

Key Statistics

Latest Close	36.6
52-week Price Range	32-73
NOS Outstanding (Mn)	331
Market Capitalization (BDT Bn)	12,102
Holding Structure	
Public	59%
Institution	0%
Sponsors	8%
Foreign	0%
52-week Avg. Turnover	12.5
EPS Forward	1.09
P/E Forward	33.5
Sector P/E Forward	9.7
NAVPS	25.53
P/NAVPS	1.43
Sector P/NAVPS	1.17
Beta	1.13

Company Profile: International Finance Investment and Commerce Bank Ltd(IFIC) was set up in 1976 as a joint venture between the Government of Bangladesh and sponsors in the private sector. In 1983, IFIC was converted into a full fledged commercial bank. It has joint venture in Oman named by Oman Bangladesh Exchange Company and in Nepal named by Nepal Bangladesh Bank Ltd. It also established two overseas branches in Pakistan. In 2011, it has established a fully owned subsidiary exchange company named IFIC Money Transfer (UK) Ltd.

Description of Business: The key revenue driver of IFIC Bank is Net Interest Income. Net Interest Margin was around 37 percent of Total Operating Income in 2011. Investment Income and Non-funded Income was around 28 and 25 percent respectively in 2011 and showed positive growth in 1st three quarter of 2012. Operating profit experienced negative growth in 2011, mainly due to recovery of written off loan in 2010 that resulted in surprise extraordinary income in that year.

Key Financials (In MN BDT)	2010	2011	Q1, 2012	Q2, 2012	Q3, 2012
Loans and advances	48,826.3	65,428.3	67,693.0	76,025.7	75,402.7
Deposits and other accounts	54,660.4	73,042.0	77,992.1	83,387.7	86,108.0
Investment					
Govt.	6,896.0	8,101.5	9,090.1	10,071.8	9,467.7
Others	1,520.6	3,830.7	3,768.0	3,507.3	3,576.2
Total Shareholders equity	5,765.4	6,685.0	6,983.7	6,941.2	7,258.1
Paid up capital	2,179.8	2,768.4	2,768.4	2,768.4	3,460.5
Total Contingent Liabilities (OBS)	33,112.2	36,232.7	37,082.7	35,876.5	36,239.2
Interest income	4,667.3	6,798.0	2,338.5	2,677.4	2,764.7
Interest paid on deposits and borrowings	2,574.5	4,654.6	1,684.6	1,881.3	2,026.9
Net interest	2,092.8	2,143.4	653.9	796.1	737.8
Investments income	1,312.6	1,648.9	347.1	558.1	432.2
Commission, exchange and brokerage	1,298.2	1,473.8	259.0	353.5	347.4
Operating profit	6,373.0	5,795.9	1,481.0	1,857.0	1,639.2
Profit before tax	3,184.1	1,996.3	635.0	513.3	654.7
Net profit	1,664.1	831.8	299.2	137.4	455.4
Key Performance Indicators	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12
NIM growth	1.4%	-1.0%	24.8%	21.7%	-7.3%
OP growth	-24.1%	5.3%	39.9%	30.1%	-80.7%
Total Provision growth	-30.9%	116.9%	-25.0%	156.7%	-168.2%
Net Interest Margin (NIM) % of Interest Income	27.3%	28.2%	28.0%	29.7%	26.7%
OP % of Interest Income	30.9%	33.9%	37.7%	42.9%	8.0%
Current Deposit growth	20.4%	9.6%	-11.7%	14.0%	4.2%
Savings Deposit growth	5.7%	13.5%	-0.1%	5.5%	3.0%
Term Deposit growth	50.0%	9.3%	12.1%	6.1%	3.7%

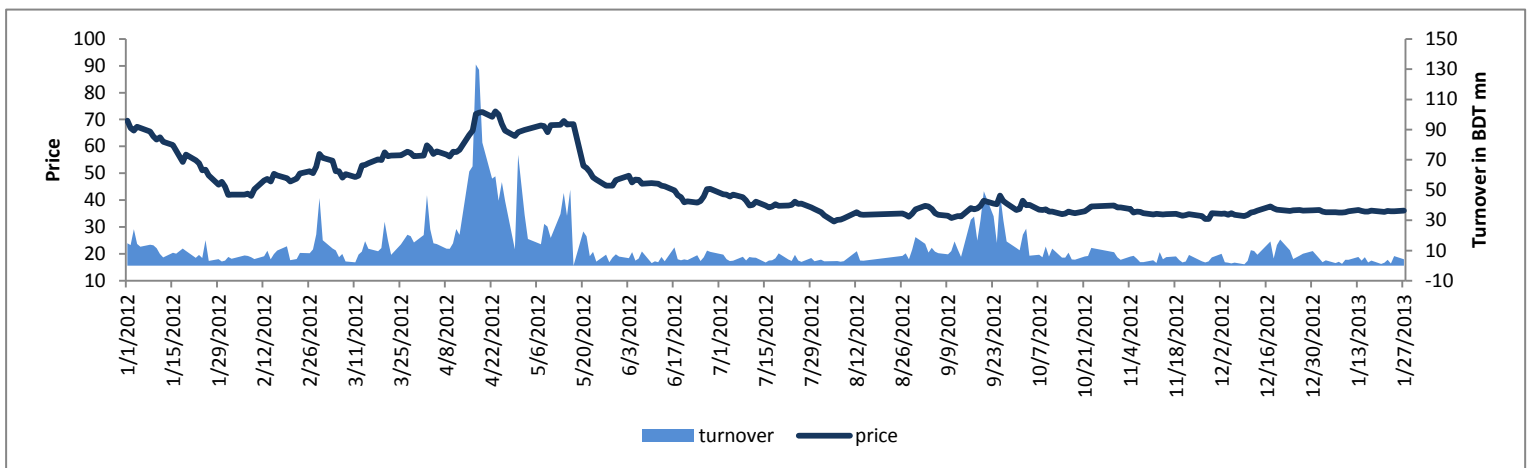
Analysis of Performance:

Net interest income growth was 39 per cent in Q3, 2012 compared to the same period of the previous year. Income from investments increased by 48 per cent and income from commission, exchange and brokerage decreased by 2 per cent in Q3, 2012. The bottom line profit NPAT increased by 120 per cent in Q3, 2012.

Total asset increased by 30 per cent with its main contributor loans and advances increased by 31 per cent in Q3, 2012. The source of fund, deposit growth was 29 per cent in Q3, 2012. The cost income ratio was 86.49 per cent in Q3, 2012, which was 53.2 per cent in the same period of the previous year.

ROA was 0.89 per cent and ROE was 11.60 per cent in 2011. Non-performing loan ratio was 8.11 per cent in 2011, which was 5.92 per cent in 2010. Bank maintained capital adequacy ratio was 10.01 per cent, the required amount was 10 per cent.

Stock Performance



Analyst Team

Debabrata Kumar Sarker	deb@bracepl.com
Rahat Ali Khan	rahatkhan@bracepl.com
Fatema Akter Merry	fatema.akter@bracepl.com

Disclaimer

This report has been prepared by BRAC EPL Investments Limited (BEIL) and is provided for information purposes only. It is not, under any circumstances, to be used or considered as an offer to sell, or a solicitation of any offer to buy. Reasonable care has been taken to ensure that the information is not untrue and misleading. BEIL provides no absolute assurance as to the accuracy or completeness of such information. All opinions and estimates included in this report constitute our judgment as of this date and are subject to change without notice.