 31 December 2009

	Amount in Taka	
	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received in cash	3,872,149,004	3,515,483,197
Interest payments	(2,769,970,423)	(2,346,781,999)
Dividend received	10,709,159	21,382,901
Fees and commission received in cash	846,066,077	851,575,683
Recovery of loans and advances in cash previously written-off	73,755,906	193,474,076
Cash paid to employees	(909,234,974)	(854,291,010)
Cash paid to suppliers	-	-
Income tax paid	(535,435,085)	(243,128,900)
Cash received from other operating activities	1,691,646,431	944,470,038
Cash paid for other operating activities	(643,779,889)	(460,160,502)
Cash flows before charges in operating assets and liabilities	1,635,906,205	1,622,023,484
Increase / Decrease in operating assets and liabilities		
Loans and advances to customers	(4,775,501,341)	(5,164,291,807)
Other assets	(211,799,410)	(67,438,443)
Deposits from other Banks	49,643,000	392,000
Deposit from customers	13,876,148,268	6,191,724,551
Trading Liabilities	1,050,000,000	(890,000,000)
Other Liabilities	120,165,786	(750,367,778)
	10,108,656,303	(679,981,477)
Net cash from operating activities	11,744,562,508	942,042,007
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of securities	23,000,000	123,000,000
Cash payments for purchase of securities	(264,477,041)	(275,766,539)
Purchase/ Sale of property, Plant & equipment of fixed assets	(196,185,785)	(210,884,411)
Sales of fixed assets	-	-
Net cash from investing activities	(437,662,827)	(363,650,950)
CASH FLOWS FROM FINANCING ACTIVITIES		
Received from issue of loan, capital and debts security	-	-
Payments for redemption of loan capital and debt security	(3,530,016)	(11,707,179)
Net Cash from Financing activities	(3,530,016)	(11,707,179)
Net increase/(decrease) in cash and cash equivalent	11,303,369,667	566,683,878
Opening cash and cash equivalent	9,452,803,655	8,886,119,777
Closing cash and cash equivalent	20,756,173,322	9,452,803,655

These financial statements should be read in conjunction with the annexed notes.

Mosharraf Hossain Managing Director	Director	Director	Director
Director	Director	Director	Director
Director	Director	Director	Chairman

As per our separate report of even date annexed.

Date : 29 April 2010
Place : Dhaka

M. J. ABEDIN & CO
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Statement of Changes in Equity
As at 31 December 2009

Particulars	Amount in Taka				
	Paid up capital	Statutory Reserve	Other Reserve	Profit/Loss	Total
Balance at 01 January 2009	1,341,431,400	1,215,504,476	78,697,145	561,094,024	3,196,727,045
Bonus share issued (2008)	402,429,400	-	-	(402,429,400)	-
	1,743,860,800	1,215,504,476	78,697,145	158,664,624	3,196,727,045
Surplus /Deficit on account of revaluation on investment	-	-	-	-	-
Surplus /Deficit revaluation of Govt. treasury bill & bond etc.			101,210,777		101,210,777
Net profit after tax for the year	-	-	-	899,518,416	899,518,416
Appropriations made during the	-	329,903,683	-	(329,903,683)	-
Balance as on 31 December 2009	1,743,860,800	1,545,408,159	179,907,922	728,279,357	4,197,456,238

These financial statements should be read in connection with the annexed notes.

Mosharraf Hossain Managing Director	Director	Director
Director	Director	Director
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As per our separate report of even date annexed.

Date : 29 April 2010
Place : Dhaka

M. J. ABEDIN & CO
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
STATEMENT OF LIQUIDITY
(Asset and Liability Maturity Analysis)
As at 31 December 2009

Assets and Liabilities	Amount in Taka					
	Not More than 1 Month	From 1 to 3 Month	From 3 to 12 Months	From 1 Year to 5 Years	From 5 Years and above	Total
Assets						
Cash in hand	670,698,496	-	-	-	-	670,698,496
Balance with other banks & financial institutions and agents	7,139,057,280	4,809,873,057	170,000,000	-	-	12,118,930,337
Money at call & short notice	200,000,000	-	-	-	-	200,000,000
Investment	78,992,548	843,499,366	28,000,000	2,080,940,363	6,051,518,867	9,082,951,144
Loans & advances	3,075,829,854	4,742,674,450	12,847,998,085	9,437,698,195	7,689,686,139	37,793,886,723
Premises & fixed assets	6,542,451	13,084,902	58,882,058	231,314,222	306,438,442	616,262,074
Other assets	376,478,358	931,001,240	843,768,031	267,888,577	-	2,419,136,205
Total Assets	11,547,598,987	11,340,133,015	13,948,648,174	12,017,841,357	14,047,643,448	62,901,864,980
Liabilities						
Other banks, financial institutions	1,250,000,000	-	-	-	-	1,250,000,000
Deposits and other accounts	6,929,554,360	11,589,886,781	17,983,049,542	8,927,624,603	4,587,845,522	50,017,960,808
Provision and other liabilities	1,471,547,746	143,795,398	1,701,037,896	2,234,275,188	1,885,791,706	7,436,447,934
Total Liabilities	9,651,102,106	11,733,682,179	19,684,087,438	11,161,899,791	6,473,637,228	58,704,408,742
Net Liquidity Gap: Surplus/(Deficit)	1,896,496,881	(393,549,164)	(5,735,439,264)	855,941,566	7,574,006,220	4,197,456,238

These financial statements should be read in conjunction with the annexed notes.

Mosharraf Hossain Managing Director	Director	Director	Director
Director	Director	Director	Director
Director	Director	Director	Chairman

As per our separate report of even date annexed.

Date : 29 April 2010
Place : Dhaka

M. J. ABEDIN & CO
Chartered Accountants

FINANCIAL HIGHLIGHTS
As at 31 December 2009

Sl. No.	Particulars	Taka in Million	
		2009	2008
01	Paid up Capital	1,743.86	1,341.43
02	Total Capital	4,928.76	3,793.04
03	Capital Surplus	1,276.60	733.30
04	Total Assets	62,901.86	45,729.47
05	Total Deposits	50,017.96	36,092.17
06	Total Loan & Advances	37,793.89	33,018.39
07	Total Contingent Liabilities & Commitments	21,366.73	20,536.26
08	Credit Deposit Ratio	75.56%	91.48%
09	Percentage of Classified Loan Against Total Loans & Advances	6.14%	5.92%
10	Profit after Tax & Provision	899.52	657.31
11	Amount of Classified Loans during the year	2,320.31	1,953.07
12	Provision Kept Against Classified Loans	951.85	651.85
13	Provision Surplus/Deficit	16.47	30.20
14	Cost of Fund	5.45%	6.12%
15	Interest Earning Assets	54,404.63	39,766.63
16	Non-interest Earning Assets	8,497.23	5,962.84
17	Return on Investment (ROI)	13.96%	13.59%
18	Return on Assets (ROA)	1.43%	1.44%
19	Income from Investment	1,061.51	691.44
20	Earning per Share	51.58	37.69
21	Income per Share	372.41	411.98
22	Net Asset Value (NAV)	4,197.46	3,196.73
23	Net Asset Value (NAV) Per Share	240.70	238.31
24	Net Operating Cash Flow Per Share (NOCFPS)	673.48	70.23
25	Price Earning Ratio (Times)	17.84	24.26