

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Condensed Interim Financial Reports (Un-audited)

as at and for the 1st Quarter ended 31 March 2020

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Condensed Consolidated Balance Sheet (Un-audited)
as at 31 March 2020

Particulars	Note	Amount in BDT	
		31 March 2020	31 December 2019
PROPERTY AND ASSETS			
Cash		19,974,946,624	18,056,029,773
Cash in hand (including foreign currency)	3.a	3,345,619,530	2,872,338,679
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.b	16,629,327,094	15,183,691,094
Balance with other banks and financial institutions		6,427,061,810	5,637,834,204
In Bangladesh	4.a	4,029,098,691	4,014,719,294
Outside Bangladesh	4.b	2,397,963,119	1,623,114,910
Money at call and on short notice		-	910,000,000
Investments		45,882,549,528	47,216,443,756
Government securities	5.a	40,134,045,573	41,369,255,890
Other investments	5.b	5,748,503,955	5,847,187,866
Loans and advances		234,969,447,683	232,523,441,067
Loans, cash credit, overdrafts etc.	6.a	224,463,727,377	221,562,693,268
Bills purchased and discounted	7.a	10,505,720,306	10,960,747,799
Fixed assets including premises, furniture and fixtures	8.a	6,538,306,975	6,430,431,620
Other assets	9.a	10,266,423,158	9,606,537,605
Non-banking assets		373,474,800	373,474,800
Total assets		324,432,210,578	320,754,192,825
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	10.a	7,515,137,060	8,215,860,335
Subordinated debt		2,800,000,000	2,800,000,000
Deposits and other accounts	11.a	261,011,047,026	258,180,418,372
Current deposit and other accounts		62,200,066,197	56,902,055,915
Bills payable		1,576,130,066	1,840,433,536
Savings bank deposits		22,592,782,702	23,299,407,700
Fixed deposits		174,642,068,061	176,138,521,221
Other liabilities	12.a	26,044,251,405	25,014,936,765
Total liabilities		297,370,435,491	294,211,215,472
Capital/Shareholders' equity			
Paid up capital	13.2	14,726,126,080	14,726,126,080
Statutory reserve		6,531,903,475	6,531,903,475
General reserve		155,071,397	155,071,397
Revaluation reserve against securities		54,561,065	50,121,137
Revaluation reserve against fixed assets		115,314,704	115,314,704
Foreign currency translation reserve		(150,060,400)	43,867,936
Surplus in profit and loss account		5,628,851,881	4,920,565,744
Attributable to equity holders		27,061,768,202	26,542,970,474
Non-controlling interest		6,886	6,880
Total shareholders' equity		27,061,775,088	26,542,977,353
Total liabilities and shareholders' equity		324,432,210,578	320,754,192,825

OFF-BALANCE SHEET ITEMS

Contingent liabilities	51,590,846,191	51,095,166,712
Acceptances and endorsements	17,191,101,326	17,978,428,515
Letters of guarantee	9,477,801,595	9,274,250,539
Irrevocable letters of credit	16,245,038,426	14,673,137,826
Bills for collection	8,676,904,844	9,169,349,832
Other contingent liabilities	-	-
Other commitments	-	-
Documentary credit and short term trade -related transactions	-	-
Forward assets purchased and forward deposit placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Total off-balance sheet exposures including contingent liabilities	51,590,846,191	51,095,166,712

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

S/d	S/d	S/d	S/d	S/d
_____	_____	_____	_____	_____
Chief Financial Officer	Company Secretary	Managing Director & CEO	Director	Director

24 June 2020
Dhaka

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Condensed Consolidated Profit and Loss Account (Un-audited)

for the 1st quarter ended 31 March 2020

Amount in BDT

Particulars	Note	1 January to 31 March 2020	1 January to 31 March 2019
Interest income	14.a	6,360,579,066	5,202,323,653
Interest paid on deposits, borrowings etc.	15.a	5,140,672,026	3,824,223,732
Net interest income		1,219,907,040	1,378,099,921
Investment income	16.a	941,510,756	497,684,840
Commission, exchange and brokerage	17.a	404,846,086	448,564,876
Other operating income		76,090,722	68,958,386
		1,422,447,564	1,015,208,102
Total operating income		2,642,354,604	2,393,308,023
Salary and allowances	18.a	570,779,897	586,092,648
Rent, taxes, insurance, electricity etc.	19.a	150,316,364	191,032,406
Legal expenses		3,360,465	1,861,335
Postage, stamp, telecommunication etc.		17,796,296	11,644,501
Stationery, printing, advertisement etc.		65,296,126	52,014,769
Managing Director's salary		4,507,500	3,292,500
Directors' fees		428,500	438,000
Auditors' fees		626,396	461,250
Charges on loan losses		-	-
Depreciation and repair of bank's assets		182,717,063	124,887,951
Other expenses		277,263,425	152,929,284
Total operating expenses		1,273,092,032	1,124,654,644
Operating profit		1,369,262,572	1,268,653,379
Share of profit of joint ventures/associates		109,110,492	97,350,996
Profit before provision		1,478,373,063	1,366,004,375
Provision for loans, investments & other assets			
Provision for loans and advance		115,049,224	320,460,701
Provision for diminution in value of investments		82,944,945	157,531,457
Provision for other assets		(212,323)	7,527,692
Total provision		197,781,846	485,519,850
Profit/(Loss) before taxes		1,280,591,217	880,484,525
Provision for taxation			
Current tax		541,656,693	454,789,521
Deferred tax expense/(income)		30,648,382	(208,582,391)
		572,305,075	246,207,130
Net profit after taxation		708,286,142	634,277,396
Net profit after tax attributable to:			
Equity holders of the Bank		708,286,136	634,277,367
Non-controlling interest		6	29
Retained earnings brought forward from previous year		4,920,565,744	4,267,059,068
Earnings Per Share (EPS)		0.48	0.43

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

S/d	S/d	S/d	S/d	S/d
_____ Chief Financial Officer	_____ Company Secretary	_____ Managing Director & CEO	_____ Director	_____ Director

24 June 2020

Dhaka

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Condensed Consolidated Cash Flow Statement (Un-audited)

for the 1st quarter ended 31 March 2020

Amount in BDT

Particulars	1 January to 31 March 2020	1 January to 31 March 2019
A. Cash flows from operating activities		
Interest received	7,107,646,134	5,752,750,568
Interest payments	(4,137,079,054)	(2,959,243,111)
Dividend received	29,580,183	11,834,942
Fees and commission received	445,657,602	448,564,876
Recoveries of loans and advances previously written-off	25,995,747	19,034,365
Cash payments to employees	(575,287,397)	(589,385,148)
Cash payments to suppliers	(25,080,892)	(65,016,018)
Income taxes paid	(332,516,494)	(360,388,637)
Receipts from other operating activities	72,605,827	75,236,681
Payments for other operating activities	(473,571,227)	(393,760,999)
Operating cash flows before changing in operating assets and liabilities	2,137,950,429	1,939,627,518
Increase/(decrease) in operating assets and liabilities		
Statutory deposits	-	-
Loans and advances to other banks	-	-
Loans and advances to customers	(2,238,461,343)	(2,969,827,055)
Other assets	(170,746,788)	(380,675,869)
Deposits from other banks	(5,786,048,029)	1,048,292,343
Deposits from customers	7,694,217,504	(3,594,807,053)
Other liabilities	(89,483,432)	(454,878,377)
	(590,522,088)	(6,351,896,011)
Net cash flows from/(used in) operating activities	1,547,428,340	(4,412,268,492)
B. Cash flows from investing activities		
Net proceeds/(payments) from sale/(purchase) of Government securities	1,351,717,196	(2,526,545,131)
Net proceeds/(payments) from sale/(purchase) of securities	10,126,216	(5,453,722)
Purchase of property, plant & equipment	(335,808,474)	(48,700,915)
Proceeds from sale of property, plant & equipment	(431,774)	853,775
Net cash flows from/(used in) investing activities	1,025,603,164	(2,579,845,994)
C. Cash flows from financing activities		
Borrowing from other banks, financial institutions and agents	(700,723,275)	25,208,073
Payment against lease obligation	(36,898,615)	(576,257)
Net cash flows from/(used in) financing activities	(737,621,890)	24,631,816
D. Net increase/(decrease) in cash (A+B+C)	1,835,409,615	(6,967,482,670)
E. Effects of exchange rate changes on cash and cash equivalents	(36,464,657)	35,609,676
F. Opening balance of cash and cash equivalents	24,606,978,576	28,111,991,100
G. Closing balance of cash and cash equivalents (D+E+F)	26,405,923,534	21,180,118,106
Closing cash and cash equivalents		
Cash in hand	3,345,619,530	2,865,343,792
Balance with Bangladesh Bank and its agents bank	16,629,327,094	11,838,865,193
Balance with other banks and financial institutions	6,427,061,810	6,123,629,821
Money at call and on short notice	-	350,000,000
Prize bonds	3,915,100	2,279,300
	26,405,923,534	21,180,118,106

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Condensed Consolidated Statement of Changes in Equity (Un-audited)

for the 1st quarter ended 31 March 2020

Amount in BDT

Particulars	Paid up capital	Statutory reserve	General reserve	Revaluation reserve against securities	Revaluation reserve against fixed assets	Foreign currency translation reserve	Surplus in profit and loss account	Non-controlling interest	Total
Balance as at 1 January 2020	14,726,126,080	6,531,903,475	155,071,397	50,121,137	115,314,704	43,867,936	4,920,565,744	6,880	26,542,977,354
Impact of changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance as at 1 January 2020	14,726,126,080	6,531,903,475	155,071,397	50,121,137	115,314,704	43,867,936	4,920,565,744	6,880	26,542,977,354
Surplus/(deficit) on account of revaluation of investments	-	-	-	4,439,928	-	-	-	-	4,439,928
Effect of foreign currency translation	-	-	-	-	-	(193,928,336)	-	-	(193,928,336)
Net gain and losses not recognized in the profit and loss account	14,726,126,080	6,531,903,475	155,071,397	54,561,065	115,314,704	(150,060,400)	4,920,565,744	6,880	26,353,488,946
Net profit for the period	-	-	-	-	-	-	708,286,136	6	708,286,142
Balance as at 31 March 2020	14,726,126,080	6,531,903,475	155,071,397	54,561,065	115,314,704	(150,060,400)	5,628,851,881	6,886	27,061,775,088
Balance as at 1 January 2019	13,387,387,350	5,696,418,313	155,071,397	13,108,847	115,314,704	43,292,875	4,267,059,068	6,818	23,677,659,372
Impact of changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance as at 1 January 2019	13,387,387,350	5,696,418,313	155,071,397	13,108,847	115,314,704	43,292,875	4,267,059,068	6,818	23,677,659,372
Surplus/(deficit) on account of revaluation of investments	-	-	-	(7,659,025)	-	-	-	-	(7,659,025)
Effect of foreign currency translation	-	-	-	-	-	38,133,712	-	-	38,133,712
Transfer from provision to general reserve	-	-	-	-	-	-	-	-	-
Net gain and losses not recognized in the profit and loss account	13,387,387,350	5,696,418,313	155,071,397	5,449,821	115,314,704	81,426,587	4,267,059,068	6,818	23,708,134,058
Net profit for the period	-	-	-	-	-	-	634,277,367	29	634,277,396
Balance as at 31 March 2019	13,387,387,350	5,696,418,313	155,071,397	5,449,821	115,314,704	81,426,587	4,901,336,435	6,847	24,342,411,454

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Condensed Separate Balance Sheet (Un-audited)
as at 31 March 2020

Amount in BDT

Particulars	Note	31 March 2020	31 December 2019
PROPERTY AND ASSETS			
Cash	3	19,973,402,557	18,054,911,164
Cash in hand (including foreign currency)		3,344,075,463	2,871,220,070
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)		16,629,327,094	15,183,691,094
Balance with other banks and financial institutions	4	6,414,363,185	5,617,034,218
In Bangladesh		4,029,098,691	4,014,719,294
Outside Bangladesh		2,385,264,494	1,602,314,924
Money at call and on short notice		-	910,000,000
Investments	5	44,254,975,740	45,500,148,033
Government securities	5.1	40,134,045,573	41,369,255,890
Other investments		4,120,930,167	4,130,892,143
Loans and advances	6	231,053,245,027	228,588,500,237
Loans, cash credit, overdrafts etc.	6.1	220,547,524,721	217,627,752,438
Bills purchased and discounted	7	10,505,720,306	10,960,747,799
Fixed assets including premises, furniture and fixtures	8	6,494,366,504	6,384,198,894
Other assets	9	12,169,701,662	11,522,075,844
Non-banking assets		373,474,800	373,474,800
Total assets		320,733,529,475	316,950,343,190
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial Institutions and agents	10	7,515,137,060	8,215,860,335
Subordinated debt		2,800,000,000	2,800,000,000
Deposits and other accounts	11	261,215,562,526	258,368,141,236
Current deposit and other accounts		62,404,581,697	57,089,778,779
Bills payable		1,576,130,066	1,840,433,536
Savings bank deposits		22,592,782,702	23,299,407,700
Fixed deposits		174,642,068,061	176,138,521,221
Other liabilities	12	24,002,108,810	22,969,362,164
Total liabilities		295,532,808,396	292,353,363,735
Capital/Shareholders' equity			
Paid up capital	13.2	14,726,126,080	14,726,126,080
Statutory reserve		6,531,903,475	6,531,903,475
General reserve		155,071,397	155,071,397
Revaluation reserve against securities		54,561,065	50,121,137
Revaluation reserve against fixed assets		115,314,704	115,314,704
Surplus in profit and loss account		3,617,744,358	3,018,442,662
Total shareholders' equity		25,200,721,079	24,596,979,455
Total liabilities and shareholders' equity		320,733,529,475	316,950,343,190

OFF-BALANCE SHEET ITEMS

Contingent liabilities	51,590,846,191	51,095,166,712
Acceptances and endorsements	17,191,101,326	17,978,428,515
Letters of guarantee	9,477,801,595	9,274,250,539
Irrevocable letters of credit	16,245,038,426	14,673,137,826
Bills for collection	8,676,904,844	9,169,349,832
Other contingent liabilities	-	-
Other commitments	-	-
Documentary credit and short term trade -related transactions	-	-
Forward assets purchased and forward deposit placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Total off-balance sheet exposures including contingent liabilities	51,590,846,191	51,095,166,712

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

<u>S/d</u>	<u>S/d</u>	<u>S/d</u>	<u>S/d</u>	<u>S/d</u>
Chief Financial Officer	Company Secretary	Managing Director & CEO	Director	Director

24 June 2020
Dhaka

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Condensed Separate Profit and Loss Account (Un-audited)

for the 1st quarter ended 31 March 2020

Particulars	Note	Amount in BDT	
		1 January to 31 March 2020	1 January to 31 March 2019
Interest income	14	6,355,076,883	5,192,549,825
Interest paid on deposits, borrowings, etc.	15	5,140,672,026	3,824,227,262
Net interest income		1,214,404,857	1,368,322,563
Investment income	16	938,579,863	494,060,707
Commission, exchange and brokerage	17	394,878,976	438,262,852
Other operating income		75,781,989	68,946,600
Total operating income		2,623,645,684	2,369,592,722
Salary and allowances	18	565,376,988	580,976,415
Rent, taxes, insurance, electricity, etc.	19	149,012,022	186,666,639
Legal expenses		2,275,445	1,646,194
Postage, stamp, telecommunication, etc.		17,790,231	11,586,210
Stationery, printing, advertisement, etc.		65,176,592	51,939,067
Managing Director's salary		4,507,500	3,292,500
Directors' fees		368,000	392,000
Auditors' fees		479,166	375,000
Charges on loan losses		-	-
Depreciation and repair of bank's assets		180,910,207	124,369,670
Other expenses		270,610,709	148,128,590
Total operating expenses		1,256,506,860	1,109,372,285
Profit/(Loss) before provision		1,367,138,824	1,260,220,437
Provision for loans, investments and other assets			
Provision for loans and advance		115,049,224	320,460,701
Provision for diminution in value of investments		82,159,850	157,531,457
Other provisions		(212,323)	7,527,692
Total Provision		196,996,751	485,519,850
Profit/(Loss) before taxes		1,170,142,073	774,700,587
Provision for taxation			
Current tax		540,000,000	450,000,000
Deferred tax expense/(income)		30,840,377	(208,577,463)
		570,840,377	241,422,537
Net profit after taxation		599,301,696	533,278,050
Retained earnings brought forward from previous year		3,018,442,662	2,748,933,607
Earnings Per Share (EPS)[Q1 2019 restated]		0.41	0.36

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

S/d	S/d	S/d	S/d	S/d
_____ Chief Financial Officer	_____ Company Secretary	_____ Managing Director & CEO	_____ Director	_____ Director

24 June 2020

Dhaka

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Condensed Separate Cash Flow Statement (Un-audited)

for the 1st quarter ended 31 March 2020

Amount in BDT

Particulars	1 January to 31 March 2020	1 January to 31 March 2019
A. Cash flows from operating activities		
Interest received	7,102,143,951	5,742,976,740
Interest payments	(4,137,079,054)	(2,959,246,641)
Dividend received	26,874,518	9,129,277
Fees and commission received	435,690,492	438,262,852
Recoveries of loans and advances previously written-off	25,995,747	19,034,365
Cash payments to employees	(569,884,488)	(584,268,915)
Cash payments to suppliers	(25,080,892)	(65,016,018)
Income taxes paid	(332,516,494)	(330,105,406)
Receipts from other operating activities	72,071,866	74,040,660
Payments for other operating activities	(464,195,820)	(384,113,154)
Operating cash flows before changing in operating assets and liabilities	2,134,019,826	1,960,693,760
Increase/(decrease) in operating assets and liabilities		
Statutory deposits	-	-
Loans and advances to other banks	-	-
Loans and advances to customers	(2,222,902,185)	(3,023,409,630)
Other assets	(177,601,301)	(386,679,183)
Deposits from other banks	(5,786,048,029)	1,048,292,343
Deposits from customers	7,711,010,140	(3,551,092,383)
Other liabilities	(86,067,709)	(449,304,677)
	(561,609,084)	(6,362,193,529)
Net cash flows from/(used in) operating activities	1,572,410,742	(4,401,499,769)
B. Cash flows from investing activities		
Net proceeds/(payments) from sale/(purchase) of Government securities	1,351,717,196	(2,526,545,131)
Net proceeds/(payments) from sale/(purchase) of securities	9,961,976	(7,143,832)
Purchase of property, plant & equipment	(348,603,874)	(48,986,153)
Proceeds from sale of property, plant & equipment	(431,774)	853,776
Net cash flows from/(used in) investing activities	1,012,643,525	(2,581,821,341)
C. Cash flows from financing activities		
Borrowing from other banks, financial institution and agents	(700,723,275)	25,208,073
Payment against lease obligation	(36,898,615)	(576,257)
Net cash flows from/(used in) financing activities	(737,621,890)	24,631,816
D. Net increase/(decrease) in cash (A+B+C)	1,847,432,377	(6,958,689,295)
E. Effects of exchange rate changes on cash and cash equivalents	(40,811,516)	23,110,069
F. Opening balance of cash and cash equivalents	24,585,059,982	28,079,046,822
G. Closing balance of cash and cash equivalents (D+E+F)	26,391,680,842	21,143,467,596
Closing cash and cash equivalents		
Cash in hand	3,344,075,463	2,845,760,621
Balance with Bangladesh Bank and its agents bank	16,629,327,094	11,838,865,193
Balance with other banks and financial institutions	6,414,363,185	6,106,562,482
Money at call and on short notice	-	350,000,000
Prize bonds	3,915,100	2,279,300
	26,391,680,842	21,143,467,596

Note: The reconciliation of cash flows from operating activities (solo basis) has been prepared at note 23 of the Financial Statements.

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Condensed Separate Statement of Changes in Equity (Un-audited)
for the 1st quarter ended 31 March 2020

Amount in BDT

Particulars	Paid up capital	Statutory reserve	General reserve	Revaluation reserve against securities	Revaluation reserve against fixed assets	Surplus in profit and loss account	Total
Balance as at 1 January 2020	14,726,126,080	6,531,903,475	155,071,397	50,121,137	115,314,704	3,018,442,662	24,596,979,455
Impact of changes in accounting policy	-	-	-	-	-	-	-
Restated balance as at 1 January 2020	14,726,126,080	6,531,903,475	155,071,397	50,121,137	115,314,704	3,018,442,662	24,596,979,455
Surplus/deficit on account of revaluation of investments	-	-	-	4,439,928	-	-	4,439,928
Net gain and losses not recognized in the income statement	14,726,126,080	6,531,903,475	155,071,397	54,561,065	115,314,704	3,018,442,662	24,601,419,383
Net profit for the period	-	-	-	-	-	599,301,696	599,301,696
Balance as at 31 March 2020	14,726,126,080	6,531,903,475	155,071,397	54,561,065	115,314,704	3,617,744,358	25,200,721,079
Balance as at 1 January 2019	13,387,387,350	5,696,418,313	155,071,397	13,108,846	115,314,704	2,748,933,607	22,116,234,218
Impact of changes in accounting policy	-	-	-	-	-	-	-
Restated balance as at 1 January 2019	13,387,387,350	5,696,418,313	155,071,397	13,108,846	115,314,704	2,748,933,607	22,116,234,218
Surplus/deficit on account of revaluation of investments	-	-	-	(7,659,025)	-	-	(7,659,025)
Effect of foreign currency translation	-	-	-	-	-	-	-
Net gain and losses not recognized in the income statement	13,387,387,350	5,696,418,313	155,071,397	5,449,821	115,314,704	2,748,933,607	22,108,575,193
Net profit for the period	-	-	-	-	-	533,278,050	533,278,050
Balance as at 31 March 2019	13,387,387,350	5,696,418,313	155,071,397	5,449,821	115,314,704	3,282,211,657	22,641,853,242

Notes to the Condensed Interim Financial Report as at and for the year 1st Quarter ended 31 March 2020

1. Reporting Entity

1.1. IFIC Bank Limited

International Finance Investment and Commerce Bank Limited (hereinafter referred to as "the Bank" / "IFIC Bank"), started its journey in 1976 at the instance of the Government as a joint venture between the Government of Bangladesh and sponsors in the private sector with the objective of working as a finance company within the country and setting up joint venture banks/financial institutions abroad. In 1983 when the Government allowed to open up banking in the private sector, the finance company was converted into a full fledged commercial bank. The Government of the People's Republic of Bangladesh, now, holds 32.75% of the share capital of the Bank. Directors and Sponsors having vast experience in the field of trade and commerce own 8.33% of the share capital and the rest is held by Institutions both local & foreign and General Shareholders.

Its shares are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The Bank has 148 branches, 73 Uposhakhas and 82 ATM booths with 93 ATMs as at 31 March 2020.

The principal activities of the Bank are to provide all types of commercial banking services, within the stipulations laid down by the Banking Companies Act 1991 as amended and directives as received from Bangladesh Bank and other regulatory authorities time to time, through its Branches, Uposhakhas and Alternative Delivery Channels like ATM Booths and Internet Banking, Digital Channel etc.

1.2. Off-shore Banking Unit (OBU)

The operation of OBU is governed under prudential regulations of Bangladesh Bank and business of OBU has been reported with solo Financial Statements.

2. Basis of Preparation and Accounting Policies

2.1. Basis of preparation

The condensed consolidated and separate Financial Statements of the Group comprising the Bank, its subsidiaries and its associates (hereinafter "the/these financial statements") as at and for the 1st quarter ended 31 March 2020 have been prepared on a going concern basis in accordance with IAS 34: Interim Financial Reporting, the "First Schedule" (section 38) of the Banking Companies Act 1991 as amended, BRPD Circular number 14 dated 25 June 2003, other Bangladesh Bank Circulars and International Accounting

Standards (IASs) as adopted by the ICAB, Bangladesh Securities and Exchange Rules 1987 and notifications time to time, the Companies Act 1994, Financial Reporting Act 2015 and other prevailing laws and rules applicable in Bangladesh.

Exception circumstances where local law or Bangladesh Bank guideline override, are explained in the last annual audited consolidated and separate financial statements as at and for the year ended 31 December 2019. These condensed consolidated and separate interim financial statements does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

2.2. Accounting policies

Accounting policies applied in the interim financial statements as at and for the 1st quarter ended 31 March 2020 are same as at that were applied in its last annual audited consolidated and separate financial statements as at and for the year ended 31 December 2019.

2.3. Reporting period

These condensed consolidated and separate financial statements cover 1st quarter from 1 January to 31 March. The reporting period of all subsidiaries and associates are same as Bank except NBBL. However the reporting period for financial statements of NBBL has been adjusted with regard to the reporting period of the Bank.

2.4. Date of authorization

The Board of Directors has authorized these financial statements for public issue on 24 June 2020.

2.5. General

Financial information presented in BDT has been rounded off to nearest integer, except otherwise indicated.

To facilitate comparison, certain relevant balances pertaining to the previous period have been rearranged/reclassified wherever necessary to conform to current period's presentation.

2.6. Events after the reporting period

Subsequent to the balance sheet date, the Board of Directors in its 773rd Meeting held on 24 June 2020 recommended total 10% stock dividend for the year ended 31 December 2019 which will be placed for approval of the shareholders in the forthcoming 43rd Annual General Meeting of the Bank schedule to be held on 27 August 2020.

		Amount in BDT		
		Note	31 March 2020	31 December 2019
3	Cash			
	Cash in hand (including foreign currency)		3,344,075,463	2,871,220,070
	Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)		16,629,327,094	15,183,691,094
			19,973,402,557	18,054,911,164
3.a	Consolidated cash in hand (including foreign currency)			
	IFIC Bank Limited	3	3,344,075,463	2,871,220,070
	IFIC Securities Limited		19,469	26,205
	IFIC Money Transfer (UK) Limited		1,524,598	1,092,404
			3,345,619,530	2,872,338,679
3.b	Consolidated Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)			
	IFIC Bank Limited	3	16,629,327,094	15,183,691,094
	IFIC Securities Limited		-	-
	IFIC Money Transfer (UK) Limited		-	-
			16,629,327,094	15,183,691,094
			19,974,946,624	18,056,029,773
4	Balance with other banks and financial institutions			
	In Bangladesh		4,029,098,691	4,014,719,294
	Outside Bangladesh		2,385,264,494	1,602,314,924
			6,414,363,185	5,617,034,218
4.a	Consolidated balance with other banks and financial institutions In Bangladesh			
	IFIC Bank Limited	4	4,029,098,691	4,014,719,294
	IFIC Securities Limited		251,382,972	207,156,658
	IFIC Money Transfer (UK) Limited		-	-
			4,280,481,663	4,221,875,952
	Less: Inter -company transaction		(251,382,972)	(207,156,658)
			4,029,098,691	4,014,719,294
4.b	Outside Bangladesh			
	IFIC Bank Limited	4	2,385,264,494	1,602,314,924
	IFIC Securities Limited		-	-
	IFIC Money Transfer (UK) Limited		12,698,625	20,799,986
			2,397,963,119	1,623,114,910
	Less: Inter -company transaction		-	-
			2,397,963,119	1,623,114,910
			6,427,061,810	5,637,834,204
5	Investments			
	Government Securities	5.1	40,134,045,573	41,369,255,890
	Other Investments		4,120,930,167	4,130,892,143
			44,254,975,740	45,500,148,033
5.1	Government securities			
	Treasury bills		12,190,105,152	18,117,008,137
	Treasury bonds		27,940,025,321	23,249,133,153
	Prize bond		3,915,100	3,114,600
			40,134,045,573	41,369,255,890

	Note	31 March 2020	31 December 2019
5.a Consolidated Government Securities			
IFIC Bank Limited	5.1	40,134,045,573	41,369,255,890
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		40,134,045,573	41,369,255,890
5.b Consolidated other investments			
IFIC Bank Limited	5	4,120,930,167	4,130,892,143
IFIC Securities Limited		68,537,785	68,702,025
IFIC Money Transfer (UK) Limited		-	-
Less: Book value of investment in joint venture/associate-NBBL		(2,436,275,466)	(2,435,097,291)
Less: Book value of investment in joint venture/associate -OE LLC		(76,130,722)	(76,085,913)
Add: Investment in NBBL under equity method		3,933,702,339	4,025,376,164
Add: Investment in OE LLC under equity method		137,739,852	133,400,738
		5,748,503,955	5,847,187,866
		45,882,549,528	47,216,443,756
6 Loans and advances			
Loans, cash credit, overdraft etc.	6.1	220,547,524,721	217,627,752,438
Bill purchased and discounted	7	10,505,720,306	10,960,747,799
		231,053,245,027	228,588,500,237
6.1 Loans, cash credit, overdraft etc.			
Inside Bangladesh			
Term loan industrial		17,116,483,614	16,679,241,403
Term loan consumer finance		202,591,860	217,487,844
Agricultural loan		2,806,945,056	2,756,983,582
Term loan women entrepreneur		29,010,643	30,377,007
Term Loan-Foreign Currency (OBU)		2,284,992,028	2,335,867,153
Term loan-others		65,216,363,563	64,243,240,345
House building loans		37,315,962,209	35,878,061,417
Transport loan		94,518,357	112,151,072
Loan general		3,204,933,503	3,273,896,438
Demand loan		9,505,018,493	9,479,236,138
Overdrafts		53,790,945,924	52,042,757,341
Cash credit		22,332,453,434	23,146,114,027
Credit card finance		157,663,461	162,579,957
Loan against trust receipt (LTR)		4,783,670,695	5,529,994,503
Lease finance		284,260,606	294,519,805
		220,547,524,721	217,627,752,438
6.a Consolidated loans and advance			
Loans, cash credit, overdraft etc.			
IFIC Bank Limited	6.1	220,547,524,721	217,627,752,438
IFIC Securities Limited		3,916,202,656	3,934,940,830
IFIC Money Transfer (UK) Limited		-	-
		224,463,727,377	221,562,693,268
Less: Inter-company transactions		-	-
		224,463,727,377	221,562,693,268
7 Bills purchased and discounted			
Payable in Bangladesh		9,394,403,347	9,665,670,886
Payable outside Bangladesh		1,111,316,959	1,295,076,913
		10,505,720,306	10,960,747,799
7.a Consolidated bills purchased and discounted			
IFIC Bank Limited	7	10,505,720,306	10,960,747,799
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		10,505,720,306	10,960,747,799

	Note	31 March 2020	31 December 2019
8 Fixed assets including premises, furniture and fixtures			
Cost/revalued:			
Land		2,423,609,559	2,423,609,559
Buildings and premises		1,902,617,204	1,902,617,204
Right of Use Assets		989,931,442	989,931,442
Wooden furniture		257,766,802	254,570,346
Steel furniture		78,407,071	77,057,552
Computer equipment		884,833,965	863,236,002
Office equipment		928,168,217	902,371,888
Electrical & gas equipment		256,870,765	242,661,330
Leasehold improvement		357,534,029	312,213,038
Vehicles		152,107,565	147,985,565
Leased vehicles		47,600,000	47,600,000
Soft furnishing		12,925,199	12,646,335
Software		813,084,473	693,375,354
		9,105,456,291	8,869,875,615
Capital work in progress		305,314,697	297,219,437
		9,410,770,988	9,167,095,052
Less: Accumulated depreciation		(2,916,404,484)	(2,782,896,158)
Written down value		6,494,366,504	6,384,198,894
8.a Consolidated fixed assets including premises, furniture and fixtures			
IFIC Bank Limited	8	6,494,366,504	6,384,198,894
IFIC Securities Limited		41,829,927	43,595,367
IFIC Money Transfer (UK) Limited		2,110,544	2,637,359
		6,538,306,975	6,430,431,620
9 Other Assets			
Stationery and stamps		43,583,039	40,919,747
Suspense account		1,157,087,610	986,739,119
Advance, deposit and prepayments		6,605,576,152	6,107,015,736
Accrued interest & other income receivable		1,259,130,283	1,090,781,883
Investment in subsidiaries		2,229,960,550	2,233,302,400
Deferred tax assets	9.1	839,262,016	870,102,393
Receivable others		35,102,012	193,214,566
		12,169,701,662	11,522,075,844
9.1 Deferred tax assets			
Deferred tax assets have been recognized and measured as per International Accounting Standards (IAS)-12: Income Taxes and BRPD Circular no. 11 dated 12 December 2011 based on temporary difference in the carrying amount of the assets and liabilities in the financial statements and its tax base. Calculation of deferred tax assets is as follows:			
Deferred tax assets		1,035,765,760	1,064,159,464
Deferred tax liabilities		(196,503,744)	(194,057,071)
Deferred tax assets/(liabilities)		839,262,015	870,102,393
i) Deferred tax on provision for loans and advances classified as doubtful and bad & loss			
Carrying amount		2,737,636,514	2,819,230,101
Tax base		-	-
Deductible/(taxable) temporary difference		2,737,636,514	2,819,230,101
Tax rate		37.50%	37.50%
Closing deferred tax assets/(liabilities)		1,026,613,693	1,057,211,288
Opening deferred tax assets/(liabilities)		1,057,211,288	1,168,882,916
Deferred tax (expense)/income (A)		(30,597,595)	(111,671,628)
ii) Deferred tax on fixed assets			
Carrying amount		2,984,854,784	2,833,825,524
Tax base		2,460,844,798	2,316,340,000
Deductible/(Taxable) temporary difference		524,009,985	517,485,524
Tax rate		37.50%	37.50%
Closing deferred tax assets/(liabilities)		(196,503,744)	(194,057,071)
Opening deferred tax assets/(liabilities)		(194,057,071)	(265,087,660)
Deferred tax (expense)/income (B)		(2,446,673)	71,030,589

	Note	31 March 2020	31 December 2019
iii) Deferred tax on leased assets			
Right-of-Use Assets		769,912,663	817,235,585
Less: Lease Liabilities		(643,858,688)	(671,725,133)
Carrying amount		126,053,976	145,510,453
Tax base		150,459,488	164,038,922
Temporary difference		24,405,512	18,528,469
Tax rate		37.50%	37.50%
Closing deferred tax assets/(liabilities)		9,152,067	6,948,176
Opening deferred tax assets/(liabilities)		6,948,176	-
Deferred tax (expense)/income (C)		2,203,891	6,948,176
Deferred tax (expense)/income (A+B+C)		(30,840,377)	(33,692,863)
9.a Consolidated other assets			
IFIC Bank Limited	9	12,169,701,662	11,522,075,844
Less: Investment in IFIC Securities Limited		(2,199,994,000)	(2,199,994,000)
Less: Investment in IFIC Money Transfer (UK) Limited		(29,966,550)	(33,308,400)
		9,939,741,112	9,288,773,444
IFIC Securities Limited		324,698,660	315,989,156
IFIC Money Transfer (UK) Limited		1,983,386	1,775,005
		10,266,423,158	9,606,537,605
10 Borrowing from other banks, financial Institutions and agents			
In Bangladesh		5,476,337,060	6,517,860,335
Outside Bangladesh		2,038,800,000	1,698,000,000
		7,515,137,060	8,215,860,335
10.a Consolidated borrowing from other banks, Financial institutions and agents			
In Bangladesh			
IFIC Bank Limited	10	5,476,337,060	6,517,860,335
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		5,476,337,060	6,517,860,335
Less: Inter-company transactions		-	-
		5,476,337,060	6,517,860,335
Outside Bangladesh			
IFIC Bank Limited	10	2,038,800,000	1,698,000,000
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		2,038,800,000	1,698,000,000
		7,515,137,060	8,215,860,335
11 Deposits and other accounts			
Current deposit and other accounts		62,404,581,697	57,089,778,779
Bills payable		1,576,130,066	1,840,433,536
Savings bank deposits		22,592,782,702	23,299,407,700
Fixed Deposits		174,642,068,061	176,138,521,221
		261,215,562,526	258,368,141,236
11.a Consolidated deposits and other accounts			
IFIC Bank Limited	11	261,215,562,526	258,368,141,236
IFIC Securities Limited		46,867,472	19,433,794
IFIC Money Transfer (UK) Limited		-	-
		261,262,429,998	258,387,575,030
Less: Inter -company transactions		(251,382,972)	(207,156,658)
		261,011,047,026	258,180,418,372

	Note	31 March 2020	31 December 2019
12 Other liabilities			
Provision for loans and advance		6,174,615,854	6,033,570,883
Provision for diminution in value of investments		733,989,170	651,829,320
Provision for others		426,932,369	427,144,692
Provision for taxation		7,857,502,199	7,317,502,199
Interest suspense accounts		6,875,196,764	6,633,354,159
Incentive bonus		250,000,000	250,000,000
Lease Liability		643,858,688	671,725,133
Rebate to good borrowers		21,870,000	21,870,000
Interest payable on borrowing and bond		132,101,941	51,307,247
Accrued expenses		144,611,456	83,560,453
Withholding Tax payable to government *		236,430,006	341,514,845
Withholding VAT payable to government *		57,335,510	80,529,151
Excise duty payable to government *		10,698,908	192,744,701
Dividend		2,814,447	2,814,447
Revaluation of investment abroad		30,946,297	30,946,297
Payable against Gov Bond & Sanchayapatra		104,366,451	65,743,619
Others		298,838,750	113,205,018
		24,002,108,810	22,969,362,164
* Subsequently deposited to government exchequer.			
12.a Consolidated other liabilities			
IFIC Bank Limited	12	24,002,108,810	22,969,362,164
IFIC Securities Limited		2,030,830,621	2,028,176,069
IFIC Money Transfer (UK) Limited		11,311,974	17,398,532
		26,044,251,405	25,014,936,765
13 Share Capital			
13.1 Authorized Capital			
4,000,000,000 ordinary shares of Taka 10 each		40,000,000,000	40,000,000,000
13.2 Issued, subscribed and fully paid up capital			
8,000,000 ordinary shares of Taka 10 each issued for cash		80,000,000	80,000,000
4,400,000 ordinary shares of Taka 10 each issued as rights share		44,000,000	44,000,000
563,821,907 ordinary shares of Taka 10 each issued as rights share		5,638,219,070	5,638,219,070
896,390,701 ordinary shares of Taka 10 each issued for bonus share		8,963,907,010	8,963,907,010
1,472,612,608 ordinary shares of Taka 10 each		14,726,126,080	14,726,126,080
13.3 Issued, subscribed and fully paid up Capital-Shareholders' Category			
990,353,220 [Year 2019: 900,321,109] ordinary shares of Taka 10 each fully paid held by the Sponsors, Directors, Institutions, Foreign investors & General Public.		9,903,532,200	9,903,532,200
482,259,388 [Year 2019: 482,259,388] ordinary shares of Taka 10 each fully paid held by the Government of the People's Republic of Bangladesh.		4,822,593,880	4,822,593,880
		14,726,126,080	14,726,126,080

	Note	1 January to 31 March 2020	1 January to 31 March 2019
14 Interest income			
Term loan-industrial		531,431,865	502,464,450
Term Loan-Agricultural Loan		61,595,949	67,616,862
Term loan-consumer finance		7,972,990	218,347
Term Loan-Housing Finance		1,004,753,433	845,314,865
Term Loan-Transport loan		3,575,868	7,804,165
Term Loan-Lease finance		7,949,951	15,148,609
Term Loan-Foreign Currency (OBU)		28,254,566	24,458,602
Term loan-others		1,608,702,409	1,204,772,973
Overdrafts		1,706,895,169	1,202,368,110
Cash credit		610,910,631	609,879,262
Credit card		5,641,724	6,050,388
Demand loan		281,586,515	159,125,650
Loan general		41,441,332	40,611,887
Loan against trust receipt (LTR)		197,108,305	197,119,656
Staff loan		14,968,383	23,458,548
Overdue interest		23,838,465	17,295,564
Interest income from loan and advances		6,136,627,555	4,923,707,938
Documentary bill purchased (Inland & Foreign)		43,118,328	53,192,451
Payment against documents		159,638,708	171,251,258
Interest income from bills paid and discounted		202,757,036	224,443,709
Balance with other banks and financial institutions		15,692,292	44,398,178
		6,355,076,883	5,192,549,825
14.a Consolidated interest income			
IFIC Bank Limited	14	6,355,076,883	5,192,549,825
IFIC Securities Limited		5,502,183	9,773,828
IFIC Money Transfer (UK) Limited		-	-
		6,360,579,066	5,202,323,653
Less: Inter-company interest income		-	-
		6,360,579,066	5,202,323,653
15 Interest paid on deposits, borrowings etc.			
Interest paid on deposits		4,986,370,402	3,633,596,457
Interest paid on borrowings		154,301,624	190,630,806
		5,140,672,026	3,824,227,262
15.a Consolidated interest paid on deposits, borrowings etc.			
IFIC Bank Limited	15	5,140,672,026	3,824,227,262
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		5,140,672,026	3,824,227,262
Less: Inter -company interest paid		-	(3,530)
		5,140,672,026	3,824,223,732
16 Investment income			
Interest income		915,415,468	479,837,370
Non interest income		23,164,395	14,223,337
		938,579,863	494,060,707
16.a Consolidated investment income			
IFIC Bank Limited	16	938,579,863	494,060,707
IFIC Securities Limited		2,930,893	3,886,369
IFIC Money Transfer (UK) Limited		-	-
Less: Dividend received from associates (NBBL)		-	(262,236)
		941,510,756	497,684,840

	Note	1 January to 31 March 2020	1 January to 31 March 2019
17 Commission, exchange and brokerage			
Commission		221,808,954	221,921,665
Exchange gain/(loss)		173,070,022	216,341,187
		394,878,976	438,262,852
17.a Consolidated commission, exchange and brokerage			
IFIC Bank Limited	17	394,878,976	438,262,852
IFIC Securities Limited		5,468,402	8,254,129
IFIC Money Transfer (UK) Limited		5,721,692	10,374,671
Less: Exchange (gain)/loss for investment in associate (NBBL)		(1,178,175)	(8,247,220)
Less: Exchange (gain)/loss for investment in associate (OE LLC)		(44,809)	(79,556)
		404,846,086	448,564,876
18 Salaries and allowances			
Basic salary		266,222,056	261,620,465
House rent allowance		116,525,554	114,080,714
Conveyance allowance		15,093,276	14,169,840
Medical allowances		26,063,486	25,292,688
Entertainment allowance		10,652,913	12,753,929
Other allowances		20,592,347	23,795,904
Leave encashment		1,900,511	6,113,665
Festival bonus		54,474,115	42,980,733
Leave fare assistant		24,831,075	26,024,485
Provident fund- Bank's contribution		25,021,655	24,143,992
Contribution to gratuity fund		4,000,000	30,000,000
		565,376,988	580,976,415
Number of employees for the 1st quarter ended 31 March 2020 who were paid remuneration less than Tk. 36,000 was nil (Q1 2019: nil). Total number of employees employed in the Bank at the 1st quarter ended 31 March 2020 were 2,600 (Q1 2019:2,531).			
18.a Consolidated salaries and allowances			
IFIC Bank Limited	18	565,376,988	580,976,415
IFIC Securities Limited		3,341,692	3,080,664
IFIC Money Transfer (UK) Limited		2,061,217	2,035,569
		570,779,897	586,092,648
19 Rent, taxes, insurance, electricity etc.			
Rent paid		77,099,070	115,844,685
Rates & taxes		1,582,002	1,781,668
Insurance premium		52,570,649	54,217,850
Electricity & water		17,760,302	14,822,436
		149,012,022	186,666,639
19.a Consolidated rent, taxes, insurance, electricity etc.			
IFIC Bank Limited	19	149,012,022	186,666,639
IFIC Securities Limited		249,728	1,813,748
IFIC Money Transfer (UK) Limited		1,054,614	2,552,019
		150,316,364	191,032,406
20 Earnings Per Share (EPS)*			
Net profit after tax		599,301,696	533,278,050
Number of ordinary shares outstanding		1,472,612,608	1,472,612,608
Earning Per Share (EPS)		0.41	0.36
20.a Consolidated Earnings Per Share (EPS)*			
Net profit after tax attributable to equity holders of the Bank		708,286,136	634,277,367
Number of ordinary shares outstanding		1,472,612,608	1,472,612,608
Consolidated Earning Per Share (EPS)		0.48	0.43

	Note	1 January to 31 March 2020	1 January to 31 March 2019
21 Net Operating Cash Flow per Share*			
Net cash flows from operating activities		1,572,410,742	(4,401,499,769)
Number of ordinary shares outstanding		1,472,612,608	1,472,612,608
Net Operating Cash Flow per Share		1.07	(2.99)
21.a Consolidated Net Operating Cash Flow per Share*			
Consolidated net cash flows from operating activities		1,547,428,340	(4,412,268,492)
Number of ordinary shares outstanding		1,472,612,608	1,472,612,608
Consolidated Net Operating Cash Flow per Share		1.05	(3.00)
Net operating cash flow increased due to increase of customer deposits.			
22 Net Asset Value (NAV) per Share*			
Net assets value at the end of the period		25,200,721,079	24,596,979,455
Number of ordinary shares outstanding		1,472,612,608	1,472,612,608
Net Asset Value (NAV) per Share		17.11	16.70
22.a Consolidated Net Asset Value (NAV) per Share*			
Net assets value at the end of the period attributable to equity holders of the Bank		27,061,768,202	26,542,970,474
Number of ordinary shares outstanding		1,472,612,608	1,472,612,608
Consolidated Net Asset Value (NAV) per Share		18.38	18.02
* Previous period's figure has been restated.			
23 Reconciliation of statement of cash flows from operating activities			
Profit before provision		1,367,138,824	1,260,220,437
Adjustment for non cash items			
Depreciation on fixed asset		122,560,637	67,284,979
Amortization on software		13,734,020	8,689,219
Adjustment with non-operating activities		136,294,657	75,974,198
Recovery of writeoff loan		25,995,747	19,034,365
Interest Receivable		(168,348,400)	70,589,545
Interest payable on deposits		1,003,592,972	864,980,621
Charges on loan loss		-	-
Exchange gain/loss on cash and cash equivalents		40,811,516	-
Accrued Expense		61,051,003	-
Bonus payable		-	-
		963,102,838	954,604,531
Changes in operating assets and liabilities			
Changes in loans & advances		(2,222,902,185)	(3,023,409,630)
Changes in deposit and other accounts		1,924,962,111	(2,502,800,040)
Changes in other assets		(177,601,301)	(386,679,183)
Changes in other liabilities		(86,067,709)	(449,304,677)
		(561,609,084)	(6,362,193,529)
Income Tax Paid		(332,516,494)	(330,105,406)
Net cash flows from/(used in) operating activities		1,572,410,741	(4,401,499,769)