

# **RIGHTS SHARE OFFER DOCUMENT**



**IFIC Bank Limited**

# RIGHTS SHARE OFFER DOCUMENT

22 March 2017

Rights Offer of **563,821,907** Ordinary Shares of BDT **10.00** each at an issue price of BDT **10.00** each at par totaling **BDT 5,638,219,070.00** offered on the basis of **1(R): 1** (i.e. one Rights Share for every existing one share held) on the record date for the entitlement of rights shares.

## RECORD DATE FOR ENTITLEMENT OF RIGHTS OFFER

12 April 2017

<b>Subscription</b>	<b>Opens on: 31 May 2017</b>
	<b>Closes on: 29 June 2017</b>
<b>Within Banking Hours (Both Days Inclusive)</b>	

## CREDIT RATING STATUS

	Rating Year	Long Term	Short Term
<b>Entity Rating</b>	2015	AA <sub>2</sub>	ST-2
<b>Date of Rating</b>		23 June 2016	
<b>Validity</b>		30 June 2017	
<b>Rating Assigned By: Credit Rating Agency of Bangladesh Limited (CRAB)</b>			

## MANAGER TO THE ISSUE



### ICB CAPITAL MANAGEMENT LIMITED

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## FULLY UNDERWRITTEN BY

<b>AFC Capital Ltd.</b> Saiham Sky View Tower (11th floor), 45 Bijoy Nagar, Dhaka-1000.	<b>IIDFC Capital Limited</b> Eunoos Trade Centre (Level 7), 52-53, Dilkusha C/A, Dhaka.
<b>Agrani Equity &amp; Investment Ltd.</b> Swantex Bhaban (4th floor), 9/I, Motijheel, Dhaka-1000	<b>Jamuna Bank Capital Management Limited</b> Hadi Mansion (3rd Floor), 2, Dilkusha C/A, Dhaka-1000.
<b>Bengal Investments Limited</b> Eastern Nibash (3rd Floor), 138, Gulshan Avenue, Gulshan-2, Dhaka-1212.	<b>Janata Capital and Investment Limited</b> 48, Motijheel (3rd floor), Dhaka-1000
<b>Beta One Investments Limited</b> Green Delta AIMS Tower (Level - 4), 51-52, Mohakhali C/A, Dhaka-1212.	<b>Lanka Bangla Investments Limited</b> City Center   Level - 24   90/1 Motijheel C/A, Dhaka - 1000
<b>BLI Capital Limited</b> Eunoos Centre (Level-18), 52-53 Dilkusha C/A, Dhaka-1000	<b>NBL Capital &amp; Equity Management Ltd.</b> 5 Rajuk Avenue, Printers Building, (8th Floor), Dhaka
<b>BRAC EPL Investment Ltd.</b> Concord Baksh Tower (8th floor), Plot No. 11/A, Road No. 48, Block-CWN(A), Kemal Ataturk Avenue, Gulshan-2, Dhaka-1212.	<b>PLFS Investments Limited</b> Paramount Heights (13th Floor), 65/2/1 Box Culvert Road, Purana Paltan, Dhaka-1000.
<b>CAPM Advisory Limited</b> Tower Hamlet (9th Floor), 16 Kemal Ataturk Avenue, Banani C/A, Dhaka-1213.	<b>Rupali Investment Ltd.</b> Shadharan Bima Tower (7th floor), 37/A Dilkusha C/A, Dhaka-1000
<b>EBL Investments Limited</b> 59 Motijheel C/A, Dhaka-1000.	<b>SBL Capital Management Ltd.</b> 02, DIT Avenue (Extension), 3rd Floor, Motijheel C/A, Dhaka-1000.
<b>EXIM Islami Investment Ltd.</b> Printers Building (5th floor), 5 Rajuk Avenue, Motijheel C/A, Dhaka-1000.	<b>Sonali Investment Ltd.</b> Sara Tower (11th Floor), 11/A, Toyenbee Circular Road, Motijheel C.A., Dhaka-1000

<b>FAS Capital Management Ltd.</b> Zahed Plaza(5th floor), 30 Gulshan Avenue North C/A, Dhaka-1212.	<b>Sonar Bangla Capital Management Limited</b> Paramount Heights (8th Floor), 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000
<b>NRB Equity Management Limited</b> Suite - 602, 603, (6 <sup>th</sup> floor) Al-Raji Complex, 166-167, Shaheed Syed Nazrul Islam Sarani, Purana Paltan, Bijoy Nagor, Dhaka-1000	<b>Southeast Bank Capital Services Limited</b> Eunoos Centre (Level-9), 52-53 Dilkusha C/A, Dhaka- 1000
<b>First Security Islami Capital &amp; Investment Ltd.</b> Al-Amin Center(12th floor), 25/A Dilkusha C/A, Dhaka- 1000.	<b>Swadesh Investment Management Limited</b> Suite 01, Level 11, Unique Trade Center (UTC), 8 Karwan Bazar, Dhaka.
<b>ICB Capital Management Limited</b> Green City Edge (5th & 6th floor), 89 Kakrail, Dhaka-1000.	<b>Unicap Investments Limited</b> Noor Tower (4th Floor) 73, Sonargaon Road, Dhaka- 1205

**BANKERS TO THE ISSUE**

**IFIC Bank Limited**  
**Investment Corporation of Bangladesh (ICB)**



**IFIC Bank Limited**

Head Office

**IFIC Tower, 61, Purana Paltan, G.P.O. Box: 2229, Dhaka-1000, Bangladesh**  
Tel: 9563020, I-Phone PABX: 09666716250 Fax: 880-2- 9554102, Swift: **IFIC BD DH**  
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**As per provision of the Depository Act, 1999 and regulation made there under, rights shares shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.**

## TABLE OF CONTENTS

Particulars	Page No.	Particulars	Page No.
The rights offer	<b>02</b>	Public listed companies under common management	<b>18</b>
Risk factors and management's perception about the risks	<b>03</b>	Classified information & underwriters	<b>18</b>
Utilization of fund raised by initial public offering (IPO)	<b>07</b>	Name of the underwriters	<b>18</b>
Utilization of previous rights issue fund	<b>07</b>	Directors' subscription in the rights offer	<b>20</b>
Purpose of the rights issue	<b>08</b>	Terms and conditions of the rights issue	<b>23</b>
10 (ten) years information regarding AGM held and Dividend declared by the bank	<b>08</b>	Declaration by the Issue Manager (Form-A)	<b>25</b>
Highlights of the bank	<b>08</b>	Declaration by the Underwriter (Form-B)	<b>26</b>
Financial highlights of previous 5 (five) years	<b>09</b>	Declaration by the Auditors (Form - C)	<b>28</b>
Market price per share of the bank for last 6 (six) months	<b>10</b>	Due diligence certificate (Form - D)	<b>29</b>
Existing products & services rendered by the bank	<b>11</b>	Auditors' Report in pursuance of Section-135(1) and Paragraph 24(1)(3) and 25 of part-II of the Third Schedule of the Companies Act, 1994	<b>30</b>
Length of time during which the issuer has carried on business	<b>14</b>	Independent auditors' report to the shareholders, audited financial statements	<b>39</b>
Implementation schedule	<b>15</b>	Credit Rating report	<b>156</b>
Quantity of shares held by each director on the date of rights share offer document (ROD)	<b>15</b>	Letter of offer for Rights Issue to the shareholders	<b>175</b>
Beneficial owners holding shares 5% or above	<b>15</b>	Form of Acceptance and Application for Shares, Form-A	<b>176</b>
Composition of shareholding position of the bank	<b>16</b>	Form of Renunciation, Form-B	<b>179</b>
Details of directors, managing director and secretary	<b>16</b>	Application by Renounce(s), Form-C	<b>180</b>

**DEFINITION AND ELABORATION OF THE ABBREVIATED WORDS AND TECHNICAL TERMS USED IN THE RIGHTS SHARE OFFER DOCUMENT**

<b>ACRONYM</b>	<b>ELABORATION</b>
AGM	: Annual General Meeting
Allotment	: Allotment of share
ALCO	: Asset Liability Committee
BSEC	: Bangladesh Securities and Exchange Commission
Commission	: Bangladesh Securities and Exchange Commission
CSE	: Chittagong Stock Exchange Limited
DSE	: Dhaka Stock Exchange Limited
EPS	: Earnings per share
ICB	: Investment Corporation of Bangladesh
IFIC	: International Finance Investment and Commerce Bank Limited
Issue	: Rights Issue
Issuer	: IFIC Bank Limited
Issue Manager	: ICB Capital Management Limited
ICT	: Information and Communications Technology
ICML	: ICB Capital Management Limited
NAV	: Net Asset Value
NOCFPS	: Net Operating Cash Flow Per Share
Offer Price	: Rights Share price of IFIC Bank Limited
Rights Issue Rules	: Bangladesh Securities and Exchange Commission (Rights Issue) Rules, 2006
RJSC	: Registrar of Joint Stock Companies & Firms
Securities	: Shares of IFIC Bank Limited
Securities Market	: The securities market of Bangladesh
Sponsor	: The sponsor shareholders of IFIC Bank Limited
Stockholder	: Shareholder
Subscription	: Application Money

**IFIC BANK LIMITED**

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**RIGHTS ISSUE OF SHARES**

**22 March 2017**

Dear Shareholder(s)

We are pleased to inform you that the Board of Directors in its 676<sup>th</sup> meeting held on 20 June 2016 recommended to issue Rights Shares at **1(R) : 1** i.e. 1 (one) Rights Share for 1 (one) share held at a price of BDT 10.00 (at par) per share after considering the 12.00% Stock Dividend for the year 2015. The Board's recommendation was approved by the shareholders of the Bank in the 39<sup>th</sup> Annual General Meeting (AGM) held on 14 July 2016. After considering the 12.00% Stock Dividend the total proposal for **563,821,907** Ordinary Shares of BDT **10.00** each at an issue price of BDT **10.00** each at par totaling BDT **5,638,219,070.00** offered on the basis of **1(R) : 1** (i.e. one Rights Share for every existing one share held) on the record date. The purpose of issuance of Rights Shares is to strengthen capital base of the Bank in order to comply with the Basel III capital accord, directed by Bangladesh Bank. After issuing this proposed Rights Shares of BDT **5,638,219,070.00** total paid-up capital of the Bank will increase to the extent of BDT **11,276,438,140.00** from BDT **5,638,219,070.00**.

Having satisfactory operation, the Bank has earned a consolidated Operating Income of BDT **4,263,746,494.00** for the period from 1 January 2016 to 30 June 2016. This success has been achieved due to efficient conduct of investible funds by the management under the direction of the Board of Directors as well as patronization and active participation of all our valued shareholders and customers.

To maintain further growth and increase the capital base of your Bank, we hope you would come forward with your full support and assistance to make the offer a success.

A self-explanatory Rights Share Offer Document prepared in the light of the Bangladesh Securities and Exchange Commission (Rights Issue) Rules, 2006 is enclosed herewith for your kind information and evaluation.

On behalf of the Board of Directors

Sd/-

**M Shah Alam Sarwar**  
Managing Director & CEO

## THE RIGHTS OFFER

### Status of the Bank

International Finance and Investment Company Limited was established in 1976 at the instance of the Government of the People's Republic of Bangladesh as a joint venture finance company. Government of Bangladesh held 32.75% ordinary shares and the remaining 67.25% were held by the sponsors and general public.

When the Government decided to open up banking in the private sector in 1983, this finance company was converted into a commercial bank and incorporated in Bangladesh as a bank company in the same year under the Companies Act 1913 (now 1994) under the name and style "International Finance Investment and Commerce Bank Limited" also known as "IFIC Bank Limited".

The Bank started its banking operation since 24 June 1983. During this span of time the Bank has been widely acclaimed by the business community, from small entrepreneurs to large traders and industrial conglomerates, including the top rated corporate borrowers for forward-looking business outlook and innovative financing solutions. IFIC Bank Limited provides banking services to the customers in compliance with the provisions of the Bank Companies Act, 1991 as amended and Bangladesh Bank's directives issued from time to time. Thus, within this period of time it has been able to create an image of "Growing Together" for itself and has earned significant reputation in the Country's banking sector.

The Bank was listed with Dhaka Stock Exchange Limited on 1986 and Chittagong Stock Exchange Limited on 1997.

The Bank has 130 branches and 59 own ATM booths with 68 ATMs as on 30 June 2016. The Bank has an Off-shore Banking Unit (OBU) located at Dhaka and also two subsidiary companies namely IFIC Securities Limited and IFIC Money Transfer (UK) Limited (hereinafter together referred to as "the Group"). Moreover, the Bank has investment in two joint venture/associate companies in abroad namely Nepal Bangladesh Bank Limited, Nepal and Oman International Exchange LLC, Oman. The Bank has also investment in another company in abroad namely NIB Bank Limited, Pakistan.

### The Rights Issue

The Board of Directors of the Bank in its 676<sup>th</sup> meeting held on 20 June 2016 has recommended to raise paid-up capital by issuing of rights shares on paid-up capital after considering 12.00% stock dividend for year 2015 at **1[R]:1** ratio i.e. 1(one) Rights Share for 1 (one) existing share held on the record date for entitlement of rights shares.

Later in the 39<sup>th</sup> Annual General Meeting held on 14<sup>th</sup> July 2016 shareholders approved to issue rights shares at **BDT 10.00** per share on the basis of 1 (one) new share for 1 (one) existing shares held on the record date for the entitlement of rights shares. After considering the stock dividend, the issue size of the Rights Offer will be **563,821,907** Ordinary Shares of **BDT 10.00** each, totaling **BDT 5,638,219,070.00** offered to existing shareholders on the record date. The purpose of issuance of Rights Shares is to strengthen capital base of the Bank in order to comply with the Basel III capital accord, as per guidelines of Bangladesh Bank. Upon considering this rights shares, total paid-up capital of the Bank will increase to **BDT 11,276,438,140.00** from **BDT 5,638,219,070.00**.

### Issue Price

The Issue Price per share has been fixed up in the 39<sup>th</sup> Annual General Meeting of the Bank held on 14 July 2016 at **BDT 10.00** per share totaling **BDT 5,638,219,070** (after considering 12.00% stock dividend for the year 2015) on the basis of **1[R]:1** i.e. 1(One) rights share for every 1 (one) existing share held on the record date subject to approval of the Bangladesh Securities and Exchange Commission (BSEC).

## **RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISKS**

An investment in capital market involves a high degree of risk. The Bank is operating in an industry involving both external and internal risk factors having direct as well as indirect effects on the investments made by the investors. All investors should carefully consider all the information in this Rights Offer Document, including the risk factors, both external and internal, and management perception thereabout enumerated hereunder before making an investment decision. If any of the following risks actually occur, their business, results of operations and financial condition could suffer, the trading price of their share could decline, and investors may lose all or part of their investment.

### **Interest rate risk:**

Interest Rate Risk is the current or potential risk to the interest rate sensitive assets and liabilities of a bank's balance sheet as well as the off-balance sheet items arising out of adverse or volatile movements in market interest rate. Volatile movements of market interest rate adversely affect the value of interest rate sensitive assets and liabilities that consequentially results in the loss of equity value also affect the earnings of the bank.

### **Management Perception**

The interest rate risk is mainly managed as part of IFIC Bank's Asset Liability Committee (ALCO). The Asset Liability Management (ALM) Desk is an independent unit within the Treasury Division. The desk meticulously monitors and analyzes cash flows and cash positions, balance sheet gaps, daily profit and loss, economic trends, investment options, arbitrage opportunities, business growth, liquidity and places the facts and findings before the ALCO with its recommendations on a regular basis. The ALCO comprising the senior management of the bank has been established to make important decisions relating to liquidity, interest rate and balance sheet management. The ALCO is headed by the Managing director. ALCO meeting is held once or more in every month to analyze, review and formulate strategies in order to manage the same.

Establishing asset/liability pricing policies; receiving and reviewing reports on liquidity risk, market risk and capital management; and reviewing liquidity contingency plan for the bank are amongst some of the major responsibilities of the ALCO which can mitigate the interest rate risks. Moreover, Bank always segregated both the interest rate sensitive assets and liabilities into different time buckets to find the asset/liability mismatch. The duration gap analysis is also being done on quarterly basis.

### **Industry Risk:**

The Bank is operating in a highly competitive market. Some of the competitors have more resources than those of the IFIC Bank Limited. It is difficult to predict in advance the move of the competitors in the coming years. The Bank is always cautious in offering its products and services at competitive terms and conditions which in turn minimizes its industry risk exposure.

### **Management Perception**

The Bank has always been careful in offering its products and services at competitive terms and conditions which in turn minimizes its industry risk exposure. The management also continues to focus on more diversification of the loan book.

### **Exchange Rate Risk:**

Exchange rate fluctuation may reduce the profitability of IFIC Bank. Exchange rate risk arises from exchange rate movements, which may affect the earning of the Bank from its foreign exchange open position taken from time to time. If exchange rate is increased against local currency opportunity will be created for generating more profit and the opposite may happen as well.

### **Management Perception**

IFIC Bank foreign exchange risk remains at minimum level as all of its foreign trade & remittance transactions are carried out on behalf of the customers. All Nostro accounts are reconciled on monthly basis and outstanding entries are escalated to concerned departments and reported to higher management for immediate settlement. As per directives of Bangladesh Bank, the bank has formulated a treasury manual which has been implemented for managing foreign exchange risks. The functions of treasury front office, mid office and back office have been

segregated. The operational guidelines have also been formulated specifying the roles and responsibilities of front, mid and back office so that various foreign exchange transactions can be conducted according to the policy guidelines of the Bangladesh Bank and the risks can be measured, monitored and mitigated. Treasury continuously monitors price movements of foreign exchange and uses various hedging techniques to manage its open position in such a way that minimizes risk and maximizes return.

#### **Market Risk:**

The financial industry of Bangladesh is currently one of the fastest growing in the country and is increasingly becoming competitive. Especially the entrance of nine more banks in the industry in 2013 has made the competitive atmosphere more intense. Strong marketing and brand management will be required to increase the bank's customer base.

#### **Management Perception**

IFIC Bank focuses on pursuing unexplored market niches in the small and medium enterprise business and individual level home loan/mortgage loan which hitherto remained largely untapped within the Country. The Bank has incorporated double bottom approach in its operation, first is making profit by mobilizing fund from urban to rural areas and second is performing social responsibility by creating an entrepreneurial class. The bottom line approach taken by the bank makes them the market leader in the banking industry.

#### **Technology-related risk:**

As the banking industry is becoming more and more technology dependent the risks deriving from technological use is increasing day by day. The bank may be exposed to risks such as virus attack, system collapse, system hacking, unauthorized electronic fund transfer, etc.

#### **Management Perception**

ICT risk management is embedded with organizational internal control system which is used as part of the management control for risk management in the organization. This management control emphasizes both business control and technological control which support business requirement and governance. Business and technological controls are involved in the policies, processes and systems. Internal control and the audit process control the entire range of interactive transactions and internal transactions across organization as well as monitor and manage risks including business and ICT risks.

The Bank has integrated technology with its business and is continuously upgrading its technological aspects to keep pace with modern banking arena. The Bank has taken initiative to integrate different software with Core Banking Software – Misys. For effective centralization, the Bank has engaged KPMG to implement Electronic Document Management System (DMS) using Microsoft SharePoint. With its centralized online banking solution, the Bank is now able to serve its customers from anywhere any time. The Bank has already launched debit card, credit card, prepaid card, SMS banking, web-based remittance facility and automated emailing customer's statement. Bangladesh Automated Cheque Processing System (BACPS), Bangladesh Electronic Fund Transfer Network (BEFTN), Real Time Gross Settlement (RTGS) has also been established as per guidelines of Bangladesh Bank.

The Bank has upgraded its data center during the previous year with high-end servers and networking equipment to accommodate growing business transactions with adequate security. Besides the data and network securities, various physical security measures like, data center access control, environmental security, fire prevention, etc. have been maintained adequately. The bank has also setup disaster recovery site with advanced technology which can be readily accessed in case of any disaster of the data center so that the customer services are not hampered.

#### **Risk related to potential changes in global or national policies:**

A financial institution's ability to operate a profitable business is directly related to the monetary and fiscal policies of the country at any given time. Imposition of restrictive monetary and/or fiscal policy by the government at any time may affect a company's profitability. Again, changes in the existing global or national policies can have either positive or negative impacts on the bank.

Every company operates under the economic policies formulated and imposed by the political government. The government tends to reshape these policies time to time for the sake of greater interest of the country's economy. Sometimes those changes in existing policy or any future policy framework adversely affect smooth operation of such companies.

### **Management Perception**

The management of the bank is always concerned about the prevailing and upcoming future changes in the global or national policy and shall respond appropriately and timely to safeguard its interest.

### **Operational Risk:**

The operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people and systems or from externalities. It broadly focuses on the risks arising from the people, systems and processes through which a company operates. It also includes other categories such as fraud, forgery and non-compliance on legal matters.

### **Management Perception**

The internal control system of IFIC Bank Limited ensures that all the necessary policies, guidelines and manuals are in place and all concerns are following the same strictly and meticulously including Department Control Function Check List (DCFCL). To monitor overall effectiveness of the internal control system the Management Committee (MANCOM) regularly reviews the policies & procedures as well as the structure assigning clear responsibility, authority and reporting relationship.

The Internal Control & Compliance (ICC) Division of the Bank is working independently to evaluate the Internal Control System of the Bank so as to ensure good governance, transparency & accountability. The ICC Division is conducting comprehensive internal audit of the branches as well as different divisions/departments of Head Office ongoing basis. The Division reviews the activities of branch's Internal Control Unit (ICU) continuously through different control processes to minimize irregularities/ lapses, to prevent fraud/ forgery and to control existing/emerging risks. The significant deficiencies identified by the audit team are placed before the senior management as well as the Audit Committee of the Board. Audit Committee of the Board regularly monitors the functions of Internal Control & Compliance Division with their necessary suggestions/recommendations and also reports to the Board of Directors from time to time. Compliance culture is developed by strict adherence to statutory & regulatory requirement and also bank's own policy & procedures.

### **Credit Risk:**

Some of the customers or obligators may fail to meet the terms of any contract or otherwise fail to perform as agreed which will in turn reduce the profit of the Bank, decreasing shareholders' earning.

### **Management Perception**

Considering the key elements of credit risk, the Bank has segregated duties of the officers/executives involved in credit related activities. Separate division for corporate, SME and retail has been formed which are entrusted with the duties of maintaining effective relationship with the customers, marketing of credit products, exploring new business opportunities etc. for transparency in the operation during the entire credit period i) Credit approval committee, ii) Credit administration department, iii) Recovery and Impaired asset management have been set up.

In addition to the above, credit division carries out thorough assessment before approving any credit facility. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, and historical performance of the customer. Loan administration department ensures compliance with all legal formalities, completion of all documentation, and security of the proposed credit facility and finally disburses the amount. The sales team reports to their line management; the credit division reports directly to deputy managing director (risk management), while the loan administration reports to the head of division. The above management system has not only ensured segregation of duties and accountability but also helps to minimize the risk with the credit portfolio.

**Liquidity Risk:**

Liquidity risk arises when a bank fails to generate cash to cope with any decline in liabilities or increases in assets. The liquidity risk generally arises from funding in long term assets by short term liabilities.

**Management Perception**

The Bank has established liquidity management framework that is well integrated with the bank's risk management process. The liquidity risk management strategy is in accordance with the bank's risk tolerance.

There is a sound process for identifying, measuring, monitoring and controlling liquidity risk. This process includes a framework for comprehensively projecting cash flows arising from assets, liabilities and off-balance sheet items over an appropriate set of time horizons. Periodic stress testing is being done on a regular basis showing no significant adverse impact.

The liquidity risks are measured and monitored by the Treasury Division of the bank which maintains the liquidity position based on historical requirements and anticipated future requirement sources of fund, asset quality and earning capacity. ALCO has been monitoring liquidity risk regularly.

**Potential or Existing Government Regulations:**

The Bank operates under the specific guidelines laid down by Bangladesh Bank, Securities and Exchange Commission (SEC) and other regulatory authorities. The Company also operates under Companies Act 1994 and other related regulations, Bank Companies Act 1991, Income Tax Rules 1984, Value Added Tax (VAT) Act 1991 and Value Added Tax (VAT) Rules 1991. Any abrupt change of the policies made by the regulatory authorities may adversely affect the business of the Bank.

**Management Perception:**

Unless any policy change negatively and materially affects the industry as a whole, the business of the Bank is expected not to be affected significantly. However the management is always concerned about the potential policy changes and their impact and takes precautionary measures to prevent untoward situation where applicable.

**Potential Changes in Political & Economic Condition:**

Changing economic conditions may affect the demand for the type of finance offered by the Bank, Downturn of economic activity or uncertainty may result in a downturn in demand for loan funds in the industry.

**Management Perception:**

Generally, this risk applies to every financial institution in the country but they are normally mitigated by being aware of the circumstances and taking appropriate action in time. IFIC Bank has always kept abreast of changing business environments and this is evidenced by its good financial performance in the past. IFIC Bank's performance has been steady during periods of political turmoil and natural calamities. On the other hand, political turmoil and the disturbance are bad for the economy as a whole and so also for the Bank.

**Asset Quality Risk:**

Changes in market liquidity and/or interest rate expenses Bank's business to the risk of loss, which may, in extreme cases, threaten the survival of the institution.

**Management Perception:**

Emphasis has been given so that the level of balance sheet risks are effectively managed appropriate policies and processes are established to control and limit these risks and proper manpower are available for evaluating and controlling these risks. The Assets Liability Committee (ALCO) of the Bank monitors balance sheet risks and liquidity risks of the Bank. The committee reviews Country's overall economic position, Bank's liquidity position, ALM ratios, interest rate risk, capital adequacy, deposit advance growth, cost of deposit & yield on advance, R.E. gap, market interest rate, loss provision adequacy and deposit lending pricing strategy and takes appropriate decisions in this respect.

### **Money laundering risk:**

Prevention of Money Laundering is now a burning issue it is the process of concealing the source of illegally obtained money. Effective anti-money laundering and combating the financing of terrorism regimes are essential to protect the integrity of markets and of the global financial framework as they help mitigate the factors that facilitate financial abuse. Money laundering risk is a risk of incurring loss due to inadequate due-diligence resulting reputational, operational, legal and concentration risks involving significant cost.

### **Management's perception**

"Guidelines on Prevention of Money Laundering" and "Policy for Combating Financing of Terrorism" has been formulated for strict compliance as per directives of Bangladesh Bank. The Chief Anti-Money Laundering Compliance Officer (CAMLCO) regularly submits status report to the competent authorities as per regulatory requirement in respect of hundi activities, abnormal transactions, Suspicious Transaction Report (STR), Cash Transaction Report (CTR), Know Your Customer (KYC) Procedure, Transaction Monitoring Report, Structuring Monitoring Report, Half Yearly Report on Self-Assessment Reports of branches & independent testing procedure conducted by ICC Division and similar other areas. The bank has been complying with all the rules and regulations on Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) issues. Bank continuously arrange training on money laundering for imparting skills among the executives and officers for efficient prevention of money laundering through identifications of suspicious/ unusual transactions.

### **History of Non-Operation, if any:**

Any interruption in the operations of the Bank affects the Bank's image as a going concern. Failure to ensure uninterrupted operation reduces profitability and in the long run weakens the fundamentals of IFIC Bank.

### **Management Perception**

There is no history of disruption in the operation of the Bank.

### **DATE OF OPENING AND CLOSING OF SUBSCRIPTION DATE**

Subscription opens for the rights shares offer on **31 May 2017** and subscription closes for the rights shares offer on **29 June 2017**.

### **UTILIZATION OF FUND RAISED BY INITIAL PUBLIC OFFERING (IPO)**

IFIC Bank Limited went for Initial Public Offering (IPO) in the year 1986 to raise the paid up capital of **BDT 7,800,000.00** of the Bank and thus the ability to augment business. It is further stated that the fund raised through public offering was fully utilized for meeting the said purpose and growth in the Bank's business in the usual course of banking operation.

Sd/-

**Dilip Kumar Mandal FCA**  
Chief Financial Officer

Date: 1 August 2016

Sd/-

**M. Shah Alam Sarwar**  
Managing Director & CEO

### **UTILIZATION OF PREVIOUS RIGHTS ISSUE FUND**

IFIC Bank Limited went for Rights Issue in the year 1989 which was completed in 1990 to raise the additional paid up capital of **BDT 44,000,000** to strengthen the capital base of the Bank and augment business expansion. It is further stated that the Bank has utilized the entire amount raised through rights issue for business augmentation and further growth in the Bank's business in the usual course of banking operation.

Sd/-

**Dilip Kumar Mandal FCA**  
Chief Financial Officer  
Date: 1 August 2016

Sd/-

**M Shah Alam Sarwar**  
Managing Director & CEO

## PURPOSE OF THE RIGHTS ISSUE

With the increase of loans and advances, the risk-weighted asset of the Bank is also increasing every year. Hence, to meet the capital adequacy for regulatory requirement and to strengthen the capital base of the Bank as per Basel – III, the Board of Directors and the Shareholders of the bank have decided to raise its paid-up capital by **BDT 5,638,219,070.00** through issuance of Rights share of **563,821,907** Ordinary Shares of **BDT10.00** each at an issue price **BDT 10.00** each at par at a ratio of **1(R): 1** i.e. one Rights Share for every existing one share held. This will facilitate the long-term business growth of the Bank through expansion in credit portfolio resulting in profitability growth of the Bank.

Sd/-  
**Dilip Kumar Mandal FCA**  
Chief Financial Officer  
Date: 1 August 2016

Sd/-  
**M Shah Alam Sarwar**  
Managing Director & CEO

## 10 (TEN) YEARS INFORMATION REGARDING AGM HELD AND DIVIDEND DECLARED BY THE BANK

Sl No	AGM Number	Date of Holding AGM	Accounting Year	Cash Dividend	Stock Dividend
1	30 <sup>th</sup> AGM	25.10.2007	2006	Nil	24%
2	31 <sup>st</sup> AGM	28.05.2008	2007	Nil	100%
3	32 <sup>nd</sup> AGM	28.10.2009	2008	Nil	30%
4	33 <sup>th</sup> AGM	26.07.2010	2009	Nil	25%
5	34 <sup>th</sup> AGM	24.08.2011	2010	Nil	27%
6	35 <sup>th</sup> AGM	11.07.2012	2011	5%	25%
7	36 <sup>th</sup> AGM	12.05.2013	2012	Nil	10%
8	37 <sup>th</sup> AGM	01.06.2014	2013	Nil	15%
9	38 <sup>th</sup> AGM	17.06.2015	2014	Nil	15%
10	39 <sup>th</sup> AGM	14.07.2016	2015	Nil	12%

Sd/-  
**A. K. M. Mozharul Hoque**  
Company Secretary  
Date: 1 August 2016

Sd/-  
**M Shah Alam Sarwar**  
Managing Director & CEO

## HIGHLIGHTS OF THE BANK

1. The Bank was incorporated as International Finance and Investment Company Limited on 08 October 1976 as a finance company. Thereafter, in 1983 this finance company was converted into a commercial bank in the same year under the Companies Act 1913 (now 1994) under the name and style “International Finance Investment and Commerce Bank Limited”.
2. IFIC Bank started its commercial banking on 24 June, 1983 and has completed 33 successful years of banking operation.
3. The Bank was listed with Dhaka Stock Exchange Limited in 1986 and Chittagong Stock Exchange Limited in 1997.
4. The authorized capital of the Bank is **BDT 20,000** million.
5. The Bank has been paying reasonable dividend to its shareholders.
6. The Bank has a network of 130 branches.
7. Total equity structure of the Bank as on 30 June, 2016 is shown below:

	Amount in BDT	
<b>Shareholders' Equity</b>	<b>30-Jun-16</b>	<b>31-Dec-15</b>
Paid up capital	5,034,124,170	5,034,124,170
Statutory reserve	4,486,284,969	4,232,499,880
Other reserve	237,917,879	286,435,173
Surplus in profit and loss account	3,371,972,342	2,817,321,961
<b>Total shareholders' equity</b>	<b>13,130,299,360</b>	<b>12,370,381,184</b>
<b>Number of Shares of BDT 10.00 each</b>	<b>503,412,417</b>	<b>503,412,417</b>
<b>NAV per Share</b>	<b>26.08</b>	<b>24.57</b>

#### FINANCIAL HIGHLIGHTS OF PREVIOUS 5 (FIVE) YEARS

	2015	2014 (*)	2013 (*)	2012 (*)	2011 (*)
<b>Paid up capital</b>	5,034,124,170	4,377,499,280	3,806,521,120	3,460,473,750	2,768,379,000
<b>Total shareholders' equity</b>	12,370,381,184	11,198,630,869	9,448,810,783	7,820,544,069	6,808,903,420
<b>Profit after Tax</b>	1,057,141,202	1,765,080,258	1,629,809,652	1,133,840,736	831,791,382
<b>Number of Shares</b>	503,412,417	437,749,928	380,652,112	346,047,375	276,837,900
<b>Face Value per Share</b>	10	10	10	10	10
<b>NAV per Share</b>	24.57	25.58	24.82	22.60	24.60
<b>EPS</b>	2.10	3.51	3.72	2.98	2.40
<b>Net Operating Cash flow per Share</b>	(3.13)	11.38	22.87	20.29	12.83
<b>Dividend</b>	Cash: Nil Stock 12%	Cash: Nil Stock 15%	Cash: Nil Stock 15%	Cash: Nil Stock 10%	Cash: 5% Stock 15%

(\*) Previous years' figure have been rearranged/restated to conform to current (most recent) years' presentation.

#### Price Determination of IFIC Bank Limited

SI No.	Valuation Methods	Offer Price (BDT)
1 (a)	Price based on Net Asset Value per share as on 31 December, 2015 (with Revaluation Reserve)	24.57
1 (b)	Price based on Net Asset Value per share as on 31 December 2015 (without Revaluation Reserve)	24.26
2(a)	Earning Based Value per share based on market PE as on May, 2016	37.29
2 (b)	Earning Based Value per share based on sectoral PE as on May, 2016	16.84

#### Method-1(a) Price based on Net Asset Value per share (with Revaluation Surplus)

Particulars	Amount
Paid up Capital	5,034,124,170
Statutory Reserve	4,232,499,880
General Reserve	155,071,397
Revaluation Reserve Against Securities	41,391,939
Revaluation Reserve Against Fixed Assets	115,314,704
Foreign Currency Transaction Reserve	(25,350,388)
Surplus in Profit and Loss Accounts/ Retained Earnings	2,817,321,961
<b>Total Shareholders' Equity</b>	<b>12,370,373,663</b>
Number of shares	503,412,417
<b>Net Asset Value per share as per Audited Report as on 31 December 2015</b>	<b>24.57</b>

**Method-1(b) Price based on Net Asset Value per share (without Revaluation Surplus)**

Particulars	Amount
Paid up Capital	5,034,124,170
Statutory Reserve	4,232,499,880
General Reserve	155,071,397
Foreign Currency Transaction Reserve	(25,350,388)
Surplus in Profit and Loss Accounts/ Retained Earnings	2,817,321,961
<b>Total Shareholders' Equity</b>	<b>12,213,667,020</b>
Number of shares	503,412,417
<b>Net Asset Value per share as per Audited Report as on 31 December 2015</b>	<b>24.26</b>

**Method 2: Historical Earnings based value per share as on 31 December 2015**

Financial Year	No. of Share	Net Profit after Tax	Weight	Weighted Average Profit
2015	503,412,417	1,057,141,202	25.89%	273,655,618.32
2014	437,749,928	1,765,080,258	22.51%	397,317,767.44
2013	380,652,112	1,629,809,652	19.57%	319,016,080.47
2012	346,047,375	1,133,840,736	17.79%	201,759,996.11
2011	276,837,900	831,791,382	14.24%	118,409,734.75
<b>Total</b>	<b>1,944,699,732</b>	<b>6,417,663,230</b>	<b>100.00%</b>	<b>1,310,159,197.08</b>
<b>No. of shares</b>				<b>503,412,417.00</b>
Weighted average EPS (1,310,159,197/503,412,417)				2.60
DSE overall P/E as on May, 2016				14.33
<b>(a) Earning Based Value per share</b>				<b>37.29</b>
If we consider Sectoral P/E as on May, 2016				6.47
<b>(b) Earning Based Value per share</b>				<b>16.84</b>

**MARKET PRICE PER SHARE OF THE BANK FOR LAST 6 (SIX) MONTHS**

Date	Market Performance	
	Face Value(BDT)	Price(BDT)
31-Jan-16	10.00	20.40
29-Feb-16	10.00	19.40
31-Mar-16	10.00	18.20
30-Apr-16	10.00	16.70
31-May-16	10.00	17.60
30-Jun-16	10.00	15.90
<b>Average Market Price per Share</b>	<b>10.00</b>	<b>18.03</b>

Source: DSE Website

## EXISTING PRODUCTS & SERVICES RENDERED BY THE BANK

### **Corporate Banking:**

IFIC Bank offers comprehensive Corporate Banking solution to large corporate, multinationals and institutional clients to meet the diverse financial needs of growing corporate sector of the country. With our expertise, innovation and dedication, our skilled Relationship Managers are offering a broad spectrum products and services including flexible & structured financial, advisory & operational support to our corporate customers. Our prime focus is to build and maintain long-term mutually beneficial relationship with the corporate clients, and being a part of their journey towards development and growth. The Bank offers flexibility of options to afford the client the right financial products and services, designed particularly to meet immediate needs, individually conceived and professionally realized. Diversified and exiting array of corporate financing of the Bank tailored in the form of various funded and non-funded facilities to assist manufacturers, traders and service industries which includes by not limited to the followings:

**Working Capital Finance:** Business Enterprises engaged in manufacturing/ trading/ service business are eligible to avail Working Capital Loan to meet day to day expenses for processing of manufacturing and selling product & services. Working capital products include both fund and non-fund based products. Fund-based working capital products include secured overdraft, cash credit, packing credit, short-term loans payable on demand. Non-fund based products include Letter of Credit (L/C) Cash & Back to Back, Bank guarantees, performance guarantees and bid bonds are also supporting the business of our customers.

**Industrial & Project Finance:** IFIC Bank provides project loan to set up /BMRE of long-term infrastructure and industrial projects/ service unit on the basis of debt and equity rather than the balance sheets of project sponsors. The Bank has been financing Term Loan (Industrial) facility for establishing new project and/or BMRE of various projects in the sectors viz. textile, garments, power, steel, telecom, pharmaceuticals, packaging, consumer products, health, CNG refueling, Real estate.

**Term Finance:** IFIC Bank is offering short term & mid-term finance to meet emergency financial needs of its project/business.

**Trade Finance:** For Import- a) Letter of Credit - Business Enterprises can avail Non-funded facility for import / procurement of raw materials, machinery, equipment, merchandise item. b) Loan against Imported Merchandise (LIM) - Business Enterprises engaged in import merchandise can avail working capital for retirement of import documents. c) Loan against Trust Receipt - Business Enterprises engaged in import of merchandise can avail working capital for retirement of import documents. Furthermore, for Export: a) Pre-shipment finance - Back to Back L/C, EDF, ECC, SOD (Working Capital Finance), Packing Credit. b) Post-shipment finance - Foreign Documentary Bills Purchase, Inward Documentary Bill Purchase.

**Lease Financing:** IFIC Bank has been providing lease finance facility to its customer for acquisition of manufacturing and service equipment for all major industrial sectors. IFIC offers financing vehicles/ CNG conversion/ refueling plant/ sea or river transport, capital machinery/ plat/ equipment/ lift / generator/ boiler, construction equipment/ computer for IT education center, medical equipment etc.

**Syndication Finance:** IFIC Bank along with other commercial banks has been financing large scale projects under syndication arrangement to raise and meet huge credit need of a company. To cater the need of leading corporate house IFIC Bank has been raising fund from the banking sector on behalf of the customer through syndication arrangement.

**Bank Guarantee:** Bank's guarantee officers bid bond, performance guarantee, advance payment guarantee for helping contractors/suppliers to participate in different tenders and performance guarantee respectively. Moreover, Bank's offer security bond on behalf of customers in favour of customs authorities, utilities companies, shipping agent, airlines, IATA etc.

### **SME Banking:**

#### **SME Loan Products:**

**Easy Commercial Loan:** To meet business requirement of individual business enterprises (other than public limited company) against pledge of financial instruments i.e. FDR, ICB Unit Certificate, WEDB, NFCD, PSS Account, MIS & Share Certificates & any other Govt. security eligible for credit facilities.

**Transport Loan:** To purchase of Road/Water transport for commercial use individual, business enterprises (other than public limited company) engaged in transport business at least two years' experience are eligible for transport loan.

**Commercial House Building Loan:** Individual, business enterprises (other than public limited company) having commercial plot are eligible for construction of commercial building.

**Contractor's Loan:** Individual, business enterprises (other than public limited company) engaged in construction and supply business are eligible for secured over draft to execute work order awarded by Govt./Semi Govt. & Autonomous Bodies.

**Bidder's Loan:** Individuals, business enterprises (other than public limited company) engaged in construction and supply business can avail Bidder's loan for issuing Payment Order/Demand Draft etc. to participating in tenders.

**Working Capital Loan:** Business Enterprises (other than public limited company) engaged in manufacturing/trading business are eligible to avail Working Capital Loan to meet day to day expenses for processing of manufacturing and selling product.

**Letter of Guarantee:** Business Enterprises (other than public limited company) engaged in construction, supply and other business enterprise can avail Letter of Guarantee facility for issuing guarantee to participate tenders, execute job order and to meet any other obligation.

**Trade Finance:** SME trade finance products are Letter of credit, Loan against Imported Merchandise (LIM), Loan against Trust Receipt etc.

**Muldhan:** Any business purpose loan for business enterprises (other than Public Limited Company) incorporated in Bangladesh engaged in manufacturing or trading or service business.

**IFIC Protyasha (Loan for Women Entrepreneurs):** Any business purpose loan for business Enterprises (other than Public Limited Company) incorporated in Bangladesh own and run by women entrepreneurs (at least 51% share of a business hold by women), engaged in manufacturing/trading/ service business having minimum 2(two) years successful business experience in the same line of business.

**IFIC Prantonari (Loan for Grassroots Women Entrepreneurs):** Any business purpose loan for Cottage, Micro & Small Enterprise owned & run by grassroots women entrepreneurs involved in manufacturing unit of jamdani, nakshikatha, boutiques and other handicrafts, service unit of beauty parlor, catering service and other income generating trading activities and those who have no access to financial facilities from banks.

**IFIC Krishi Shilpo (Loan for Agro-based Industries):** The loan product has been designed for Small & Medium Enterprises engaged in business of General & Aromatic Rice Mill (semi-automatic, automatic), Flour Mill, Oil Mill, Feed Mill, Milk processing, food and fruit processing unit/ industry and other rural based Agro-processing industry as declared by Bangladesh Bank.

**IFIC Shilpa Sahay (Loan for Cottage & Micro Enterprise):** Loan product for any Bangladeshi potential entrepreneurs or group of entrepreneurs (maximum 05) who has the business of Cottage & Micro Enterprise i.e., Pottery, Cane & Bamboo, Handloom, Goldsmith, Handicrafts, Jewelry and other manufacturing, service & trading business and has minimum 01 (one) years business experience in particular activity or line of cottage & micro sized business.

#### **Green Product:**

##### **IFIC Green Earth:**

a) Domestic Bio Gas Plant- For Integrated cow (Hybrid) rearing & setting up of Bio-Gas Plant (Maximum 4.80 Cubic Meter) and for setting up of Bio-Gas Plant in existing Cattle /Poultry Farm (Maximum 5.00 Cubic Meter).

b) Commercial Bio Gas Plant- For setting up Bio-Gas Plant in existing Cattle / Poultry farm to produce electricity through gas generator.

c) Vermin compost- To meet the financial needs for purchasing of 2 cows, Vermin, construction of shade and for other expenses to produce Vermin compost Fertilizer for own use/business purpose.

d) Finance for Brick Kiln Efficiency Improvement Projects- To setup Hybrid Hoffman Kiln (HHK) or equivalent technology plant and to convert Traditional Fixed Chimney Kiln (FCK) into Improved Zig Zag Brick Kiln.

e) Fire Fighting & Safety Equipment Loan- To purchase/ reinstall of firefighting/ fire safety defense equipment's like Fire Extinguishers along refill (gas and/ or powder type), masks, blankets, fire hoses, fire beaters, fire alarm, smoke detector, heat sensor, lock cutters, stretches, ropes etc. Also, to construct/ repair/ reconstruction of overhead and underground water reservoir/ tanks and to purchase/ install water pumps, sprinkler etc. to protect fire incidents.

## **SME Deposit Products:**

**Monthly Income Scheme – Arjon:** A special kind of fixed deposit offers flexibility & comfort of having monthly return on investment for SME clients. It offers flexible tenor of 1 year, 2 years, and 3 years with a credit facility up to 90% of deposited principal amount.

**Monthly Savings Scheme – Joma:** A special kind of monthly savings scheme for SME clients with a duration of 3 years/ 5 years. It offers credit facility up to 90% of deposited principal amount.

## **Retail Banking**

### **Loan Products:**

**Home Loan:** "IFIC Home Loan" is an attractive home & mortgage based loan facility for all credit worthy individual of Bangladesh who wish to buy new or used apartment/flat, mortgage their existing house/flat/apartment or construct/ renovate/ extend their existing flat/house and semi pacca building (new or used or construction or renovation) etc.

**Easy Loan:** Easy Loan is to serve any personal financial needs. The loan is absolutely hassle free & paid against financial securities. Adult person having an account with IFIC Bank can easily apply for this loan.

**Consumer Durable Loan:** IFIC creates an opportunity to satisfy customers' desire to purchase consumer durables like - computer, television, refrigerator, washing machine, air conditioner, music systems, motor cycle and a lot of other things by Consumer Durable Loan. The Bank is providing maximum 1.00 lac taka to be repayable in by 12 to 36 monthly installments.

**Parua (Education Loan):** IFIC Bank offers Education Loan that can make a student's dream comes true. The Bank is providing maximum BDT 8.00 lac (conditions apply) to be repayable in 12 to 48 monthly Installments.

**Salary Loan:** Salary loan of IFIC Bank is only for salaried person of reputed MNCs/ LLCs/ Govt. Employees/ Semi Govt. Employees/ Banks/ Insurance Companies/ Educational Institutions/ Financial Institutions where bank has its own branch network. To meet any personal urgency like education, vacation, marriage, medical expenses, furnishing of home or any unexpected financial urgency salary loan designed for salaried customers. IFIC Bank is providing maximum BDT 10.00 lac to be repayable in 12 to 60 monthly installments.

**Any Purpose Loan:** IFIC Any Purpose Loan caters to various needs of salaried people. With minimum formalities, you can get a loan for an amount up to BDT3.00 lac to be repayable at 12 to 36 monthly installments.

**Auto Loan:** IFIC Bank is providing maximum BDT 40.00 lac as Auto Loan to purchase a car to be repayable in 12 to 60 monthly installments.

**Marriage Loan:** IFIC Bank is providing maximum BDT 3.00 lac to be repayable in 12 to 36 monthly installments for Marriage Loan.

**CNG Conversion Loan:** IFIC Bank offers the best suitable loan for CNG conversion of the vehicle. The Bank is providing maximum BDT 1.00 lac to be repayable in 12 to 36 monthly installments.

**Medical Loan:** IFIC Medical Loan caters hospitalization or other emergency medical needs to salaried people. The Bank is providing maximum BDT 3.00 lac to be repayable in 12 to 36 monthly installments.

**Holiday Loan:** IFIC Bank is providing maximum BDT 3.00 lac as Holiday Loan to be repayable in 12 to 36 monthly installments.

**Peshajeebi Loan (Professional Loan):** IFIC Bank is providing Maximum BDT 10.00 lac (conditions apply) to Professionals (Doctor/ Engineer/ IT professional/ Management Consultant or any other professionals) as Loan to be repayable in 12 to 48 monthly installments.

### **Deposit Products:**

**AMAR Account:** It is a unique transactional account where both deposit and overdraft facility is enabled in a single account. IFIC Bank introduces this type's account first time in Bangladesh which will ultimately reduce the account operation cost of the customer with numerous benefits in a single account.

**Savings Account:** A regular transactional account offering interest on deposit. It offers VISA Debit Card, 24 hour access to ATMs, wider access to Q-cash ATMs with free of charge, SMS banking facility, and internet banking facility.

**Smart Savings Account:** It is an interest bearing checking account. It offers VISA Debit Card, 24 hour access to ATMs, wider access to Q-cash ATMs with free of charge, SMS banking facility, and internet banking facility.

**Super Savings Plus - More Money:** A special type of savings account, gives monthly return on savings deposit. It offers insurance coverage up to BDT 500,000.00 for accidental death and BDT 50,000.00 for normal death. Interest is calculated on the daily balance and paid at month end.

**Current Account:** A non-interest bearing checking account which offers VISA Debit Card, 24 hour access to ATMs, wider access to Q-cash ATMs with free of charge, SMS banking facility, and internet banking facility.

**Special Notice Deposit - SND Account:** A checking account, giving the option to deposit and withdraw money for day to day needs and earn interest on savings deposit. Interest is calculated on the daily balance and paid at month end.

**Fixed Deposit Receipt (FDR):** A term deposit account, guarantees interest on deposit with flexible tenor of 1M, 3M, 6M & 12 Months. It offers 95% loan facilities.

**Pension Savings Scheme (PSS):** A type of savings scheme with a duration of 3 years/ 5 years. It offers income tax rebate, credit facility up to 80% of deposited principal amount, and can receive full payment after maturity or option for a pension on monthly basis.

**School Savings Plan – A Plus:** Easy monthly installment based scheme account for school going students with flexible tenor of 5 years & 7 years. Scholarship facility up to BDT 5,000 for both SSC & HSC, if the account holder secures 80%/Grade-A+/CGPA 5.00 marks (without forth subject) in the exam.

**Monthly Income Scheme – Protimash:** A special kind of fixed deposit offers flexibility & comfort of having monthly return on investment with a flexible tenor of 1 year, 2 years, 3 years. It offers credit facility up to 100%.

**Three Years Deposit Plus (3YDP):** It can be opened in joint names or in the name of any institutions with a duration of 3 years. It offers credit facility up to 90% of the deposited amount.

**Double Return Deposit Scheme (DRDS):** It doubles the initial deposit in 10 years. Minimum deposit for this account is BDT 25,000.00 only.

**Millionaire Dream Plan (MDP):** It offers to be millionaire in 4Y/ 5Y/ 7Y and/or 10 Years with IFIC Bank with flexible installment size of 4Y: BDT 17,930, 5Y: BDT 13,820, 7Y: BDT 9,150, 10Y: BDT 5,705.00 only. Credit facility up to 90% of principal amount but not less than BDT 50,000.00 can be availed. Insurance Coverage up to BDT 500,000.00 only for accidental death and BDT 50,000.00 only for normal death.

**Sanchita - Female Savings Account:** An exclusively designed savings account completely dedicated to sophisticated female customers who want to unmet necessities and make life more rewarding.

**Card Products:** IFIC offers visa debit, credit, prepaid and traveler card for its customers both for domestic and international uses based on the customer needs.

**Other Services:** NRB account, SMS Banking, internet banking, Student File Service etc.

#### **LENGTH OF TIME DURING WHICH THE ISSUER HAS CARRIED ON BUSINESS [Rule-8(j)]**

IFIC Bank Limited started its journey on 08 October 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. In 1983 when the Government allowed to open up banking in the private sector, the finance company was converted into a full fledge commercial bank and incorporated as a public limited company in Bangladesh under the Companies Act 1913 (now 1994), currently governed under the Bank Companies Act 1991 as amended and rules and regulations issued by Bangladesh Bank. The principal activities of the Bank are to provide all types of commercial banking services, within the stipulations laid down by Bank Companies Act 1991 and directives as received from Bangladesh Bank time to time, through its branches, SME Centre and alternative delivery channels like ATM Booths, Mobile and Internet Banking etc.

The Bank started its banking business from 24 June 1983 and has completed over 33 successful years of operations.

**IMPLEMENTATION SCHEDULE [Rule-8(k)]**

SL	Use of Rights Share Proceeds	Amount in Taka	Tentative time
1	Term Loan	4,000,000,000.00	Within 12 (twelve) months of receiving the Rights issue proceeds
2	Continuous Loan	1,000,000,000.00	Within 12 (twelve) months of receiving the Rights issue proceeds
3	Demand Loan	638,219,070.00	Within 12 (twelve) months of receiving the Rights issue proceeds
<b>Total</b>		<b>5,638,219,070.00</b>	

Sd/-

**Dilip Kumar Mandal** FCA  
Chief Financial Officer

Sd/-

**M Shah Alam Sarwar**  
Managing Director & CEO

Date: 18 September 2016

**QUANTITY OF SHARES HELD BY EACH DIRECTOR ON THE DATE OF RIGHTS SHARE OFFER DOCUMENT [(ROD) (Rule-8(I))]**

(As on 20 July 2016)

Sl.	Name of the Directors	Position	Number of Shares	Percentage (%)
1	Mr. Salman F Rahman	Chairman	11,279,614	2.00
2	Mr. Monirul Islam	Independent Director	Nil	Nil
3	Mr. Anwaruzzaman Chowdhury	Independent Director	Nil	Nil
4	Mr. Jalal Ahmed	Govt. nominated Director	184,643,542 (Shares owned by the Govt. of Bangladesh)	32.75
5	Mr. A. R. M. Nazmus Sakib	Govt. nominated Director		
6	Ms. Quamrun Naher Ahmed	Govt. nominated Director		
7	M Shah Alam Sarwar	Managing Director	Nil	Nil
<b>Total</b>			<b>195,923,156</b>	<b>34.75%</b>

Sd/-

**A. K. M. Mozharul Hoque**  
Company Secretary

Sd/-

**M Shah Alam Sarwar**  
Managing Director & CEO

Date: 1 August 2016

**BENEFICIAL OWNERS HOLDING SHARES 5% OR ABOVE [Rule-8(l)]**

As per [Rule-8(l)] of the Securities and Exchange Commission (Rights Issue) Rules, 2006; there is no beneficial owner holding shares 5% or above of the Bank except the Government of People Republic of Bangladesh who hold 32.75% shares of total Paid Up Capital.

Sd/-

**A. K. M. Mozharul Hoque**  
Company Secretary

Sd/-

**M. Shah Alam Sarwar**  
Managing Director & CEO

Date: 1 August 2016

## COMPOSITION OF SHAREHOLDING POSITION OF THE BANK

(As on 20 July 2016)

Sl No.	Category	No. of Shares held	Total Amount of Shares in Taka	% of Total Shares
01.	Sponsors & Directors	232,482,207	2,324,822,070.00	41.23
02.	Institutions	127,072,552	1,270,725,520.00	22.54
03.	General Public	204,267,148	2,042,671,480.00	36.23
<b>Total</b>		<b>563,821,907</b>	<b>5,638,219,070.00</b>	<b>100.00</b>

Sd/-  
**A. K. M. Mozharul Hoque**  
Company Secretary

Sd/-  
**M. Shah Alam Sarwar**  
Managing Director & CEO

Date: 1 August 2016

### DETAILS OF DIRECTORS, MANAGING DIRECTOR AND SECRETARY [Rule-8(m)]

#### BOARD OF DIRECTORS

Name	Position	Occupation	Address
Mr. Salman F Rahman	Chairman	Industrialist	House No. 17, Road No. 02 Dhanmondi R/A, Dhaka - 1205
Mr. Monirul Islam	Independent Director	Business	Flat No. 501, House No. 62, Road No. 9/A, Dhanmondi R/A, Dhaka-1205
Mr. Anwaruzzaman Chowdhury	Independent Director	Business	129, Springfield Drive Ilford,,Essex, 1G2 6QP, U.K.
Mr. Jalal Ahmed	Govt. Nominated Director	Govt. Service	Additional Secretary Ministry of Finance Building No. 7 Bangladesh Secretariat, Dhaka.
Mr. A.R.M. Nazmus Sakib	Govt. Nominated Director	Govt. Service	Additional Secretary Ministry of Finance Building No. 7, Bangladesh Secretariat Dhaka.
Ms. Quamrun Naher Ahmed	Govt. Nominated Director	Govt. Service	Additional Secretary Bank and Financial Institutions Division Ministry of Finance Building No. 7 Bangladesh Secretariat Dhaka.

## MANAGEMENT AND EXECUTIVES

Sl.	Name	Address		Designation	Description		Occupation
		Present (Business)	Permanent		Age	Educational Qualification	
1	M Shah Alam Sarwar	IFIC Bank Ltd, Head Office, Dhaka	Apt # A-4, Gardenia House # 8/B, Road # 75 Gulshan, Dhaka-1212	<b>Managing Director &amp; CEO</b>	57 Years	M.B.A in International Trade & Finance	Private Service
2	S.M Abdul Hamid	IFIC Bank Ltd, Head Office, Dhaka	Vill.-Deya, P.O-Mathureshpur P.S-Kaligonj, Dist-Satkhira	DMD	61 Years	M.B.A in Finance & Banking	Private Service
3	Muhammad Mustafa Haikal Hashmi	IFIC Bank Ltd, Head Office, Dhaka	H#35, Rd.#28(Old), 15(New) Dhanmondi R/A, Dhaka	DMD & Chief Risk Officer	56 Years	M.Com in Management Studies	Private Service
4	Raihan Ul Ameen	IFIC Bank Ltd, Head Office, Dhaka	Apt.#103, Concord Mayfair, Road-83, House-5, Gulshan-2, Dhaka	DMD & Chief Operations Officer	58 Years	B.Com (Hons) in Finance	Private Service
5	Fariduddin Al Mahmud	IFIC Bank Ltd, Head Office, Dhaka	41, Gagon Babu Road, Khulna	DMD & Head of Branch Banking	60 Years	M.Com in Marketing	Private Service
6	Shah Md. Moinuddin	IFIC Bank Ltd, Head Office, Dhaka	14/14 Tajmahal Road Block-'C', Mohammadpur R/A Dhaka-1207	DMD & Head of Business	55 Years	M.Com in Accounting	Private Service
7	Md. Nurul Hasnat	IFIC Bank Ltd, Head Office, Dhaka	House No.-195/2, East Brahmondi, PO-Narsingdi Govt. College, Narsingdi.	DMD & Head of Business Delivery	52 Years	M.B.A in H.R.M	Private Service
8	A.K.M. Mozharul Hoque	IFIC Bank Ltd, Head Office, Dhaka	"Chhya Bethi", Race Course, Comilla-3500	SEVP & <b>Company Secretary</b>	63 Years	M.Sc in Psychology	Private Service
9	Md. Bader Kamal	IFIC Bank Ltd, Head Office, Dhaka	F/180 New Town, Jessore	SEVP & Head of ICC	58 Years	M.B.A in Finance	Private Service
10	Syed Mansur Mustafa	IFIC Bank Ltd, Head Office, Dhaka	Court Road, Comilla Sadar, Comilla-3500	SEVP & Chief Credit Officer	45 Years	E.M.B.A in Finance	Private Service
11	Khan Abu Roushan Mohammad Mostofa Kamal	IFIC Bank Ltd, Head Office, Dhaka	House#596, Road#8(Old-31), D.O.H.S, Mirpur, Dhaka-1216	SEVP & Head of HRMD	55 Years	Master Of Defense Studies (MDS)	Private Service
12	Ashim Chowdhury	IFIC Bank Ltd, Head Office, Dhaka	Flat no.4-D, Navana Vardancy, 41, New Eskaton Road, Dhaka	SEVP & Head of Operations Center	56 Years	MBA	Private Service
13	Syed Fazle Ahmed	IFIC Bank Ltd, Head Office, Dhaka	Flat No-6/B, House no.- 10, Road no.-13, Sector-3, Uttara, Dhaka	SEVP & Head of CPTU	57 Years	M. Com in Marketing	Private Service
14	Md. Badrul Alam	IFIC Bank Ltd, Head Office, Dhaka	"Hirajheel" Central Road, Ghope, Jessore	EVP & Chief Law Officer	59 Years	L.L.B in Law	Private Service
15	Iqbal Parvez Chowdhury	IFIC Bank Ltd, Agrabad Branch, Ctg.	Flat-B7, "Allister", Road-01, South Khulshi, Chittagong	EVP & Branch Manager - Agrabad Br.	44 Years	MBA in Management	Private Service
16	Md. Rafiqul Islam	IFIC Bank Ltd, Gulshan Branch, Dhaka	Mehman Tower, Apt. # 7/1, 33 Shantinagar, Dhaka-1217	EVP & Branch Manager – Gulshan Br.	44 Years	MBA in HRM	Private Service
17	Ferdousi Begum	IFIC Bank Ltd, Head Office, Dhaka	4/6, Iqbal Road, Apt. No# B.5, Agnishika, Mohammadpur, Dhaka	EVP & Head of Retail Banking	53 Years	M.S.S in Political Science	Private Service
18	M. Mozibar Rahman	IFIC Bank Ltd, Head Office, Dhaka	Vill-Hoshnabad P.O-Nizamuddin College, P.S-Gournadi, Barisal	SVP – Head of MD's Secretariat	53 Years	MBA in HRM	Private Service
19	Dilip Kumar Mandal	IFIC Bank Ltd, Head Office, Dhaka	Vill: Krishna Nagar, PO: Gobindapur, PS: Nawabganj, Dhaka	SVP & Chief Financial Officer	40 Years	FCA, M.Com in Accounting	Private Service

## PUBLIC LISTED COMPANIES UNDER COMMON MANAGEMENT [Rule-8(n)]

As per the Bangladesh Securities and Exchange Commission (Rights Issue) Rules, 2006; there is no Public Listed Company under the common Management of IFIC Bank Limited. However, the following Directors are involved with the other Listed Companies:

Name of Directors	Position with IFIC	Entities where they have interest	Position with other organization
Mr. Salman F Rahman	Chairman	Bangladesh Export Import Co Ltd.	Vice Chairman
		Beximco Pharmaceuticals Ltd.	Vice Chairman
		Beximco Synthetics Ltd.	Vice Chairman
		Shinepukur Ceramics Ltd.	Vice Chairman
Mr. Jalal Ahmed	Govt. nominated director	Bangladesh Services Ltd.	Director
		British American Tobacco Bangladesh Co Ltd.	Director
		Bangladesh Submarine Cable Co Ltd.	Director

## CLASSIFIED INFORMATION & UNDERWRITERS [Rule-8 (o)]

<b>Issue Manager</b>	<b>ICB Capital Management Ltd.</b> Green City Edge (5th & 6th Floor), 89, Kakrail, Dhaka-1000, Bangladesh.
<b>Auditors</b>	<b>M. J. Abedin &amp; Co</b> Chartered Accountants National Plaza (3rd Floor), 109, Bir Uttam C.R. Datta Road, Dhaka 1205.
<b>Bankers to the Issue</b>	<b>IFIC Bank Limited</b> IFIC Tower, 61, Purana Paltan, G.P.O. Box: 2229, Dhaka-1000, Bangladesh
	<b>Investment Corporation of Bangladesh (ICB)</b> BDBL Building, 8 Rajuk Avenue, Dhaka-1000, Bangladesh
<b>Legal Advisor</b>	<b>Ahsanul Karim</b> Advocate Saiham Sky View Tower, Suite # 11/A (11 <sup>th</sup> Floor), 45, Bijoyagar, Dhaka-1000
<b>Tax Consultants</b>	<b>Adil &amp; Associates</b> Advocate & Tax Consultants 50, Purana Paltan Line (4 <sup>th</sup> Floor), Dhaka-1000

## NAME OF THE UNDERWRITERS

IFIC Bank Limited is going to offer rights share of **563,821,907** ordinary shares of **BDT 10.00** each issuing per share at par **BDT 10.00** per share totaling **BDT 5,638,219,070.00**. As per Bangladesh Securities and Exchange Commission's guideline, the issuer of a listed security making rights issue shall appoint one or more underwriters licensed under সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মার্কেট ব্যাংকার ও পোর্টফোলিও ম্যানেজার) বিধিমালা, 1996 to fully underwrite the rights issue on a firm commitment basis. Underwriting commission will be @ **0.15%** on the underwritten amount and there will be no additional commission for take-up of unsubscribed portion of shares if any.

Sl. No.	Name	Address	No. of Shares Underwritten	Amount of the shares underwritten	% of shares underwritten
1	AFC Capital Ltd.	Saiham Sky View Tower(11th floor), 45 Bijoy Nagar, Dhaka-1000.	5,000,000	50,000,000.00	0.89
2	Agrani Equity & Investment Ltd.	Swantex Bhaban (4th floor) 9/I, Motijheel, Dhaka-1000	10,000,000	100,000,000.00	1.77
3	Bengal Investments Limited	Eastern Nibash (3rd Floor)138, Gulshan Avenue, Gulshan-2, Dhaka-1212.	20,000,000	200,000,000.00	3.55
4	Beta One Investments Limited	Green Delta AIMS Tower (Level – 4), 51-52, Mohakhali C/A, Dhaka-1212.	10,000,000	100,000,000.00	1.77
5	BLI Capital Limited	Eunoos Centre (Level-18), 52-53 Dilkusha C/A, Dhaka-1000	15,000,000	150,000,000.00	2.66
6	BRAC EPL Investment Ltd.	Concord Baksh Tower(8th floor), Plot No. 11/A, Road No. 48, Block-CWN(A), Kemal Ataturk Avenue, Gulshan-2, Dhaka-1212.	20,000,000	200,000,000.00	3.55
7	CAPM Advisory Limited	Tower Hamlet (9th Floor), 16 Kemal Ataturk Avenue, Banani C/A, Dhaka-1213.	15,000,000	150,000,000.00	2.66
8	EBL Investments Limited	59 Motijheel C/A, Dhaka-1000.	10,000,000	100,000,000.00	1.77
9	EXIM Islami Investment Ltd.	Printers Building (5th floor), 5 Rajuak Avenue, Motijheel C/A, Dhaka-1000.	25,000,000	250,000,000.00	4.43
10	FAS Capital Management Ltd.	Zahed Plaza(5th floor), 30 Gulshan Avenue North C/A, Dhaka-1212	10,000,000	100,000,000.00	1.77
11	NRB Equity Management Limited	Suite - 602, 603, (6 <sup>th</sup> floor) Al-Raji Complex, 166-167, Shaheed Syed Nazrul Islam Sarani, Purana Paltan, Bijoy Nagar, Dhaka-1000	30,000,000	300,000,000.00	5.32
12	First Security Islami Capital & Investment Ltd.	Al-Amin Center (12th floor), 25/A Dilkusha C/A, Dhaka-1000.	20,000,000	200,000,000.00	3.55
13	ICB Capital Management Limited	Green City Edge (5th & 6th floor), 89 Kakrail, Dhaka-1000.	131,821,907	1,318,219,070.00	23.39
14	IIDFC Capital Limited	Eunoos Trade Centre ( Level 7), 52-53, Dilkusha C/A, Dhaka.	25,000,000	250,000,000.00	4.43
15	Jamuna Bank Capital Management Limited	Hadi Mansion (3rd Floor), 2, Dilkusha C/A, Dhaka-1000.	25,000,000	250,000,000.00	4.43
16	Janata Capital and Investment Limited	48, Motijheel (3rd floor), Dhaka1000	2,000,000	20,000,000.00	0.35
17	Lanka Bangla Investments Limited	City Center   Level - 24   90/1 Motijheel C/A, Dhaka - 1000	50,000,000	500,000,000.00	8.88
18	NBL Capital & Equity Management Ltd.	5 Rajuk Avenue, Printers Building,(8th Floor), Dhaka	20,000,000	200,000,000.00	3.55
19	PLFS Investments Limited	Paramount Heights (13th Floor), 65/2/1 Box Culvert Road, Purana Paltan, Dhaka-1000.	10,000,000	100,000,000.00	1.77
20	Rupali Investment Ltd.	Shadharan Bima Tower (7th floor), 37/A Dilkusha C/A, Dhaka-1000	20,000,000	20,000,000.00	3.55
21	SBL Capital Management Ltd.	02, DIT Avenue (Extension), 3rd Floor, Motijheel C/A, Dhaka-1000.	10,000,000	100,000,000.00	1.77
22	Sonali Investment Ltd.	Sara Tower (11th Floor), 11/A, Toyenbee Circular Road, Motijheel C.A., Dhaka-1000	5,000,000	50,000,000.00	0.89
23	Sonar Bangla Capital Management Limited	Paramount Heights (8th Floor), 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000	5,000,000	50,000,000.00	0.89
24	Southeast Bank Capital Services Limited	Eunoos Centre (Level-9), 52-53 Dilkusha C/A, Dhaka-1000	25,000,000	250,000,000.00	4.43
25	Swadesh Investment Management Limited	Suite 01, Level 11, Unique Trade Center (UTC), 8 Karwan Bazar, Dhaka.	15,000,000	150,000,000.00	2.66
26	Unicap Investments Limited	Noor Tower (4th Floor) 73, Sonargaon Road, Dhaka-1205	30,000,000	300,000,000.00	5.32
<b>Total</b>			<b>563,821,907</b>	<b>5,638,219,070.00</b>	<b>100.00</b>

**Underwriters' information and obligation:**

If and to the extent that the shares offered to the existing shareholders by the Rights Share Offer Document authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Bank shall within **10 (ten)** days of the closure of subscription call upon the underwriters (for full unsubscribed amount) in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for shares not subscribed by the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within **15 (fifteen)** days after being called upon to do so. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his commitment under this Agreement, until such time as the Cheque/Bank Draft has been encashed and the Bank's account has been credited. In any case, within **7 (seven)** days after the expiry of the aforesaid **15 (fifteen)** days, the Bank shall send proof of subscription and payment by the underwriters, to the Commission.

**DIRECTORS' SUBSCRIPTION IN THE RIGHTS OFFER [RULE-8(Q)]**

Director's Take-up in the Rights Offer [Rule-8(Q)] is as under:

Sl.	Name of the Directors	Position	Number of Shares held	Number of Rights Shares offered	Number of Rights Shares to be Renounced
1	Mr. Salman F Rahman	Chairman	11,279,614	11,279,614	Nil
2	Mr. Monirul Islam	Independent Director	Nil	N/A	N/A
3	Mr. Anwaruzzaman Chowdhury	Independent Director	Nil	N/A	N/A
4	Mr. Jalal Ahmed	Govt. nominated Director	184,643,542 (Shares owned by the Govt. of Bangladesh)	184,643,542 (Shares owned by the Govt. of Bangladesh)	Nil
5	Mr. A. R. M. Nazmus Sakib	Govt. nominated Director			
6	Ms. Quamrun Naher Ahmed	Govt. nominated Director			
7	Mr. M. Shah Alam Sarwar	Managing Director	Nil	N/A	N/A

Sd/-  
**A. K. M. Mozharul Hoque**  
Company Secretary

Sd/-  
**M. Shah Alam Sarwar**  
Managing Director & CEO

Date: 1 August 2016

**BANKERS TO THE ISSUE OF RIGHTS SHARE****IFIC BANK LIMITED**

Sl. No.	Name of Branch	Address
<b>DHAKA DIVISION</b>		
1	Ashulia Branch	"Rifat Square Plaza", Jamgora, Ashulia, Dhaka
2	Bajitpur Branch	215, Bajitpur Bazar, P.O. Bajitpur, Dist. Kishoreganj
3	Banani Branch	"Glowing Stone", House No. 54, Road No. 11, Block-C, Banani, Dhaka
4	Bangshal Branch	29/1, Nazira Bazar Lane, North South Road, Dhaka
5	Bashundhara Branch	Ka- 5/2, Ka-7/1, 7/2 Jagannathpur, Bashundhara Road, Ward No.17, Badda, Dhaka.
6	Darus Salam Road Branch.	17, Darus Salam Road, Mirpur-1, Dhaka. 1216.

7	Dhanmondi Branch	Royal Plaza (Ground & 1st floor), House # 8A, Road # 4, Mirpur Road, Dhanmondi, Dhaka-1205.
8	Elephant Road Branch	73/1, Elephant Road, (1st Floor), Dhaka
9	Faridpur Branch	Razzaque Plaza, Oriental Property, (1st Floor), 118, Thana Road, Faridpur
10	Garibe Newaz Avenue	Plot No. 10, Garibe Newaz Avenue, Sector No. 11, Uttara, Dhaka.
11	Gazipur Chowrasta Branch	Bagdad Tanjia Tower, (1st floor) Gazipur Sadar, Gazipur.
12	Gulshan Branch	Holding No.109, Gulshan Avenue, Ward No.19, Gulshan, Dhaka-1212.
13	Gulshan-Tejgaon Link Road Br.	“NINA KABBO”, 227/A, Gulshan-Tejgaon Link Road, Ward No.37, Tejgaon, Dhaka.
14	Islampur Branch	Paradise Bhaban, 104, Islampur Road, Dhaka
15	Kawran Bazar Branch	3, Kawran Bazar, Petro Centre Building, Dhaka
16	Keranigonj Branch	“Bikrampur Plaza” (1st floor), Shahid Delwar Hossain Road, East Aganagar, Keranigonj, Dhaka
17	Lalmatia Branch	House # 405E, Road No.16 (New), 27(Old), Dhanmondi R/A, Dhaka.
18	Malibagh Branch	91- B, Khilgaon, Malibagh Chowdhury Para, DIT Road, Dhaka-1219
19	Manikgonj Branch	“Rudronil Plaza”, 134, Shahid Rafique Sarak, Manikgonj.
20	Mirpur Branch	“Azaz Tower”, Holding No.145, Begum Rokeya Sarani, Ward No.14, Mirpur, Dhaka
21	Mohakhali Branch	“Siddique Tower”, Holding No.49, A.K. Khandaker Sarak, Ward No.20, Banani, Dhaka
22	Mohammadpur Branch	“Ring Tower” (1st floor), Block-F, Plot No.16/B, Probal Housing, Ward No.43, Ring Road, Dhaka-1207.
23	Moulvibazar Branch	6/1, Mokim Katra, Dhaka
24	Narayanganj Branch	66/1, Bangabandhu Road, Narayanganj
25	Narsingdi Branch	Nayan Tara Plaza (1st floor), 137/1, C & B Road,, Narsingdi. Sadar, Narsingdi
26	Naya Paltan Branch	Orchard Faruque Tower, 72, Naya Paltan, (1st Floor), Dhaka
27	Pallabi Branch	Kashem Chamber, (1st & 2nd floor), Plot # 11, Main Road # 3, Section # 7, Pallabi, Mirpur, Dhaka
28	Principal Branch	IFIC Tower, 61 Purana Paltan, Dhaka – 1000.
29	Progoti Sarani Branch	2nd Level of AJ Height’s Building, Cha-72/1/D, Progoti Sarani, Uttar Badda, Dhaka-1212.
30	Rupganj Branch	“Manik Villa”, Tarabo Bazar Road, Trabo Rupganj, Narayanganj
31	Savar Bazar Branch	74, Lohapotti,Savar nama Bazar, Savar, Dhaka
32	Shantinagar Branch	24, Shantinagar, Chamelibag, Dhaka.
33	Shariatpur Branch	469, Tulasar Sadar Road, Shariatpur Sadar, Shariatpur
34	Stock Exchange Branch	16, Motijheel C/A, Dhaka
35	Tangail Branch	“Laso Plaza” (1st floor), Khalpar Road, Municipal Holding No.59, Ward No.13, Tangail
36	Tongi Branch	29, Tongi Bazar Road, Tongi Bazar, Tongi, Gazipur
37	Uttara Branch	ABC Heritage (1st floor), 02 & 04, Jasimuddin Avenue, Sector – 03, Urrata, Dhaka-1230
<b>MYMENSINGH DIVISION</b>		
38	Jamalpur Branch	Nahar Gold Plaza, (1st floor) 1024, Madical, Jamalpur Sadar, Jamalpur.
39	Mymensingh Branch	52, Choto Bazar 1st Floor, Mymensingh.
40	Sherpur Branch	18, Ameen Plaza (1st floor), Kharampur Road, Sherpur District Town, Sherpur.
<b>CHITTAGONG DIVISION</b>		
41	Agrabad Branch	30, Agrabad C/A, Chittagong
42	Brahmanbaria Branch	Ground floor, 4. Court Road, Brahmanbaria
43	CDA Avenue Branch	1005/2/1872, CDA Avenue, East Nasirabad, Panchlaish, Chittagong
44	Chawk Bazar Branch	Shahzada Market, 68, College road, Chawk Bazar, Chittagong.
45	Choumuhani Branch	667/785, South Bazar, Choumuhani, Begumgonj, Noakhali
46	Comilla Branch	190/193 Rajgonj, Crossing. Chatipatty, Comilla
47	Cox's Bazar Branch	158, Main Road (1st Floor), Ali Arcade, Cox's Bazar
48	Feni Branch	99, Islampur Road (1st Floor), Feni

49	Khatunganj Branch	249/250, Khatunganj Road, Chittagong
50	Laldighi Branch	“Jamal Complex” (1st floor), 8, Laldighirpar, (East), Ward No.32, Andorkilla ward, Kotwali, Chittagong
51	Rangamati Branch	Rangamati Branch (Urban), (1st & 2nd floor), 122, Bazar Fund Road, Kathaltoli, Rangamati
52	Shah Amanat Market	624/A, Shah Amanat Municipal Super Market (Ground Floor), Jubilee Road,, Reazuddin Bazar, Chittagong
53	Sheikh Mujib Road Branch	Azmal Arcade (1st floor), 1806, Sk. Mujib Road, Pathantuli, Chittagong.
<b>RAJSHAHI DIVISION</b>		
54	Bogra Branch	Modhu metro Tower (1st floor) Kobi Nazrul Islam Road, Satmatha Holding No.5664. Satmatha Bogra
55	Chapai Nawabganj Branch	21, Daudpur Madrasha Road(1st Floor), Puratan Bazar, Chapainawabganj
56	Joypurhat Branch	(1st floor), Joypurhat Sadar Road, Municipal Holding No.138/0, 138/1 & 138/2, Ward No.08, Joypurhat
57	Naogaon Branch	263, Main Road, Thakur Mansion (1st floor), Naogaon
58	Pabna Branch	Chamber Building,1st floor), Benai Patty, (Sona Patty), Pabna
59	Rajshahi Branch	3, Shaheb Bazar, Ghoramara, Rajshahi
<b>RANGPUR DIVISION</b>		
60	Dinajpur Branch	Maldah patty,Sadar, Dinajpur.
61	Rangpur Branch	Sarker Super Market, (1st Floor), 41/42, Dewan Bari Road, Betpatty, Rangpur
<b>KHULNA DIVISION</b>		
62	Bagerhat Branch	Sadonar More, 56, Kazi Nazrul Islam Road, Bagerhat.
63	Jessore Branch	59, N.S.C. Road, (Garikhana Road), Jessore
64	Khulna Branch	Fatema Building, 81, Lower Jessore Road, Khulna
65	Kushita Branch	2, Siraj-Ud-Dowla Road, Abdul Hamid Market, N.S. Road, Kushtia.
66	Noapara Branch	Dhaka – Khulna Highway, 97 Noapara Bazar, Jessore.
67	Satkhira Branch	Mojahar Ali Complex, (1st Floor) Shahid Kajal Sarani, KaliganjSarak, Satkhira.
<b>BARISAL DIVISION</b>		
68	Barisal Branch	95, Sadar Road, Barisal
69	Bhola Branch	(1st floor) “M.R. Plaza”, Holding No.0386-02, 0400-08, Sadar Road, Ward No.6, Bhola
<b>SYLHET DIVISION</b>		
70	Ambarkhana Branch	Point View Shopping Center (1st floor), Amberkhana, Sylhet.
71	Habiganj Branch	“Sankar City” Holding No- 3430, R.K.Mission, Road, Habiganj Sadar, Habiganj
72	Moulvi Bazar (Dist.) Branch	69/1, Central Road, Paschim Bazar, P.O. & Dist. Moulvi Bazar
73	Sreemongal Branch	Razzaque Cosmopolitan Super Market (1st Floor), Hobigonj Road, Shreemongal, Moulvi Bazar
74	Sylhet Branch	963, Laldighirpar, Sylhet
75	Uposhohor Branch	Nosir Mansion (1st floor) Mendibagh C/A., Uposhohor, Dist. Sylhet.

#### INVESTMENT CORPORATION OF BANGLADESH (ICB)

1	Head Office	NSC Tower , 62/3 Purana Paltan, Dhaka
2	Chittagong Branch	104, Agrabad C/A, Chittagong
3	Rajshahi Branch	Dr. Gaffar Plaza (2 <sup>nd</sup> Floor), Main Road, Shaheb Bazar, Rajshahi
4	Khulna Branch	Shilpa Bank Bhaban, 25-26, KDA C/A, Khulna
5	Barisal Branch	87/88, Hemayet Uddin Road, Barisal
6	Sylhet Branch	Ananda Tower and Shopping Complex, Jail Road, Sylhet
7	Bogra Branch	Afsar Ali Complex, Raza Bazar, Borogola, Bogra
8	Local Office	Kashfia Plaza, 35/C Nayapaltan, Dhaka

## TERMS AND CONDITIONS OF THE RIGHTS ISSUE

### BASIS OF THE OFFER:

The Bank records its share register of members on **12 April 2017** for determining the shareholders who are eligible to receive this offer of shares on rights basis. The ordinary shares are now being offered on a rights basis to the shareholders holding shares on the record date in the ratio of 1R:1 i.e. one right share for one existing share held.

### ENTITLEMENT:

As a shareholder of the Bank on the record date on **12 April 2017** the shareholders are entitled to this Rights Offer. Only the holder(s) of a minimum of one fully paid ordinary share is entitled to receive the Rights Offer.

### ACCEPTANCE OF THE OFFER:

A shareholder may accept and apply for the shares hereby offered, wholly or in part by filling in Application - Form A and submitting the same along with the application money to the Bankers to the Issue on or before the Closing Date of the Offer i.e. **29 June 2017**.

### RENUNCIATION:

A shareholder may renounce all or part of the shares he/she is entitled to in favor of any other person(s) other than an infant or person of unsound mind. He/she can renounce his/her rights/entitlement of shares by signing Renunciation Form-B. Renouncee(s) shall fill in Form-C appropriately.

### GENERAL:

All applications should be made on the printed form provided by the Bank in this Rights Share Offer Documents only and should be completed in all respects. Applications, which are not completed in all respects or are made otherwise than as herein provided or are not accompanied by the proper application amount of deposit, are liable to be rejected and the application money received in respect thereof shall be refunded.

All communications in connection with the application for the Rights Share should be addressed to the Bank quoting the registered folio number/BO ID number in the form.

### CONDITION OF SUBSCRIPTION:

Rights Offer of **563,821,907** ordinary shares of **BDT 10.00** each issuing at par, totaling **BDT 5,638,219,070.00** offered on the basis of **1(R):1** i.e. 1 (one) rights share for 1 (one) existing shares held by the Shareholder(s) whose name(s) appeared in the Bank's Share Register at the record date as on **12 April 2017**.

### PAYMENT OF SHARE PRICE:

Payments for the full value of Shares applied for shall be made with designated branches of Bankers to the issue by Cash/Pay Order/Demand Draft payable to "**IFIC Bank Limited**" and crossed. The Pay Order/Demand Draft for payment of share price must be drawn on a bank in the same town to which the application form has been submitted.

SUBSCRIPTION	Opens on: <b>31 May 2017</b>
	Closes on: <b>29 June 2017</b>
Within Banking Hours (Both Days Inclusive)	

Any changes or extension regarding subscription period will be notified through national dailies.

## LOCK-IN ON RIGHTS SHARE:

The rights share of Directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription. In the event of renunciation of rights shares by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period.

Sl.	Name of the Directors	Position	Number of Shares held	Lock in portion of Rights Share	Date of Subscription Close	Expiry Date of Lock-in
1	Mr. Salman F Rahman	Chairman	11,279,614	11,279,614	29 June 2017	3 Years from the date of subscription close
2	Mr. Monirul Islam	Independent Director	Nil	N/A	N/A	N/A
3	Mr. Anwaruzzaman Chowdhury	Independent Director	Nil	N/A	N/A	N/A
4	Mr. Jalal Ahmed	Govt. nominated Director	184,643,542 (Shares owned by the Govt. of Bangladesh)	184,643,542	29 June 2017	3 Years from the date of subscription close
5	Mr. A. R. M. Nazmus Sakib	Govt. nominated Director			29 June 2017	
6	Ms. Quamrun Naher Ahmed	Govt. nominated Director			29 June 2017	
7	Mr. M. Shah Alam Sarwar	Managing Director	Nil	N/A	N/A	N/A
<b>Total</b>			<b>195,923,156</b>	<b>195,923,156</b>		

## OTHERS:

The application not properly filled in shall be treated as cancelled and deposited money will be refunded. For any reason, no profit/compensation will be paid on the refunded amount.

The offer will be deemed to have been declined if completed Application **Form-A** with necessary payments have not been received by **29 June 2017** (Within banking hours) or by such later date as may be notified through national dailies to that effect.

## MATERIAL CONTRACTS:

### Banker to the Issue

**IFIC Bank Limited** and **Investment Corporation of Bangladesh (ICB)** are the bankers to the issue who will collect the subscription money of the rights offer. The rights issue subscription money collected from the shareholders by the bankers to the issue will be remitted to the Bank's **SND Account no. 1001-000705-041** with **IFIC Bank Limited, Principal Branch, Dhaka**. No commission will be paid to IFIC Bank Limited. However, commission @ **of 0.10 %** of the amount collected will be paid to **ICB** for the services to be rendered by them.

### Underwriters

Full amount of rights offer of IFIC Bank Limited have been underwritten by **26 (twenty six)** underwriters as shown in the classified information part of ROD. Each underwriter will be paid underwriting commission @ **0.15%** of the nominal value of shares underwritten by them out of the rights issue. Simultaneously, with the calling upon an underwriter to subscribe and pay for any number of shares, the Bank will pay no additional commission to that underwriter on the nominal value of shares required to be subscribed by them.

### Manager to the Issue

ICB Capital Management Limited is appointed as Manager to the Issue of the Rights Issue of the Bank. Accordingly, an agreement has been executed between the Issue Manager and the Bank. The Bank will pay issue management fee **BDT 2.50 million** to the Manager to the Issue.

### Material Contracts of the vendors'

IFIC Bank Limited has not entered into any Vendors' Agreement.

### Acquisition of property, plant and equipment

The Bank did not acquire any property or enter into agreement for acquisition of any property after the balance sheet date 30 June 2016.

**FORM-A**  
[rule 5 and rule 8(t)]

**Declaration (due diligence certificate) about responsibility of the Issue Manager in respect of the rights share offer document of IFIC Bank Limited.**

This rights share offer document has been reviewed by us and we confirm after due examination that the rights share offer document constitutes full and fair disclosures about the rights issue and issuer, and complies with the requirements of the Bangladesh Securities and Exchange Commission (Rights Issue) Rules, 2006; and that the issue price is justified under the provisions of the Bangladesh Securities and Exchange Commission (Rights Issue) Rules, 2006.

For  
ICB Capital Management Limited

Sd/-  
**(Nasrin Sultana)**  
Chief Executive Officer

Place: Dhaka  
Date: 27 July 2016

## FORM-B

[rule 6 and rule 8(t)]

### Declaration (due diligence certificate) about responsibility of the Underwriter(s) in respect of the rights share offer document of IFIC Bank Limited.

This rights share offer document has been reviewed by us and we confirm after due examination that the issue price is justified under the provisions of the Bangladesh Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

Sd/- (Mahbub H. Mazumdar FCMA) Chief Executive <b>AFC Capital Ltd.</b>	Sd/- (Mohammad Saleh Ahmed) Chief Executive Officer <b>IIDFC Capital Limited</b>
Sd/- (Md. Golam Kabir) Chief Executive Officer <b>Agrani Equity &amp; Investment Ltd.</b>	Sd/- (Md. Al Tamas) Chief Executive Officer <b>Jamuna Bank Capital Management Limited</b>
Sd/- (M. M. Mostafa Bilal) CEO & Managing Director <b>Bengal Investments Limited</b>	Sd/- (Dina Ahsan) Chief Executive Officer <b>Janata Capital and Investment Limited</b>
Sd/- (Mohammed Atiquzzaman) Managing Director <b>Beta One Investments Limited</b>	Sd/- (Khandakar Kayes Hasan, CFA) Chief Executive Officer <b>Lanka Bangla Investments Limited</b>
Sd/- (Md. Lutfur Rahman) Managing Director <b>BLI Capital Limited</b>	Sd/- (Kamrun Naher) Chief Executive Officer (Current Charge) <b>NBL Capital &amp; Equity Management Ltd.</b>
Sd/- Deedarul Huq Khan Chief Executive Officer <b>BRAC EPL Investment Ltd.</b>	Sd/- (Md. Abdul Muktedir, CFA) Chief Executive Officer <b>PLFS Investments Limited</b>
Sd/- (Mufakhkharul Islam) Managing Director & CEO <b>CAPM Advisory Limited</b>	Sd/- (Md. Mamunur Rashid) Chief Executive Officer <b>Rupali Investment Ltd.</b>
Sd/- (Moinul Hossain Asif) Managing Director <b>EBL Investments Limited</b>	Sd/- (Abu Nayem Md. Ibrahim) Chief Executive Officer <b>SBL Capital Management Ltd.</b>
Sd/- (Abu Hena Md. Mohsin) Chief Executive Officer <b>EXIM Islami Investment Ltd.</b>	Sd/- (Surajit Kumar Saha) Chief Executive Officer (Current Charge) <b>Sonali Investment Ltd.</b>
Sd/- (Md. Shahidul Alam) Chief Executive Officer <b>FAS Capital Management Ltd.</b>	Sd/- (Emam Hossain) Managing Director/ CEO (C. C.) <b>Sonar Bangla Capital Management Limited</b>

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Sd/-  
(Md. Maniruzzaman Chowdhury)  
Managing Director/CEO (In charge)  
**NRB Equity Management Limited**

Sd/-  
(Muhammad Shahjahan)  
Managing Director (C. C)  
**Southeast Bank Capital Services Limited**

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Sd/-  
(M. Anwar Husain)  
Chief Executive Officer  
**First Security Islami Capital & Investment Ltd.**

Sd/-  
(Mamun Ahmed)  
Managing Director  
**Swadesh Investment Management Limited.**

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Sd/-  
(Nasrin Sultana)  
Chief Executive Officer  
**ICB Capital Management Limited**

Sd/-  
(Tauhidul Ashraf FCS)  
Managing Director (Current Charge)  
**Unicap Investments Limited**

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**FORM – C**

[(Rule 8(h) and 8(t)] of Bangladesh Securities and Exchange Commission (Rights Issue) Rules, 2006

**AUDITORS' REPORT TO THE SHAREHOLDERS OF IFIC BANK LIMITED**

We have audited the accompanying financial statements for the period from 1 January 2016 to 30 June 2016 of International Finance Investment and Commerce Bank Limited (IFIC) in accordance with International Standards on Auditing as applicable in Bangladesh; and we state that we have obtained all the information and explanations which we have required, and after due verification thereof, we report that, in our opinion:

- (a) These financial statements have been drawn up in accordance with the requirements of the Securities and Exchange Rules, 1987, as amended, the Companies Act, 1994 and other relevant laws where applicable; and the International Financial Reporting Standards (IFRSs) as applicable in Bangladesh;
- (b) These financial statements which are in agreement with the Books of Accounts of the Company give a true and fair view of the state of its affairs as at 30 June 2016 and of the result of its operations and cash flows for the period then ended;
- (c) Proper Books of Account have been kept by the Company as required by the relevant laws; and
- (d) The expenditure incurred was for the purposes of the Company's business.

We also certify that the above company has declared the following dividend for each of the following five years immediately preceding the issue of rights share offer document under the Securities and Exchange Commission (Rights Issue) Rules, 2006, and that the company has duly paid off the following amounts of the declared dividend mentioned against respective year-

Financial Year	Date of Dividend Declaration	Declared Dividend		
		Rate (%)	Total Amount in Taka	Total Paid (BDT)
2015	14 July 2016	Stock-12%	604,094,900	N/A
2014	17 June 2015	Stock-15%	656,624,890	N/A
2013	1 June 2014	Stock-15%	570,978,160	N/A
2012	12 May 2013	Stock-10%	346,047,370	N/A
2011	11 July 2012	Stock-25%	692,094,750	N/A
		Cash-5%	138,418,950	138,418,950

**27 July 2016**  
**Dhaka**

Sd/-  
**M. J. ABEDIN & CO**  
**Chartered Accountants**

## FORM-D

[rule 8(t)]

### **Due diligence certificate by the directors about their personal responsibility in respect of the rights share offer document of Investment Bank of Bangladesh (ICB).**

This rights share offer document has been prepared, seen, reviewed and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given in the rights share offer document, relevant documents and financial statements submitted to the Commission and others concerned under the Securities and Exchange Commission (Rights Issue) Rules, 2006.

We confirm, after making all reasonable enquiries, that all conditions concerning this rights issue and rights share offer document have been met. We further confirm that we have not concealed any information or statement which might have any bearing on the information already made. In case of any default or failure on our part, civil, criminal or administrative action may be taken against us.

Sd/-	Sd/-	Sd/-
<b>(Salman F Rahman)</b>	<b>(Monirul Islam)</b>	<b>(Anwaruzzaman Chowdhury)</b>
Chairman	Independent Director	Independent Director

Sd/-	Sd/-	Sd/-
<b>(Jalal Ahmed)</b>	<b>(A.R.M Nazmus Sakib)</b>	<b>(Quamrun Naher Ahmed)</b>
Govt. Nominated Director	Govt. Nominated Director	Govt. Nominated Director

Sd/-  
**(M Shah Alam Sarwar)**  
Managing Director

Place: Dhaka.

Dated: 27 July 2016

**AUDITORS' REPORT  
OF  
IFIC BANK LIMITED**

**Under section 135(1) and paragraph 24 (1)(3) and 25 of Part-II of Third Schedule of the Companies Act 1994  
AND  
Under Rules 8 (i) of Securities and Exchange Commission (Right Issue) Rules, 2006**

We have audited the Financial Statements of IFIC Bank Limited for the half year ended 30 June 2016, for the year ended 31 December 2015 and 31 December 2011 and those for the years ended 31 December 2014, 31 December 2013 and 31 December 2012 were audited by Howladar Yunus & Co., Chartered Accountants.

The presentation of these financial statements is the responsibility of the company's management.

Our responsibility is to review the relevant audited financial statements and confirm that the related information have been correctly extracted from those audited financial statements. We have reviewed the relevant audited financial statements and confirm that the related information have been correctly extracted from those audited financial statements.

a. The IFIC Bank Ltd. and its subsidiaries were incorporated on :

- (a) IFIC Bank Ltd. - On 08 October 1976 as a finance company later converted as full pledged commercial bank on 13 June 1983;
- (b) IFIC Securities Ltd. - 02 November 2010 and
- (c) IFIC Money Transfer (UK) Ltd. - 16 September 2010

b. **Dividend declared:**

	31 Dec 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011
Cash dividend- %	-	-	-	-	5%
Stock dividend (Bonus share)- %	12%	15%	15%	10%	25%

c. No proceeds or part of proceeds of the issue of shares shall be applied directly or indirectly by the company in the purchase of any other business;

d. **Enclosures :**

- (i) The Statement of operating results of the Bank for the half year ended 30 June 2016 and for immediately preceding five years. (Annexure - A)
- (ii) The Statement of Assets and Liabilities of the Bank as at 30 June 2016 and for immediately preceding five years. (Annexure - B)
- (iii) The Statement of Cash Flows of the Bank for the half year ended 30 June 2016 and for immediately preceding five years. (Annexure - C)
- (iv) The consolidated Statement of operating results of the Bank for the half year ended 30 June 2016 and for immediately preceding five years. (Annexure - D)
- (v) The consolidated Statement of Assets and Liabilities of the Bank as at 30 June 2016 and for immediately preceding five years. (Annexure - E)
- (vi) The consolidated Statement of Cash Flows of the Bank for the half year ended 30 June 2016 and for immediately preceding five years. (Annexure - F)

27 July 2016  
Dhaka

Sd/-  
**M. J. Abedin & Co.**  
Chartered Accountants

The Statement of operating results of the Bank for the half year ended 30 June 2016 and for immediately preceding five years  
IFIC Bank Limited  
Profit and Loss Account

Particulars	Amount in BDT					
	30 June 2016	31 Dec 2015	31 Dec 2014 (*)	31 Dec 2013 (*)	31 Dec 2012 (*)	31 Dec 2011 (*)
Interest income	6,183,111,784	12,652,962,100	11,858,390,649	11,111,313,344	10,442,619,724	6,696,082,116
Interest paid on deposits, borrowings, etc.	4,126,226,558	8,906,750,094	8,466,644,760	8,499,298,315	7,636,960,088	4,654,632,244
<b>Net Interest income</b>	<b>2,056,885,226</b>	<b>3,746,212,006</b>	<b>3,391,745,889</b>	<b>2,612,015,029</b>	<b>2,805,659,637</b>	<b>2,041,449,872</b>
Investment income	1,087,500,243	2,375,204,608	2,377,463,292	2,168,408,245	1,813,933,609	1,777,944,244
Commission, exchange and brokerage	735,630,242	1,414,233,170	1,328,028,172	1,235,487,075	1,150,676,093	1,374,929,738
Other operating income	304,338,628	501,372,650	498,261,794	507,884,495	408,233,685	394,635,037
	<b>2,127,469,113</b>	<b>4,290,810,428</b>	<b>4,203,753,258</b>	<b>3,911,779,815</b>	<b>3,372,843,386</b>	<b>3,547,509,019</b>
<b>Total operating income</b>	<b>4,184,354,339</b>	<b>8,037,022,434</b>	<b>7,595,499,147</b>	<b>6,523,794,844</b>	<b>6,178,503,023</b>	<b>5,588,958,890</b>
Salaries and allowances	1,053,469,934	2,206,053,060	2,447,559,376	1,887,630,433	1,769,162,100	1,578,943,469
Rent, taxes, insurance, electricity, etc.	363,026,513	667,026,255	622,353,160	581,678,242	483,346,545	382,657,164
Legal expenses	2,411,500	8,137,039	6,430,972	5,042,307	3,734,352	3,793,766
Postage, stamp, telecommunication, etc.	59,244,725	112,775,184	110,423,384	90,061,952	72,441,274	57,155,524
Stationery, printing, advertisement, etc.	82,707,382	173,200,697	174,941,019	100,583,432	102,027,782	78,189,160
Managing Director's salary	7,560,000	13,852,500	13,660,000	13,660,000	7,952,581	7,560,000
Directors' fees	544,000	1,018,000	1,175,000	900,000	1,285,000	1,425,000
Auditors' fees	500,000	1,100,000	1,275,000	700,000	700,000	500,000
Charges on loan loss	-	69,825,108	-	35,777,187	-	309,582,157
Depreciation and repair of bank's assets	196,762,162	437,966,130	397,901,121	300,657,046	269,127,711	220,905,704
Other expenses	366,708,174	700,362,744	646,956,127	559,232,642	358,342,873	229,771,372
<b>Total operating expenses</b>	<b>2,132,934,390</b>	<b>4,391,316,717</b>	<b>4,422,675,159</b>	<b>3,575,923,240</b>	<b>3,068,120,219</b>	<b>2,870,483,316</b>
<b>Profit/(Loss) before provision</b>	<b>2,051,419,949</b>	<b>3,645,705,717</b>	<b>3,172,823,988</b>	<b>2,947,871,604</b>	<b>3,110,382,803</b>	<b>2,718,475,574</b>
<b>Provision for loans, investments and other assets</b>						
Specific provision	502,681,909	1,734,560,613	405,683,893	(145,290,413)	1,611,799,882	394,500,000
General provision	54,020,684	205,000,000	260,000,000	49,392,000	(33,000,000)	180,500,000
Provision for off-Shore Banking unit	(3,963,732)	1,000,000	4,000,000	9,600,000	(6,500,000)	-
Provision for off-balance sheet exposure	61,499,892	-	50,000,000	63,220,000	1,500,000	30,000,000
Provision for diminution in value of investments	156,852,496	64,000,000	(250,000,000)	235,566,751	193,710,375	-
Other provisions	11,403,255	26,181,570	26,000,000	27,672,054	(47,210,375)	252,000,000
<b>Total Provision</b>	<b>782,494,504</b>	<b>2,030,742,183</b>	<b>495,683,893</b>	<b>240,160,392</b>	<b>1,720,299,882</b>	<b>857,000,000</b>
<b>Profit/(Loss) before taxes</b>	<b>1,268,925,446</b>	<b>1,614,963,534</b>	<b>2,677,140,095</b>	<b>2,707,711,212</b>	<b>1,390,082,922</b>	<b>1,861,475,574</b>
<b>Provision for taxation</b>						
Current tax	850,000,000	950,000,000	1,290,000,000	1,090,000,000	963,216,485	1,073,322,931
Deferred tax expense/(income)	(240,368,158)	(222,017,492)	(157,592,956)	272,221,188	(678,279,860)	40,177,069
	<b>609,631,842</b>	<b>727,982,508</b>	<b>1,132,407,044</b>	<b>1,362,221,188</b>	<b>284,936,625</b>	<b>1,113,500,000</b>
<b>Net profit after taxation</b>	<b>659,293,604</b>	<b>886,981,027</b>	<b>1,544,733,051</b>	<b>1,345,490,024</b>	<b>1,105,146,297</b>	<b>747,975,574</b>
Retained earnings brought forward from previous year/period	2,075,811,205	2,168,447,775	1,730,120,903	1,272,220,491	1,275,604,478	1,488,477,019
	<b>2,735,104,809</b>	<b>3,055,428,801</b>	<b>3,274,853,954</b>	<b>2,617,710,515</b>	<b>2,380,750,775</b>	<b>2,236,452,593</b>
<b>Appropriations</b>						
Statutory reserve	253,785,089	322,992,707	535,428,019	541,542,242	278,016,584	372,295,115
General reserve	-	-	-	-	-	-
Dividend	-	656,624,890	570,978,160	346,047,370	830,513,700	588,553,000
	<b>253,785,089</b>	<b>979,617,597</b>	<b>1,106,406,179</b>	<b>887,589,612</b>	<b>1,108,530,284</b>	<b>960,848,115</b>
<b>Retained surplus</b>	<b>2,481,319,720</b>	<b>2,075,811,204</b>	<b>2,168,447,775</b>	<b>1,730,120,903</b>	<b>1,272,220,491</b>	<b>1,275,604,478</b>
<b>Earnings Per Share (EPS)</b>	<b>1.31</b>	<b>1.76</b>	<b>3.07</b>	<b>3.07</b>	<b>2.90</b>	<b>2.16</b>

(\*) Previous years'/periods' figure have been rearranged/restated to conform to current (most recent) years'/periods' presentation.

27 July 2016  
Dhaka

Sd/-  
M. J. Abedin & Co.  
Chartered Accountants

**The Statement of Assets and Liabilities of the Bank as at 30 June 2016 and for immediately preceding five years**  
 IFIC Bank Limited  
 Balance Sheet

Particulars	30 June 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013 (*)	31 Dec 2012 (*)	31 Dec 2011 (*)
<b>Amount in BDT</b>						
<b>PROPERTY AND ASSETS</b>						
<b>Cash</b>	<b>13,719,881,805</b>	<b>11,861,355,635</b>	<b>10,398,813,316</b>	<b>9,686,767,548</b>	<b>9,582,853,464</b>	<b>6,635,581,452</b>
Cash in hand (including foreign currency)	1,640,659,380	1,626,141,729	1,829,379,694	2,019,892,903	1,793,359,302	1,182,950,554
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	12,079,222,425	10,235,213,906	8,569,433,622	7,666,874,644	7,789,494,162	5,452,630,899
<b>Balance with other banks and financial institutions</b>	<b>10,680,738,738</b>	<b>5,710,545,217</b>	<b>12,042,832,451</b>	<b>10,028,347,117</b>	<b>5,151,800,976</b>	<b>3,009,489,591</b>
In Bangladesh	8,351,492,804	3,827,088,363	11,214,966,413	8,755,055,634	3,497,911,208	1,827,211,813
Outside Bangladesh	2,329,245,934	1,883,456,854	827,866,037	1,273,291,483	1,653,889,768	1,182,277,777
<b>Money at call and on short notice</b>	<b>600,000,000</b>	<b>-</b>	<b>1,450,000,000</b>	<b>-</b>	<b>950,000,000</b>	<b>100,000,000</b>
<b>Investments</b>	<b>24,648,486,203</b>	<b>28,497,856,878</b>	<b>22,845,255,886</b>	<b>21,170,763,155</b>	<b>15,670,685,611</b>	<b>12,198,870,276</b>
Government securities	19,902,907,126	23,596,892,752	17,217,294,297	15,893,691,348	11,311,623,934	8,101,539,970
Other investments	4,745,579,077	4,900,964,126	5,627,961,589	5,277,071,808	4,359,061,677	4,097,330,306
<b>Loans and advances</b>	<b>129,356,565,436</b>	<b>123,268,667,873</b>	<b>102,282,149,309</b>	<b>84,110,385,028</b>	<b>77,159,761,910</b>	<b>64,641,172,520</b>
Loans, cash credit, overdrafts etc.	120,396,102,483	114,236,126,152	94,532,881,160	77,989,360,530	70,259,542,647	57,558,174,385
Bills purchased and discounted	8,960,462,953	9,032,541,721	7,749,268,149	6,121,024,498	6,900,219,263	7,082,998,135
<b>Fixed assets including premises, furniture and fixtures</b>	<b>3,566,700,203</b>	<b>3,230,366,926</b>	<b>2,929,319,758</b>	<b>2,382,855,554</b>	<b>2,342,321,484</b>	<b>2,203,634,465</b>
<b>Other assets</b>	<b>6,407,752,502</b>	<b>5,391,684,061</b>	<b>4,016,791,501</b>	<b>4,310,035,366</b>	<b>3,871,326,334</b>	<b>2,921,148,641</b>
<b>Non-banking assets</b>	<b>373,474,800</b>	<b>373,474,800</b>	<b>373,474,800</b>	<b>373,474,800</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>189,353,599,687</b>	<b>178,333,951,390</b>	<b>156,338,637,021</b>	<b>132,062,628,567</b>	<b>114,728,749,779</b>	<b>91,709,896,943</b>
<b>LIABILITIES AND CAPITAL</b>						
<b>Liabilities</b>						
<b>Borrowing from other banks, financial Institutions and agents</b>	<b>5,046,243,835</b>	<b>7,200,813,714</b>	<b>5,621,445,116</b>	<b>3,492,857,352</b>	<b>874,456,831</b>	<b>1,418,845,663</b>
<b>Subordinated debt</b>	<b>3,500,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deposits and other accounts</b>	<b>153,584,566,933</b>	<b>146,819,705,532</b>	<b>129,745,805,362</b>	<b>110,463,796,836</b>	<b>92,432,755,891</b>	<b>73,105,732,013</b>
Current deposit and other accounts	18,741,569,699	17,411,524,226	15,464,779,314	13,356,063,703	11,540,229,281	10,254,577,923
Bills payable	2,350,923,777	1,473,570,630	1,874,975,364	1,573,829,454	1,492,411,159	1,306,622,259
Savings bank deposits	26,205,220,198	24,496,108,248	18,366,462,687	13,890,792,353	11,468,553,820	10,031,541,483
Fixed deposits	106,286,853,259	103,438,502,428	94,039,587,998	81,643,111,325	67,931,561,631	51,512,990,348
<b>Other liabilities</b>	<b>14,948,034,413</b>	<b>12,659,218,849</b>	<b>10,343,270,674</b>	<b>9,008,123,583</b>	<b>13,668,135,225</b>	<b>10,414,405,476</b>
<b>Total liabilities</b>	<b>177,078,845,181</b>	<b>166,679,738,095</b>	<b>145,710,521,153</b>	<b>122,964,777,770</b>	<b>106,975,347,946</b>	<b>84,938,983,152</b>
<b>Capital/Shareholders' equity</b>						
Paid up capital	5,034,124,170	5,034,124,170	4,377,499,280	3,806,521,120	3,460,473,750	2,768,379,000
Statutory reserve	4,486,284,969	4,232,499,880	3,909,507,173	3,374,079,154	2,832,536,912	2,554,520,330
General reserve	155,071,397	155,071,397	55,771,397	55,771,397	55,771,397	55,771,397
Revaluation reserve against securities	2,639,546	41,391,939	1,575,539	16,043,518	17,084,579	1,323,882
Revaluation reserve against fixed assets	115,314,704	115,314,704	115,314,704	115,314,704	115,314,704	115,314,704
Surplus in profit and loss account	2,481,319,720	2,075,811,205	2,168,447,775	1,730,120,903	1,272,220,491	1,275,604,478
<b>Total shareholders' equity</b>	<b>12,274,754,506</b>	<b>11,654,213,295</b>	<b>10,628,115,868</b>	<b>9,097,850,797</b>	<b>7,753,401,832</b>	<b>6,770,913,792</b>
<b>Total liabilities and shareholders' equity</b>	<b>189,353,599,687</b>	<b>178,333,951,390</b>	<b>156,338,637,021</b>	<b>132,062,628,567</b>	<b>114,728,749,779</b>	<b>91,709,896,943</b>

**The Statement of Assets and Liabilities of the Bank as at 30 June 2016 and for immediately preceding five years**  
 IFIC Bank Limited  
 Balance Sheet

Amount in BDT

Particulars	30 June 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013 (*)	31 Dec 2012 (*)	31 Dec 2011 (*)
<b>OFF BALANCE SHEET ITEMS</b>						
<b>Contingent liabilities</b>	<b>54,021,989,160</b>	<b>47,779,027,775</b>	<b>47,824,432,743</b>	<b>42,304,360,063</b>	<b>36,502,077,421</b>	<b>36,232,714,657</b>
Acceptances and endorsements	17,865,901,197	14,210,761,791	17,819,035,175	13,876,907,522	11,672,883,029	12,949,639,891
Letters of guarantee	9,554,723,447	9,706,631,662	6,644,832,531	6,340,226,700	5,717,606,179	4,112,823,270
Irrevocable letters of credit	15,393,596,728	14,800,324,793	14,473,667,235	14,442,618,436	12,272,437,515	11,606,768,727
Bills for collection	11,207,767,788	9,061,309,529	8,886,897,802	7,644,607,405	6,839,150,698	7,563,482,770
Other contingent liabilities	-	-	-	-	-	-
<b>Other commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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	-	-	-	-	-	-
<b>Total off-Balance Sheet exposures including contingent liabilities</b>	<b>54,021,989,160</b>	<b>47,779,027,775</b>	<b>47,824,432,743</b>	<b>42,304,360,063</b>	<b>36,502,077,421</b>	<b>36,232,714,657</b>

(\*) Previous years'/periods' figure have been rearranged/restated to conform to current (most recent) years'/periods' presentation.

27 July 2016  
 Dhaka

Sd/-  
**M. J. Abedin & Co.**  
 Chartered Accountants

## The Statement of Cash Flows of the Bank for the half year ended 30 June 2016 and for immediately preceding five years

IFIC Bank Limited  
Cash Flow Statement

Amount in BDT

Particulars	30 June 2016	31 Dec 2015	31 Dec 2014 (*)	31 Dec 2013 (*)	31 Dec 2012 (*)	31 Dec 2011 (*)
<b>A. Cash flows from operating activities</b>						
Interest received	7,061,850,933	14,699,453,987	13,752,091,010	12,867,164,078	10,442,619,723	6,696,082,116
Interest payments	(4,151,107,506)	(8,939,654,706)	(8,673,371,133)	(8,450,326,191)	(7,636,960,088)	(4,654,632,244)
Dividend received	39,908,812	160,873,844	105,718,382	82,493,402	53,213,728	121,086,707
Fees and commission received	748,032,818	1,414,233,170	1,328,028,172	1,235,487,075	1,150,684,893	1,349,332,779
Recoveries of loans and advances previously written-off	97,612,716	91,978,387	194,316,107	648,876,150	175,200,118	70,309,771
Cash payments to employees	(1,061,029,934)	(2,269,905,560)	(2,481,219,376)	(1,871,290,433)	(1,619,388,206)	(1,436,503,469)
Cash payments to suppliers	(170,630,573)	(254,380,826)	(237,324,678)	(155,073,176)	-	-
Income taxes paid	(686,656,881)	(1,039,855,190)	(1,194,602,128)	(1,027,512,916)	(808,310,404)	(642,714,088)
Receipts from other operating activities	353,966,876	525,930,547	556,728,399	560,885,347	2,168,944,765	2,006,779,762
Payments for other operating activities	(764,373,549)	(1,424,208,735)	(1,321,620,787)	(1,326,887,180)	(1,088,471,967)	(763,775,718)
<b>Operating cash flows before changing in operating assets and liabilities</b>	<b>1,467,573,712</b>	<b>2,964,464,919</b>	<b>2,028,743,968</b>	<b>2,563,816,156</b>	<b>2,837,532,562</b>	<b>2,745,965,616</b>
<b>Increase/(decrease) in operating assets and liabilities</b>						
Statutory deposits	-	-	-	-	-	-
Loans and advances to other banks	-	-	-	-	-	-
Loans and advances to customers	(5,451,088,026)	(20,441,858,272)	(17,683,291,943)	(8,215,063,642)	(13,518,589,390)	(16,974,171,298)
Other assets	30,180,633	(1,176,269,186)	269,122,656	(433,866,963)	310,761,931	1,383,049,501
Deposits from other banks	(839,474,000)	306,602,000	(225,339,000)	(279,194,397)	1,522,868	497,139,000
Deposits from customers	7,668,715,172	16,805,962,889	19,722,419,479	15,414,260,139	16,796,152,314	17,527,788,239
Trading liabilities	-	-	-	-	-	249,689,200
Other liabilities	(142,587,606)	(181,510,000)	338,475,556	(48,596,393)	308,493,085	(1,245,994,721)
	<b>1,265,746,173</b>	<b>(4,687,072,570)</b>	<b>2,421,386,748</b>	<b>6,437,538,743</b>	<b>3,898,340,808</b>	<b>1,437,499,921</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>2,733,319,885</b>	<b>(1,722,607,651)</b>	<b>4,450,130,717</b>	<b>9,001,354,900</b>	<b>6,735,873,370</b>	<b>4,183,465,537</b>
<b>B. Cash flows from investing activities</b>						
Net proceeds/(payments) from sale/(purchase) of Government securities	3,655,233,232	(6,154,867,151)	(1,255,048,849)	(4,216,501,213)	18,000,000	18,000,000
Net proceeds/(payments) from sale/(purchase) of securities	155,385,049	726,997,463	(285,614,169)	(1,130,775,535)	(261,731,372)	(2,158,667,620)
Purchase of property, plant & equipment	(448,985,139)	(738,592,061)	(833,303,359)	(220,369,051)	(310,872,232)	(178,081,336)
Proceeds from sale of property, plant & equipment	1,151,968	2,817,834	3,253,511	4,912,148	1,437,731	11,974,410
<b>Net cash used in investing activities</b>	<b>3,362,785,110</b>	<b>(6,163,643,914)</b>	<b>(2,370,712,866)</b>	<b>(5,562,733,651)</b>	<b>(553,165,872)</b>	<b>(2,306,774,546)</b>
<b>C. Cash flows from financing activities</b>						
Borrowing from other banks, financial institution and agents	(2,154,569,879)	1,579,368,597	2,128,587,765	640,162,802	(245,558,700)	245,558,700
Receipts from issue of sub-ordinated bond	3,500,000,000	-	-	-	-	-
Dividend paid (cash)	-	-	-	-	-	-
Payment against lease obligation	(3,054,249)	(6,642,120)	(7,263,378)	(5,140,413)	-	-
<b>Net cash flow from financing activities</b>	<b>1,342,375,873</b>	<b>1,572,726,477</b>	<b>2,121,324,387</b>	<b>635,022,389</b>	<b>(245,558,700)</b>	<b>245,558,700</b>
<b>D. Net increase/(decrease) in cash (A+B+C)</b>	<b>7,438,480,868</b>	<b>(6,313,525,088)</b>	<b>4,200,742,237</b>	<b>4,073,643,638</b>	<b>5,937,148,797</b>	<b>2,122,249,691</b>
E. Effects of exchange rate changes on cash and cash equivalents	(12,402,576)	(4,316,627)	(24,714,234)	(42,255,513)	-	-
<b>F. Opening balance of cash and cash equivalents</b>	<b>17,579,655,952</b>	<b>23,897,497,667</b>	<b>19,721,469,664</b>	<b>15,690,081,540</b>	<b>9,752,932,743</b>	<b>7,630,683,052</b>
<b>G. Closing balance of cash and cash equivalents (D+E+F)</b>	<b>25,005,734,243</b>	<b>17,579,655,952</b>	<b>23,897,497,667</b>	<b>19,721,469,664</b>	<b>15,690,081,540</b>	<b>9,752,932,743</b>

(\*) Previous years/periods' figure have been rearranged/restated to conform to current (most recent) years/periods' presentation.

27 July 2016  
DhakaSd/-  
M. J. Abedin & Co.  
Chartered Accountants

The Consolidated Statement of operating results of the Bank for the half year ended 30 June 2016 and for immediately preceding five years  
**IFIC Bank Limited**  
 Consolidated Profit and Loss Account

Annexure-D

Amount in BDT

Particulars	30 June 2016	31 Dec 2015	31 Dec 2014 (*)	31 Dec 2013 (*)	31 Dec 2012 (*)	31 Dec 2011 (*)
Interest income	6,235,093,122	12,720,241,526	11,924,197,296	11,157,042,069	10,520,385,972	6,798,012,560
Interest paid on deposits, borrowings, etc.	4,146,262,177	8,945,731,444	8,519,021,026	8,555,417,964	7,658,802,706	4,654,632,244
<b>Net Interest income</b>	<b>2,088,830,945</b>	<b>3,774,510,082</b>	<b>3,405,176,270</b>	<b>2,601,624,104</b>	<b>2,861,583,266</b>	<b>2,143,380,316</b>
Investment income	1,094,778,901	2,281,973,080	2,319,866,727	2,190,773,922	1,813,933,609	1,777,944,244
Commission, exchange and brokerage	775,733,422	1,519,705,704	1,423,651,023	1,321,242,455	1,254,026,405	1,473,841,108
Other operating income	304,403,226	503,793,886	499,158,565	510,329,508	429,800,154	400,771,841
<b>Total operating income</b>	<b>4,263,746,494</b>	<b>8,079,982,752</b>	<b>7,647,852,584</b>	<b>6,623,969,990</b>	<b>6,359,343,433</b>	<b>5,795,937,509</b>
Salaries and allowances	1,065,375,352	2,231,581,713	2,475,625,867	1,910,600,460	1,788,996,149	1,591,011,638
Rent, taxes, insurance, electricity, etc.	370,910,368	682,771,493	636,258,160	595,310,637	491,162,865	389,166,558
Legal expenses	2,937,164	10,026,077	7,765,350	5,557,719	3,734,352	3,793,766
Postage, stamp, telecommunication, etc.	59,329,228	112,913,781	110,621,818	90,270,298	72,441,274	57,155,524
Stationery, printing, advertisement, etc.	82,828,306	174,091,810	175,827,492	101,292,102	102,027,782	78,189,160
Managing Director's salary	7,560,000	13,852,500	13,660,000	13,660,000	7,952,581	7,560,000
Directors' fees	653,250	1,104,250	1,364,750	1,004,927	1,405,750	1,575,000
Auditors' fees	693,448	1,790,934	1,765,215	900,000	700,000	500,000
Charges on loan loss	-	69,825,108	-	35,777,187	-	309,582,157
Depreciation and repair of bank's assets	198,387,855	442,183,292	402,991,215	304,576,225	273,093,112	222,996,681
Other expenses	378,329,250	728,138,397	669,117,684	579,826,799	385,940,869	256,500,562
<b>Total operating expenses</b>	<b>2,167,004,221</b>	<b>4,468,279,355</b>	<b>4,494,997,552</b>	<b>3,638,776,355</b>	<b>3,127,454,735</b>	<b>2,918,031,046</b>
<b>Operating profit</b>	<b>2,096,742,273</b>	<b>3,611,703,397</b>	<b>3,152,855,031</b>	<b>2,985,193,635</b>	<b>3,231,888,698</b>	<b>2,877,906,462</b>
Share of profit of joint ventures/associates	160,802,922	240,124,663	255,341,372	258,876,010	-	-
<b>Profit before provision</b>	<b>2,257,545,195</b>	<b>3,851,828,059</b>	<b>3,408,196,403</b>	<b>3,244,069,645</b>	<b>3,231,888,698</b>	<b>2,877,906,462</b>
<b>Provision for loans, investments and other assets</b>						
Specific provision	544,977,094	1,750,235,571	407,783,326	(145,290,413)	1,660,964,465	419,136,905
General provision	54,020,684	205,000,000	260,000,000	49,392,000	(33,000,000)	180,500,000
Provision for off-Shore Banking unit	(3,963,732)	1,000,000	4,000,000	9,600,000	(6,500,000)	-
Provision for off-balance sheet exposure	61,499,892	-	50,000,000	63,220,000	1,500,000	30,000,000
Provision for diminution in value of investments	156,852,496	68,164,349	(248,438,949)	235,566,751	193,710,375	-
Other provisions	11,403,255	26,181,570	26,000,000	27,672,054	(47,210,375)	252,000,000
<b>Total Provision</b>	<b>824,789,689</b>	<b>2,050,581,490</b>	<b>499,344,377</b>	<b>240,160,392</b>	<b>1,769,464,465</b>	<b>881,636,905</b>
<b>Profit/(Loss) before taxes</b>	<b>1,432,755,506</b>	<b>1,801,246,569</b>	<b>2,908,852,026</b>	<b>3,003,909,254</b>	<b>1,462,424,233</b>	<b>1,996,269,557</b>
<b>Provision for taxation</b>						
Current tax	864,688,286	966,255,904	1,301,314,763	1,101,878,414	1,006,863,357	1,124,301,106
Deferred tax expense/(income)	(240,368,158)	(222,150,537)	(157,542,995)	272,221,188	(678,279,860)	40,177,069
	<b>624,320,128</b>	<b>744,105,367</b>	<b>1,143,771,768</b>	<b>1,374,099,602</b>	<b>328,583,497</b>	<b>1,164,478,175</b>
<b>Net profit after taxation</b>	<b>808,435,378</b>	<b>1,057,141,202</b>	<b>1,765,080,258</b>	<b>1,629,809,652</b>	<b>1,133,840,736</b>	<b>831,791,382</b>
<b>Net profit after tax attributable to:</b>						
Equity holders of the Bank	808,435,469	1,057,141,126	1,765,080,014	1,629,809,652	1,133,840,736	831,791,382
Non-controlling interest	(91)	76	244	-	-	-
<b>Retained earnings brought forward from previous year</b>	<b>2,817,321,961</b>	<b>2,739,798,432</b>	<b>2,081,124,597</b>	<b>1,338,904,558</b>	<b>1,313,594,106</b>	<b>1,442,650,839</b>
<b>Profit available for appropriation</b>	<b>3,625,757,430</b>	<b>3,796,939,558</b>	<b>3,846,204,611</b>	<b>2,968,714,210</b>	<b>2,447,434,842</b>	<b>2,274,442,221</b>
<b>Appropriations</b>						
Statutory reserve	253,785,089	322,992,707	535,428,019	541,542,242	278,016,584	372,295,115
General reserve	-	-	-	-	-	-
Dividend	-	656,624,890	570,978,160	346,047,370	830,513,700	588,553,000
	<b>253,785,089</b>	<b>979,617,597</b>	<b>1,106,406,179</b>	<b>887,589,612</b>	<b>1,108,530,284</b>	<b>960,848,115</b>
<b>Retained surplus</b>	<b>3,371,972,341</b>	<b>2,817,321,961</b>	<b>2,739,798,432</b>	<b>2,081,124,597</b>	<b>1,338,904,558</b>	<b>1,313,594,106</b>
<b>Earnings Per Share (EPS)</b>	<b>1.61</b>	<b>2.10</b>	<b>3.51</b>	<b>3.72</b>	<b>2.98</b>	<b>2.40</b>

(\*) Previous years'/periods' figure have been rearranged/restated to conform to current (most recent) years'/periods' presentation.

27 July 2016  
 Dhaka

Sd/-  
**M. J. Abedin & Co.**  
 Chartered Accountants

## The Consolidated Statement of Assets and Liabilities of the Bank as at 30 June 2016 and for immediately preceding five years

IFC Bank Limited  
Consolidated Balance Sheet

Particulars	Amount in BDT					
	30 June 2016	31 Dec 2015	31 Dec 2014 (*)	31 Dec 2013 (*)	31 Dec 2012 (*)	31 Dec 2011 (*)
<b>PROPERTY AND ASSETS</b>						
<b>Cash</b>	<b>13,738,307,449</b>	<b>11,883,940,873</b>	<b>10,402,677,369</b>	<b>9,694,857,863</b>	<b>9,582,866,983</b>	<b>6,635,590,876</b>
Cash in hand (including foreign currency)	1,659,085,024	1,648,726,967	1,833,243,747	2,027,983,219	1,793,372,821	1,182,959,978
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	12,079,222,425	10,235,213,906	8,569,433,622	7,666,874,644	7,789,494,162	5,452,630,899
<b>Balance with other banks and financial institutions</b>	<b>10,696,417,081</b>	<b>5,717,048,302</b>	<b>12,049,563,141</b>	<b>10,028,352,857</b>	<b>5,158,506,347</b>	<b>3,026,169,941</b>
In Bangladesh	8,351,492,805	3,827,088,364	11,214,966,414	8,755,055,635	3,497,911,209	1,827,212,084
Outside Bangladesh	2,344,924,276	1,889,959,938	834,596,727	1,273,297,223	1,660,595,138	1,198,957,857
<b>Money at call and on short notice</b>	<b>600,000,000</b>	<b>-</b>	<b>1,450,000,000</b>	<b>-</b>	<b>950,000,000</b>	<b>100,000,000</b>
<b>Investments</b>	<b>25,414,943,798</b>	<b>29,113,754,270</b>	<b>23,332,137,187</b>	<b>21,498,051,492</b>	<b>15,790,328,606</b>	<b>12,371,855,426</b>
Government securities	19,902,907,126	23,596,892,752	17,217,294,297	15,893,691,348	11,311,623,934	8,101,539,970
Other investments	5,512,036,672	5,516,861,518	6,114,842,890	5,604,360,145	4,478,704,672	4,270,315,456
<b>Loans and advances</b>	<b>131,999,001,969</b>	<b>125,668,039,638</b>	<b>104,419,397,669</b>	<b>86,020,739,529</b>	<b>78,446,281,797</b>	<b>65,428,349,364</b>
Loans, cash credit, overdrafts etc.	123,038,539,016	116,635,497,917	96,670,129,520	79,899,715,032	71,546,062,534	58,345,351,229
Bills purchased and discounted	8,960,462,953	9,032,541,721	7,749,268,149	6,121,024,498	6,900,219,263	7,082,998,135
<b>Fixed assets including premises, furniture and fixtures</b>	<b>3,578,965,574</b>	<b>3,244,881,023</b>	<b>2,946,853,254</b>	<b>2,404,374,060</b>	<b>2,367,569,482</b>	<b>2,215,123,119</b>
<b>Other assets</b>	<b>5,724,571,647</b>	<b>4,736,254,172</b>	<b>3,371,653,934</b>	<b>3,632,099,174</b>	<b>3,165,491,453</b>	<b>2,142,739,278</b>
<b>Non-banking assets</b>	<b>373,474,800</b>	<b>373,474,800</b>	<b>373,474,800</b>	<b>373,474,800</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>192,125,682,317</b>	<b>180,737,393,078</b>	<b>158,345,757,354</b>	<b>133,651,949,776</b>	<b>115,461,044,668</b>	<b>91,919,828,003</b>
<b>LIABILITIES AND CAPITAL</b>						
<b>Liabilities</b>						
<b>Borrowing from other banks, financial Institutions and agents</b>	<b>5,391,936,776</b>	<b>7,493,454,676</b>	<b>5,924,591,258</b>	<b>3,840,822,447</b>	<b>1,111,976,655</b>	<b>1,418,845,663</b>
<b>Subordinated debt</b>	<b>3,500,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deposits and other accounts</b>	<b>153,563,694,395</b>	<b>146,848,211,304</b>	<b>129,863,053,203</b>	<b>110,676,026,933</b>	<b>92,481,115,043</b>	<b>73,042,234,330</b>
Current deposit and other accounts	18,720,697,161	17,440,029,998	15,582,027,154	13,568,293,800	11,588,588,434	10,191,080,240
Bills payable	2,350,923,777	1,473,570,630	1,874,975,364	1,573,829,454	1,492,411,159	1,306,622,259
Savings bank deposits	26,205,220,198	24,496,108,248	18,366,462,687	13,890,792,353	11,468,553,820	10,031,541,483
Fixed deposits	106,286,853,259	103,438,502,428	94,039,587,998	81,643,111,325	67,931,561,631	51,512,990,348
<b>Other liabilities</b>	<b>16,539,751,786</b>	<b>14,025,345,914</b>	<b>11,359,482,025</b>	<b>9,686,289,613</b>	<b>14,047,408,901</b>	<b>10,649,844,590</b>
<b>Total liabilities</b>	<b>178,995,382,957</b>	<b>168,367,011,894</b>	<b>147,147,126,486</b>	<b>124,203,138,993</b>	<b>107,640,500,599</b>	<b>85,110,924,583</b>
<b>Capital/Shareholders' equity</b>						
Paid up capital	5,034,124,170	5,034,124,170	4,377,499,280	3,806,521,120	3,460,473,750	2,768,379,000
Statutory reserve	4,486,284,969	4,232,499,880	3,909,507,173	3,374,079,154	2,832,536,912	2,554,520,330
General reserve	155,071,397	155,071,397	55,771,397	55,771,397	55,771,397	55,771,397
Revaluation reserve against securities	2,639,546	41,391,939	1,575,539	16,043,518	17,604,715	1,323,882
Revaluation reserve against fixed assets	115,314,704	115,314,704	115,314,704	115,314,704	115,314,704	115,314,704
Foreign currency translation reserve	(35,115,198)	(25,350,388)	(843,101)	(50,909)	(67,967)	-
Surplus in profit and loss account	3,371,972,342	2,817,321,961	2,739,798,432	2,081,124,597	1,338,904,558	1,313,594,106
	13,130,291,930	12,370,373,663	11,198,623,424	9,448,803,582	7,820,538,069	6,808,903,420
Non-controlling interest	7,429	7,521	7,445	7,201	6,000	-
<b>Total shareholders' equity</b>	<b>13,130,299,359</b>	<b>12,370,381,184</b>	<b>11,198,630,869</b>	<b>9,448,810,783</b>	<b>7,820,544,069</b>	<b>6,808,903,420</b>
<b>Total liabilities and shareholders' equity</b>	<b>192,125,682,317</b>	<b>180,737,393,078</b>	<b>158,345,757,355</b>	<b>133,651,949,776</b>	<b>115,461,044,668</b>	<b>91,919,828,003</b>

**The Consolidated Statement of Assets and Liabilities of the Bank as at 30 June 2016 and for immediately preceding five years**  
IFIC Bank Limited  
Consolidated Balance Sheet

Particulars	30 June 2016	31 Dec 2015	31 Dec 2014 (*)	31 Dec 2013 (*)	31 Dec 2012 (*)	Amount in BDT 31 Dec 2011 (*)
<b>OFF BALANCE SHEET ITEMS</b>						
<b>Contingent liabilities</b>	<b>54,021,989,160</b>	<b>47,779,027,775</b>	<b>47,824,432,743</b>	<b>42,304,360,063</b>	<b>36,502,077,421</b>	<b>36,232,714,657</b>
Acceptances and endorsements	17,865,901,197	14,210,761,791	17,819,035,175	13,876,907,522	11,672,883,029	12,949,639,891
Letters of guarantee	9,554,723,447	9,706,631,662	6,644,832,531	6,340,226,700	5,717,606,179	4,112,823,270
Irrevocable letters of credit	15,393,596,728	14,800,324,793	14,473,667,235	14,442,618,436	12,272,437,515	11,606,768,727
Bills for collection	11,207,767,788	9,061,309,529	8,886,897,802	7,644,607,405	6,839,150,698	7,563,482,770
Other contingent liabilities	-	-	-	-	-	-
<b>Other commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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	-	-	-	-	-	-
<b>Total off-Balance Sheet exposures including contingent liabilities</b>	<b>54,021,989,160</b>	<b>47,779,027,775</b>	<b>47,824,432,743</b>	<b>42,304,360,063</b>	<b>36,502,077,421</b>	<b>36,232,714,657</b>

(\*) Previous years'/periods' figure have been rearranged/restated to conform to current (most recent) years'/periods' presentation.

27 July 2016  
Dhaka

Sd/-  
**M. J. Abedin & Co.**  
Chartered Accountants

## The Consolidated Statement of Cash Flows of the Bank for the half year ended 30 June 2016 and for immediately preceding five years

IFIC Bank Limited

## Consolidated Cash Flow Statement

Amount in BDT

Particulars	30 June 2016	31 Dec 2015	31 Dec 2014 (*)	31 Dec 2013 (*)	31 Dec 2012 (*)	31 Dec 2011 (*)
<b>A. Cash flows from operating activities</b>						
Interest received	7,113,832,271	14,766,733,413	13,817,897,656	12,912,892,803	10,520,385,971	6,798,012,560
Interest payments	(4,171,143,125)	(8,978,636,056)	(8,725,747,399)	(8,506,445,840)	(7,658,802,706)	(4,654,632,244)
Dividend received	47,171,108	161,080,469	106,248,532	84,956,377	53,213,728	121,086,707
Fees and commission received	787,024,756	1,512,245,117	1,423,651,023	1,321,242,455	1,151,880,094	1,349,339,988
Recoveries of loans and advances previously written-off	97,612,716	91,978,387	194,316,107	648,876,150	175,200,118	70,309,771
Cash payments to employees	(1,072,935,352)	(2,295,434,213)	(2,509,285,867)	(1,894,260,460)	(1,639,222,255)	(1,448,571,638)
Cash payments to suppliers	(170,630,573)	(254,380,826)	(237,324,678)	(155,073,176)	-	-
Income taxes paid	(690,684,934)	(1,046,898,362)	(1,207,026,021)	(1,031,213,745)	(872,717,004)	(673,042,758)
Receipts from other operating activities	354,047,836	528,027,210	558,278,918	583,233,062	2,292,666,344	2,111,820,727
Payments for other operating activities	(784,912,269)	(1,471,425,558)	(1,360,786,595)	(1,381,330,651)	(1,124,007,033)	(797,164,302)
<b>Operating cash flows before changing in operating assets and liabilities</b>	<b>1,509,382,434</b>	<b>3,013,289,582</b>	<b>2,060,221,676</b>	<b>2,582,876,976</b>	<b>2,898,597,257</b>	<b>2,877,158,811</b>
<b>Increase/(decrease) in operating assets and liabilities</b>						
Statutory deposits	-	-	-	-	-	-
Loans and advances to other banks	-	-	-	-	-	-
Loans and advances to customers	(5,598,833,550)	(20,618,792,622)	(17,382,343,208)	(8,900,941,822)	(14,017,932,433)	(17,602,093,106)
Other assets	64,547,558	(1,163,194,963)	225,964,975	(474,177,862)	342,626,717	1,326,869,629
Deposits from other banks	(839,474,000)	306,602,000	(225,339,000)	(279,194,397)	300,353,000	497,139,000
Deposits from customers	7,619,336,862	16,717,220,821	19,627,437,222	15,578,131,084	17,132,649,997	17,647,600,781
Trading liabilities	-	-	-	-	(298,830,132)	(84,800,424)
Other liabilities	82,820,611	168,405,715	677,084,529	197,553,393	662,468,608	(1,110,936,099)
	<b>1,328,397,480</b>	<b>(4,589,759,050)</b>	<b>2,922,804,518</b>	<b>6,121,370,395</b>	<b>4,121,335,757</b>	<b>673,779,780</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>2,837,779,914</b>	<b>(1,576,469,468)</b>	<b>4,983,026,194</b>	<b>8,704,247,371</b>	<b>7,019,933,014</b>	<b>3,550,938,591</b>
<b>B. Cash flows from investing activities</b>						
Net proceeds/(payments) from sale/(purchase) of Government securities	3,655,233,232	(6,154,867,151)	(1,255,048,849)	(4,216,501,213)	18,000,000	18,000,000
Net proceeds/(payments) from sale/(purchase) of securities	4,824,846	611,567,060	(743,310,039)	(1,089,525,840)	(254,215,397)	(2,331,652,770)
Purchase of property, plant & equipment	(448,995,739)	(739,401,777)	(833,798,051)	(227,827,068)	(328,522,475)	(191,660,966)
Proceeds from sale of property, plant & equipment	1,151,968	2,817,834	3,253,511	4,912,148	1,437,731	11,974,410
<b>Net cash used in investing activities</b>	<b>3,212,214,307</b>	<b>(6,279,884,033)</b>	<b>(2,828,903,428)</b>	<b>(5,528,941,973)</b>	<b>(563,300,140)</b>	<b>(2,493,339,326)</b>
<b>C. Cash flows from financing activities</b>						
Borrowing from other banks, financial institution and agents	(2,101,517,900)	1,568,863,417	2,083,768,811	640,162,802	(239,765,188)	1,064,650,425
Receipts from issue of sub-ordinated bond	3,500,000,000	-	-	-	-	-
Dividend paid (cash)	-	-	-	-	-	-
Payment against lease obligation	(3,054,249)	(6,642,120)	(7,263,378)	(5,140,413)	-	-
<b>Net cash flow from financing activities</b>	<b>1,395,427,852</b>	<b>1,562,221,297</b>	<b>2,076,505,433</b>	<b>635,022,389</b>	<b>(239,765,188)</b>	<b>1,064,650,425</b>
<b>D. Net increase/(decrease) in cash (A+B+C)</b>	<b>7,445,422,073</b>	<b>(6,294,132,204)</b>	<b>4,230,628,198</b>	<b>3,810,327,786</b>	<b>6,216,867,686</b>	<b>2,122,249,690</b>
<b>E. Effects of exchange rate changes on cash and cash equivalents</b>	<b>(14,328,118)</b>	<b>(5,215,931)</b>	<b>(52,101,507)</b>	<b>(50,562,494)</b>		
<b>F. Opening balance of cash and cash equivalents</b>	<b>17,608,744,275</b>	<b>23,908,092,411</b>	<b>19,729,565,720</b>	<b>15,969,800,428</b>	<b>9,752,932,743</b>	<b>7,630,683,052</b>
<b>G. Closing balance of cash and cash equivalents (D+E+F)</b>	<b>25,039,838,230</b>	<b>17,608,744,275</b>	<b>23,908,092,411</b>	<b>19,729,565,721</b>	<b>15,969,800,428</b>	<b>9,752,932,742</b>

(\*) Previous years/periods' figure have been rearranged/restated to conform to current (most recent) years/periods' presentation.

27 July 2016  
DhakaSd/-  
**M. J. Abedin & Co.**  
Chartered Accountants

**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF  
IFIC BANK LIMITED**

***Report on the Financial Statements***

We have audited the accompanying consolidated financial statements of IFIC Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of IFIC Bank Limited (the "Bank"), which comprise the consolidated and the separate balance sheet as at 30 June 2016 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the period then ended, and a summary of significant accounting policies and other explanatory information.

***Management's Responsibility for the Financial Statements and Internal Controls***

Management is responsible for the preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note 2.1.1 and for such internal control as management determines necessary to enable the preparation of consolidated financial statements of the Group and separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 as amended and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as

evaluating the overall presentation of the consolidated financial statements of the Group and separate financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

### **Other Matter**

We have audited the financial statements of subsidiary of the Bank, **IFIC Securities Limited** and another subsidiary of the Bank, **IFIC Money Transfer (UK) Limited** has been audited by **Ahmed & Co. Chartered Accountants** and unqualified opinion was expressed on both the financial statements and those financial statements have been properly reflected in the consolidated financial statements of the Group.

### **Opinion**

In our opinion, the consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and separate financial position of the Bank as at 30 June 2016, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the period then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.1.1.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987, the Bank Company Act, 1991 as amended and the rules and regulations issued by Bangladesh Bank, we also report the following:

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof.
- (b) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility section in forming the above opinion on the consolidated financial statements of the Group and separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
  - i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note 2.2.6.10 of the financial statements appeared to be materially adequate;
  - ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities other than matters disclosed in note 2.2.6.10 (V);
- (c) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;

- (d) the consolidated balance sheet and profit and loss account of the Group and the separate balance sheet and profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- (e) the expenditure incurred was for the purposes of the Bank's business;
- (f) the consolidated financial statements of the Group and separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- (g) adequate provisions have been made for advances and other assets which are, in our opinion, doubtful of recovery;
- (h) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (i) the information and explanation required by us have been received and found satisfactory;
- (j) Capital to Risk Weighted Assets Ratio (CRAR) as required by the Bangladesh Bank has been maintained adequately during the period and
- (k) we have reviewed over 80% of the risk weighted assets of the bank and we have spent around 2,850 person hours for the audit of the books and accounts of the bank.

27 July 2016  
Dhaka

Sd/-  
**M. J. ABEDIN & CO**  
**Chartered Accountants**

**INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED**

Consolidated Balance Sheet  
as at 30 June 2016

Amount in BDT

Particulars	Note	30 June 2016	31 December 2015
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>		<b>13,738,307,449</b>	<b>11,883,940,873</b>
Cash in hand (including foreign currency)	3.a	1,659,085,024	1,648,726,967
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.b	12,079,222,425	10,235,213,906
<b>Balance with other banks and financial institutions</b>	<b>4.a</b>	<b>10,696,417,081</b>	<b>5,717,048,302</b>
In Bangladesh	4.a(i)	8,351,492,805	3,827,088,364
Outside Bangladesh	4.a(ii)	2,344,924,276	1,889,959,938
<b>Money at call and on short notice</b>	<b>5</b>	<b>600,000,000</b>	<b>-</b>
<b>Investments</b>		<b>25,414,943,798</b>	<b>29,113,754,270</b>
Government securities	6.a	19,902,907,126	23,596,892,752
Other investments	6.b	5,512,036,672	5,516,861,518
<b>Loans and advances</b>		<b>131,999,001,969</b>	<b>125,668,039,638</b>
Loans, cash credit, overdrafts etc.	7.a	123,038,539,016	116,635,497,917
Bills purchased and discounted	8.a	8,960,462,953	9,032,541,721
<b>Fixed assets including premises, furniture and fixtures</b>	<b>9.a</b>	<b>3,578,965,574</b>	<b>3,244,881,023</b>
<b>Other assets</b>	<b>10.a</b>	<b>5,724,571,647</b>	<b>4,736,254,172</b>
<b>Non-banking assets</b>	<b>11</b>	<b>373,474,800</b>	<b>373,474,800</b>
<b>Total assets</b>		<b>192,125,682,317</b>	<b>180,737,393,078</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowing from other banks, financial institutions and agents</b>	<b>12.a</b>	<b>5,391,936,776</b>	<b>7,493,454,676</b>
<b>Subordinated debt</b>	<b>13</b>	<b>3,500,000,000</b>	<b>-</b>
<b>Deposits and other accounts</b>	<b>14.a</b>	<b>153,563,694,395</b>	<b>146,848,211,304</b>
Current deposit and other accounts		18,720,697,161	17,440,029,998
Bills payable		2,350,923,777	1,473,570,630
Savings bank deposits		26,205,220,198	24,496,108,248
Fixed deposits		106,286,853,259	103,438,502,428
<b>Other liabilities</b>	<b>15.a</b>	<b>16,539,751,786</b>	<b>14,025,345,914</b>
<b>Total liabilities</b>		<b>178,995,382,957</b>	<b>168,367,011,894</b>
<b>Capital/Shareholders' equity</b>			
Paid up capital	16.2	5,034,124,170	5,034,124,170
Statutory reserve	17	4,486,284,969	4,232,499,880
General reserve	18	155,071,397	155,071,397
Revaluation reserve against securities	19.a	2,639,546	41,391,939
Revaluation reserve against fixed assets	20	115,314,704	115,314,704
Foreign currency translation reserve	20.a	(35,115,198)	(25,350,388)
Surplus in profit and loss account	22	3,371,972,342	2,817,321,961
		<b>13,130,291,930</b>	<b>12,370,373,663</b>
Non-controlling interest	23	7,430	7,521
<b>Total shareholders' equity</b>		<b>13,130,299,360</b>	<b>12,370,381,184</b>
<b>Total liabilities and shareholders' equity</b>		<b>192,125,682,317</b>	<b>180,737,393,078</b>

**INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED**

Consolidated Balance Sheet  
as at 30 June 2016

Particulars	Note	Amount in BDT	
		30 June 2016	31 December 2015
<b>OFF BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>	<b>24</b>	<b>54,021,989,160</b>	<b>47,779,027,775</b>
Acceptances and endorsements	24.1	17,865,901,197	14,210,761,791
Letters of guarantee	24.2	9,554,723,447	9,706,631,662
Irrevocable letters of credit	24.3	15,393,596,728	14,800,324,793
Bills for collection	24.4	11,207,767,788	9,061,309,529
Other contingent liabilities		-	-
<b>Other commitments</b>			
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		-	-
<b>Total off-Balance Sheet exposures including contingent liabilities</b>		<b>54,021,989,160</b>	<b>47,779,027,775</b>

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

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

Sd/-  
Director

Signed as per our annexed report of same date

27 July 2016  
Dhaka

Sd/-  
**M. J. Abedin & Co.**  
Chartered Accountants

**INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED**

Consolidated Profit and Loss Account  
for the half year ended 30 June 2016

Amount in BDT

Particulars	Note	1 January to 30 June 2016	1 January to 30 June 2015	1 April to 30 June 2016	1 April to 30 June 2015
Interest income	26.a	6,235,093,122	6,244,966,296	3,033,007,049	3,247,708,676
Interest paid on deposits, borrowings etc.	27.a	4,146,262,177	4,357,390,927	1,978,856,270	2,207,851,129
<b>Net Interest income</b>		<b>2,088,830,945</b>	<b>1,887,575,369</b>	<b>1,054,150,779</b>	<b>1,039,857,547</b>
Investment income	28.a	1,094,778,901	1,140,003,881	533,220,639	538,768,496
Commission, exchange and brokerage	29.a	775,733,422	799,109,107	398,163,721	436,400,140
Other operating income	30.a	304,403,226	262,883,455	176,164,503	148,866,703
		<b>2,174,915,549</b>	<b>2,201,996,443</b>	<b>1,107,548,863</b>	<b>1,124,035,338</b>
<b>Total operating income</b>		<b>4,263,746,494</b>	<b>4,089,571,811</b>	<b>2,161,699,642</b>	<b>2,163,892,885</b>
Salaries and allowances	31.a	1,065,375,352	1,031,700,924	550,432,634	557,895,779
Rent, taxes, insurance, electricity etc.	32.a	370,910,368	333,575,942	177,370,373	162,991,409
Legal expenses	33.a	2,937,164	6,195,435	1,623,429	2,005,101
Postage, stamp, telecommunication etc.	34.a	59,329,228	53,119,091	42,943,104	28,885,603
Stationery, printing, advertisement etc.	35.a	82,828,306	85,661,876	40,590,695	40,739,053
Managing Director's salary	36	7,560,000	6,030,000	3,967,500	3,015,000
Directors' fees	37.a	653,250	413,750	370,750	323,750
Auditors' fees	38.a	693,448	646,898	547,164	646,898
Charges on loan loss	39	-	-	-	-
Depreciation and repair of bank's assets	40.a	198,387,855	190,933,633	103,561,281	100,388,809
Other expenses	41.a	378,329,250	292,532,153	201,825,672	156,070,554
<b>Total operating expenses</b>		<b>2,167,004,221</b>	<b>2,000,809,700</b>	<b>1,123,232,602</b>	<b>1,052,961,954</b>
<b>Operating profit</b>		<b>2,096,742,273</b>	<b>2,088,762,111</b>	<b>1,038,467,039</b>	<b>1,110,930,931</b>
<b>Share of profit of joint ventures/associates</b>	41.b	<b>160,802,922</b>	<b>125,953,298</b>	<b>56,987,956</b>	<b>(32,757,944)</b>
<b>Profit before provision</b>		<b>2,257,545,195</b>	<b>2,214,715,410</b>	<b>1,095,454,995</b>	<b>1,078,172,986</b>
<b>Provision for loans, investments &amp; other assets</b>	42.a				
Specific provision		544,977,094	593,937,858	119,268,328	222,588,783
General provision		54,020,684	180,000,000	62,157,800	130,000,000
Provision for off-shore banking unit		(3,963,732)	-	3,265,361	-
Provision for off-balance sheet exposures		61,499,892	(10,000,000)	34,695,516	-
Provision for diminution in value of investments		156,852,496	11,768,037	28,775,800	(29,858,416)
Provision for other assets		11,403,255	22,775,569	4,469,644	12,775,569
<b>Total provision</b>		<b>824,789,689</b>	<b>798,481,465</b>	<b>252,632,449</b>	<b>335,505,936</b>
<b>Profit/(Loss) before taxes</b>		<b>1,432,755,506</b>	<b>1,416,233,945</b>	<b>842,822,546</b>	<b>742,667,051</b>
<b>Provision for taxation</b>					
Current tax	43.a	864,688,286	904,673,513	462,084,840	451,741,160
Deferred tax	43.b	(240,368,158)	(208,424,298)	(136,462,694)	(77,936,198)
		<b>624,320,128</b>	<b>696,249,215</b>	<b>325,622,146</b>	<b>373,804,961</b>
<b>Net profit after taxation</b>		<b>808,435,378</b>	<b>719,984,731</b>	<b>517,200,400</b>	<b>368,862,089</b>
<b>Net profit after tax attributable to:</b>					
Equity holders of the Bank		808,435,469	719,984,814	517,200,527	368,861,985
Non-controlling interest		(91)	(83)	(127)	104
<b>Retained earnings brought forward from previous period</b>		<b>2,817,321,961</b>	<b>2,739,798,432</b>	<b>3,108,556,903</b>	<b>3,090,921,260</b>
Add: Net profit after tax (attributable to equity holders of the Bank)		808,435,469	719,984,814	517,200,527	368,861,985
<b>Profit available for appropriation</b>		<b>3,625,757,430</b>	<b>3,459,783,246</b>	<b>3,625,757,430</b>	<b>3,459,783,246</b>
<b>Appropriations:</b>					
Statutory reserve		253,785,089	272,144,502	253,785,089	272,144,502
General reserve		-	-	-	-
Dividend		-	656,624,890	-	656,624,890
		<b>253,785,089</b>	<b>928,769,392</b>	<b>253,785,089</b>	<b>928,769,392</b>
<b>Retained surplus</b>		<b>3,371,972,341</b>	<b>2,531,013,853</b>	<b>3,371,972,341</b>	<b>2,531,013,853</b>
<b>Earnings Per Share (EPS)</b>	50.a	<b>1.61</b>	<b>1.43</b>	<b>1.03</b>	<b>0.73</b>

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

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

Sd/-  
Director

Signed as per our annexed report of same date

27 July 2016  
Dhaka

Sd/-  
**M. J. Abedin & Co.**  
Chartered Accountants

**INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED**

Consolidated Cash Flow Statement  
for the half year ended 30 June 2016

Amount in BDT

Particulars	Note	1 January to 30 June 2016	1 January to 30 June 2015
<b>A. Cash flows from operating activities</b>			
Interest received		7,113,832,271	7,274,874,422
Interest payments		(4,171,143,125)	(4,516,183,653)
Dividend received		47,171,108	126,065,708
Fees and commission received		787,024,756	783,890,871
Recoveries of loans and advances previously written-off		97,612,716	64,055,287
Cash payments to employees		(1,072,935,352)	(1,217,730,924)
Cash payments to suppliers		(170,630,573)	(19,894,183)
Income taxes paid		(690,684,934)	(524,554,011)
Receipts from other operating activities	44.a	354,047,836	289,056,705
Payments for other operating activities	45.a	(784,912,269)	(741,836,197)
<b>Operating cash flows before changing in operating assets and liabilities</b>		<b>1,509,382,434</b>	<b>1,517,744,024</b>
<b>Increase/(decrease) in operating assets and liabilities</b>			
Statutory deposits		-	-
Loans and advances to other banks		-	-
Loans and advances to customers		(5,599,015,643)	(7,369,397,407)
Other assets	47.a	64,547,558	(745,034,049)
Deposits from other banks		(839,474,000)	(415,902,000)
Deposits from customers		7,619,336,862	4,301,034,500
Trading liabilities		-	-
Other liabilities	48.a	83,002,704	233,547,207
		<b>1,328,397,480</b>	<b>(3,995,751,749)</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>2,837,779,914</b>	<b>(2,478,007,726)</b>
<b>B. Cash flows from investing activities</b>			
Net proceeds/(payments) from sale/(purchase) of Government securities		3,655,233,232	104,071,480
Net proceeds/(payments) from sale/(purchase) of securities		4,824,846	513,782,278
Purchase of property, plant & equipment		(448,995,739)	(247,797,704)
Proceeds from sale of property, plant & equipment		1,151,968	2,244,031
<b>Net cash used in investing activities</b>		<b>3,212,214,307</b>	<b>372,300,085</b>
<b>C. Cash flows from financing activities</b>			
Borrowing from other banks, financial institutions and agents		(2,101,517,900)	1,308,878,529
Receipts from issue of sub-ordinated bond		3,500,000,000	-
Dividend paid (cash)		-	-
Payment against lease obligation		(3,054,249)	(3,405,207)
<b>Net cash flows from financing activities</b>		<b>1,395,427,852</b>	<b>1,305,473,322</b>
<b>D. Net increase/(decrease) in cash (A+B+C)</b>		<b>7,445,422,073</b>	<b>(800,234,318)</b>
<b>E. Effects of exchange rate changes on cash and cash equivalents</b>		<b>(14,328,118)</b>	<b>(146,444,817)</b>
<b>F. Opening balance of cash and cash equivalents</b>		<b>17,608,744,275</b>	<b>23,908,092,411</b>
<b>G. Closing balance of cash and cash equivalents (D+E+F)</b>	46.a	<b>25,039,838,230</b>	<b>22,961,413,276</b>
<b>Closing cash and cash equivalents</b>			
Cash in hand		1,659,085,024	1,915,971,631
Balance with Bangladesh Bank and its agents bank		12,079,222,425	9,991,650,725
Balance with other banks and financial institutions		10,696,417,081	9,547,958,019
Money at call and on short notice		600,000,000	1,500,000,000
Prize bonds		5,113,700	5,832,900
		<b>25,039,838,230</b>	<b>22,961,413,276</b>

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

**INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED**

Consolidated Statement of Changes in Equity  
for the half year ended 30 June 2016

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
Restated balance as at 1 January 2016	5,034,124,170	4,232,499,880	155,071,397	41,391,939	115,314,704	(25,350,388)	2,817,321,961	7,521	12,370,381,184
Impact of changes in accounting policy	-	-	-	-	-	-	-	-	-
<b>Restated balance as at 1 January 2016</b>	<b>5,034,124,170</b>	<b>4,232,499,880</b>	<b>155,071,397</b>	<b>41,391,939</b>	<b>115,314,704</b>	<b>(25,350,388)</b>	<b>2,817,321,961</b>	<b>7,521</b>	<b>12,370,381,184</b>
Surplus/(deficit) on account of revaluation of investments	-	-	-	(38,752,394)	-	-	-	-	(38,752,394)
Effect of foreign currency translation	-	-	-	-	-	(9,764,810)	-	-	(9,764,810)
Transfer from provision to general reserve	-	-	-	-	-	-	-	-	-
<b>Net gains and losses not recognized in the profit and loss account</b>	<b>5,034,124,170</b>	<b>4,232,499,880</b>	<b>155,071,397</b>	<b>2,639,546</b>	<b>115,314,704</b>	<b>(35,115,198)</b>	<b>2,817,321,961</b>	<b>7,521</b>	<b>12,321,863,981</b>
Net profit for the period	-	-	-	-	-	-	808,435,470	(91)	808,435,379
Dividend issued/paid during the period	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	253,785,089	-	-	-	-	(253,785,089)	-	-
<b>Balance as at 30 June 2016</b>	<b>5,034,124,170</b>	<b>4,486,284,969</b>	<b>155,071,397</b>	<b>2,639,546</b>	<b>115,314,704</b>	<b>(35,115,198)</b>	<b>3,371,972,342</b>	<b>7,430</b>	<b>13,130,299,360</b>
Balance as at 1 January 2015	4,377,499,280	3,909,507,173	55,771,397	1,575,539	115,314,704	(843,101)	2,739,798,432	7,445	11,198,630,869
Impact of changes in accounting policy	-	-	-	-	-	-	-	-	-
<b>Restated balance as at 1 January 2015</b>	<b>4,377,499,280</b>	<b>3,909,507,173</b>	<b>55,771,397</b>	<b>1,575,539</b>	<b>115,314,704</b>	<b>(843,101)</b>	<b>2,739,798,432</b>	<b>7,445</b>	<b>11,198,630,869</b>
Surplus/(deficit) on account of revaluation of investments	-	-	-	14,767,514	-	-	-	-	14,767,514
Effect of foreign currency translation	-	-	-	-	-	(21,786,561)	-	-	(21,786,561)
<b>Net gains and losses not recognized in the profit and loss account</b>	<b>4,377,499,280</b>	<b>3,909,507,173</b>	<b>55,771,397</b>	<b>16,343,053</b>	<b>115,314,704</b>	<b>(22,629,662)</b>	<b>2,739,798,432</b>	<b>7,445</b>	<b>11,191,611,823</b>
Net profit for the period	-	-	-	-	-	-	719,984,814	(83)	719,984,731
Dividend issued/paid during the period	656,624,890	-	-	-	-	-	(656,624,890)	-	-
Transfer to statutory reserve	-	272,144,502	-	-	-	-	(272,144,502)	-	-
<b>Balance as at 30 June 2015</b>	<b>5,034,124,170</b>	<b>4,181,651,676</b>	<b>55,771,397</b>	<b>16,343,053</b>	<b>115,314,704</b>	<b>(22,629,662)</b>	<b>2,531,013,854</b>	<b>7,362</b>	<b>11,911,596,554</b>

**INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED**

Balance Sheet  
as at 30 June 2016

Amount in BDT

Particulars	Note	30 June 2016	31 December 2015
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	<b>3</b>	<b>13,719,881,805</b>	<b>11,861,355,635</b>
Cash in hand (including foreign currency)	3.1	1,640,659,380	1,626,141,729
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	12,079,222,425	10,235,213,906
<b>Balance with other banks and financial institutions</b>	<b>4</b>	<b>10,680,738,738</b>	<b>5,710,545,217</b>
In Bangladesh	4.1	8,351,492,804	3,827,088,363
Outside Bangladesh	4.2	2,329,245,934	1,883,456,854
<b>Money at call and on short notice</b>	<b>5</b>	<b>600,000,000</b>	<b>-</b>
<b>Investments</b>	<b>6</b>	<b>24,648,486,203</b>	<b>28,497,856,878</b>
Government securities	6.1	19,902,907,126	23,596,892,752
Other investments	6.2	4,745,579,077	4,900,964,126
<b>Loans and advances</b>	<b>7</b>	<b>129,356,565,436</b>	<b>123,268,667,873</b>
Loans, cash credit, overdrafts etc.	7.1	120,396,102,483	114,236,126,152
Bills purchased and discounted	8	8,960,462,953	9,032,541,721
<b>Fixed assets including premises, furniture and fixtures</b>	<b>9</b>	<b>3,566,700,203</b>	<b>3,230,366,926</b>
<b>Other assets</b>	<b>10</b>	<b>6,407,752,502</b>	<b>5,391,684,061</b>
<b>Non-banking assets</b>	<b>11</b>	<b>373,474,800</b>	<b>373,474,800</b>
<b>Total assets</b>		<b>189,353,599,687</b>	<b>178,333,951,390</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowing from other banks, financial Institutions and agents</b>	<b>12</b>	<b>5,046,243,835</b>	<b>7,200,813,714</b>
<b>Subordinated debt</b>	<b>13</b>	<b>3,500,000,000</b>	<b>-</b>
<b>Deposits and other accounts</b>	<b>14</b>	<b>153,584,566,933</b>	<b>146,819,705,532</b>
Current deposit and other accounts	14.1	18,741,569,699	17,411,524,226
Bills payable	14.2	2,350,923,777	1,473,570,630
Savings bank deposits	14.3	26,205,220,198	24,496,108,248
Fixed deposits	14.4	106,286,853,259	103,438,502,428
<b>Other liabilities</b>	<b>15</b>	<b>14,948,034,413</b>	<b>12,659,218,849</b>
<b>Total liabilities</b>		<b>177,078,845,181</b>	<b>166,679,738,095</b>
<b>Capital/Shareholders' equity</b>			
Paid up capital	16.2	5,034,124,170	5,034,124,170
Statutory reserve	17	4,486,284,969	4,232,499,880
General reserve	18	155,071,397	155,071,397
Revaluation reserve against securities	19	2,639,546	41,391,939
Revaluation reserve against fixed assets	20	115,314,704	115,314,704
Surplus in profit and loss account	21	2,481,319,720	2,075,811,205
<b>Total shareholders' equity</b>		<b>12,274,754,506</b>	<b>11,654,213,295</b>
<b>Total liabilities and shareholders' equity</b>		<b>189,353,599,687</b>	<b>178,333,951,390</b>

**INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED**

Balance Sheet  
as at 30 June 2016

Particulars	Note	Amount in BDT	
		30 June 2016	31 December 2015
<b>OFF BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>	<b>24</b>	<b>54,021,989,160</b>	<b>47,779,027,775</b>
Acceptances and endorsements	24.1	17,865,901,197	14,210,761,791
Letters of guarantee	24.2	9,554,723,447	9,706,631,662
Irrevocable letters of credit	24.3	15,393,596,728	14,800,324,793
Bills for collection	24.4	11,207,767,788	9,061,309,529
Other contingent liabilities		-	-
<b>Other commitments</b>		-	-
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		-	-
<b>Total off-Balance Sheet exposures including contingent liabilities</b>		<b>54,021,989,160</b>	<b>47,779,027,775</b>

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

Sd/-  
**Managing Director**

Sd/-  
**Director**

Sd/-  
**Director**

Sd/-  
**Director**

Signed as per our annexed report of same date

27 July 2016  
Dhaka

Sd/-  
**M. J. Abedin & Co.**  
Chartered Accountants

**INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED**

Profit and Loss Account  
for the half year ended 30 June 2016

Amount in BDT

Particulars	Note	1 January to 30 June 2016	1 January to 30 June 2015	1 April to 30 June 2016	1 April to 30 June 2015
Interest income	26	6,183,111,784	6,219,482,802	3,029,983,550	3,239,443,570
Interest paid on deposits, borrowings, etc.	27	4,126,226,558	4,338,502,794	2,005,598,718	2,197,042,624
<b>Net Interest income</b>		<b>2,056,885,226</b>	<b>1,880,980,008</b>	<b>1,024,384,832</b>	<b>1,042,400,946</b>
Investment income	28	1,087,500,243	1,223,757,278	525,941,981	538,725,596
Commission, exchange and brokerage	29	735,630,242	734,761,039	379,608,003	391,385,506
Other operating income	30	304,338,628	262,787,443	176,138,386	158,575,696
		<b>2,127,469,113</b>	<b>2,221,305,760</b>	<b>1,081,688,370</b>	<b>1,088,686,798</b>
<b>Total operating income</b>		<b>4,184,354,339</b>	<b>4,102,285,768</b>	<b>2,106,073,202</b>	<b>2,131,087,743</b>
Salaries and allowances	31	1,053,469,934	1,018,888,430	544,304,021	550,957,633
Rent, taxes, insurance, electricity, etc.	32	363,026,513	326,211,984	172,710,006	159,070,422
Legal expenses	33	2,411,500	5,503,827	1,230,750	1,716,361
Postage, stamp, telecommunication, etc.	34	59,244,725	53,048,943	42,886,976	38,585,169
Stationery, printing, advertisement, etc.	35	82,707,382	85,051,709	40,593,402	40,378,075
Managing Director's salary	36	7,560,000	6,030,000	3,967,500	3,015,000
Directors' fees	37	544,000	385,000	296,000	295,000
Auditors' fees	38	500,000	400,000	500,000	400,000
Charges on loan loss	39	-	-	-	-
Depreciation and repair of bank's assets	40	196,762,162	188,936,034	102,742,451	99,393,092
Other expenses	41	366,708,174	278,387,046	196,858,328	147,990,879
<b>Total operating expenses</b>		<b>2,132,934,390</b>	<b>1,962,842,973</b>	<b>1,106,089,434</b>	<b>1,041,801,629</b>
<b>Profit/(Loss) before provision</b>		<b>2,051,419,949</b>	<b>2,139,442,795</b>	<b>999,983,767</b>	<b>1,089,286,114</b>
<b>Provision for loans, investments and other assets</b>	<b>42</b>				
Specific provision		502,681,909	575,944,713	76,973,142	233,365,206
General provision		54,020,684	180,000,000	62,157,800	130,000,000
Provision for off-Shore Banking unit		(3,963,732)	-	3,265,361	-
Provision for off-balance sheet exposure		61,499,892	(10,000,000)	34,695,516	-
Provision for diminution in value of investments		156,852,496	10,000,000	28,967,757	(30,000,000)
Other provisions		11,403,255	22,775,569	4,469,644	12,775,569
<b>Total Provision</b>		<b>782,494,504</b>	<b>778,720,283</b>	<b>210,529,220</b>	<b>346,140,775</b>
<b>Profit/(Loss) before taxes</b>		<b>1,268,925,446</b>	<b>1,360,722,513</b>	<b>789,454,547</b>	<b>743,145,339</b>
<b>Provision for taxation</b>	<b>43</b>				
Current tax		850,000,000	900,000,000	450,000,000	450,000,000
Deferred tax expense/(income)		(240,368,158)	(208,424,298)	(136,462,694)	(77,936,198)
		<b>609,631,842</b>	<b>691,575,702</b>	<b>313,537,306</b>	<b>372,063,802</b>
<b>Net profit after taxation</b>		<b>659,293,604</b>	<b>669,146,811</b>	<b>475,917,241</b>	<b>371,081,538</b>
Retained earnings brought forward from previous period		2,075,811,205	2,168,447,775	2,259,187,568	2,466,513,048
		<b>2,735,104,809</b>	<b>2,837,594,586</b>	<b>2,735,104,809</b>	<b>2,837,594,586</b>
<b>Appropriations</b>					
Statutory reserve		253,785,089	272,144,502	253,785,089	272,144,502
General reserve		-	-	-	-
Dividend		-	656,624,890	-	656,624,890
		<b>253,785,089</b>	<b>928,769,392</b>	<b>253,785,089</b>	<b>928,769,392</b>
<b>Retained surplus</b>		<b>2,481,319,720</b>	<b>1,908,825,194</b>	<b>2,481,319,720</b>	<b>1,908,825,194</b>
<b>Earnings Per Share (EPS)</b>	<b>50</b>	<b>1.31</b>	<b>1.33</b>	<b>0.95</b>	<b>0.74</b>

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

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

Sd/-  
Director

Signed as per our annexed report of same date

27 July 2016  
Dhaka

Sd/-  
**M. J. Abedin & Co.**  
Chartered Accountants

**INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED**

Cash Flow Statement  
for the half year ended 30 June 2016

Amount in BDT

Particulars	Note	1 January to 30 June 2016	1 January to 30 June 2015
<b>A. Cash flows from operating activities</b>			
Interest received		7,061,850,933	7,249,390,928
Interest payments		(4,151,107,506)	(4,497,295,520)
Dividend received		39,908,812	126,022,808
Fees and commission received		748,032,818	734,761,039
Recoveries of loans and advances previously written-off		97,612,716	64,055,287
Cash payments to employees		(1,061,029,934)	(1,204,918,430)
Cash payments to suppliers		(170,630,573)	(19,894,183)
Income taxes paid		(686,656,881)	(524,554,011)
Receipts from other operating activities	<b>44</b>	353,966,876	288,917,794
Payments for other operating activities	<b>45</b>	(764,373,549)	(718,679,563)
<b>Operating cash flows before changing in operating assets and liabilities</b>		<b>1,467,573,712</b>	<b>1,497,806,147</b>
<b>Increase/(decrease) in operating assets and liabilities</b>			
Statutory deposits		-	-
Loans and advances to other banks		-	-
Loans and advances to customers		(5,451,088,026)	(7,426,677,912)
Other assets	<b>47</b>	30,180,633	(764,232,094)
Deposits from other banks		(839,474,000)	(415,902,000)
Deposits from customers		7,668,715,172	4,436,563,569
Trading liabilities		-	-
Other liabilities	<b>48</b>	(142,587,606)	41,369,483
		<b>1,265,746,173</b>	<b>(4,128,878,954)</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>2,733,319,885</b>	<b>(2,631,072,807)</b>
<b>B. Cash flows from investing activities</b>			
Net proceeds/(payments) from sale/(purchase) of Government securities		3,655,233,232	104,071,480
Net proceeds/(payments) from sale/(purchase) of securities		155,385,049	555,939,277
Purchase of property, plant & equipment		(448,985,139)	(247,917,194)
Proceeds from sale of property, plant & equipment		1,151,968	2,244,031
<b>Net cash used in investing activities</b>		<b>3,362,785,110</b>	<b>414,337,594</b>
<b>C. Cash flows from financing activities</b>			
Borrowing from other banks, financial institution and agents		(2,154,569,879)	1,266,986,446
Receipts from issue of sub-ordinated bond		3,500,000,000	-
Dividend paid (cash)		-	-
Payment against lease obligation		(3,054,249)	(3,405,207)
<b>Net cash flow from financing activities</b>		<b>1,342,375,873</b>	<b>1,263,581,239</b>
<b>D. Net increase/(decrease) in cash (A+B+C)</b>		<b>7,438,480,868</b>	<b>(953,153,974)</b>
E. Effects of exchange rate changes on cash and cash equivalents		(12,402,576)	(6,969,598)
<b>F. Opening balance of cash and cash equivalents</b>		<b>17,579,655,952</b>	<b>23,897,497,667</b>
<b>G. Closing balance of cash and cash equivalents (D+E+F)</b>	<b>46</b>	<b>25,005,734,243</b>	<b>22,937,374,095</b>
<b>Closing cash and cash equivalents</b>			
Cash in hand		1,640,659,380	1,915,926,079
Balance with Bangladesh Bank and its agents bank		12,079,222,425	9,991,650,725
Balance with other banks and financial institutions		10,680,738,738	9,523,964,390
Money at call and on short notice		600,000,000	1,500,000,000
Prize bonds		5,113,700	5,832,900
		<b>25,005,734,243</b>	<b>22,937,374,095</b>

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

**INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED**

Statement of Changes in Equity  
for the half year ended 30 June 2016

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 2016	5,034,124,170	4,232,499,880	155,071,397	41,391,939	115,314,704	2,075,811,205	11,654,213,295
Impact of changes in accounting policy	-	-	-	-	-	-	-
<b>Restated balance as at 1 January 2016</b>	<b>5,034,124,170</b>	<b>4,232,499,880</b>	<b>155,071,397</b>	<b>41,391,939</b>	<b>115,314,704</b>	<b>2,075,811,205</b>	<b>11,654,213,295</b>
Surplus/deficit on account of revaluation of investments	-	-	-	(38,752,394)	-	-	(38,752,394)
Effect of foreign currency translation	-	-	-	-	-	-	-
<b>Net gains and losses not recognized in the income statement</b>	<b>5,034,124,170</b>	<b>4,232,499,880</b>	<b>155,071,397</b>	<b>2,639,546</b>	<b>115,314,704</b>	<b>2,075,811,205</b>	<b>11,615,460,902</b>
Net profit for the period	-	-	-	-	-	659,293,604	659,293,604
Dividend issued/paid during the period	-	-	-	-	-	-	-
Transfer to statutory reserve	-	253,785,089	-	-	-	(253,785,089)	-
<b>Balance as at 30 June 2016</b>	<b>5,034,124,170</b>	<b>4,486,284,969</b>	<b>155,071,397</b>	<b>2,639,546</b>	<b>115,314,704</b>	<b>2,481,319,720</b>	<b>12,274,754,506</b>
Balance as at 1 January 2015	4,377,499,280	3,909,507,173	55,771,397	1,575,539	115,314,704	2,168,447,775	10,628,115,868
Impact of changes in accounting policy	-	-	-	-	-	-	-
<b>Restated balance as at 1 January 2015</b>	<b>4,377,499,280</b>	<b>3,909,507,173</b>	<b>55,771,397</b>	<b>1,575,539</b>	<b>115,314,704</b>	<b>2,168,447,775</b>	<b>10,628,115,868</b>
Surplus/deficit on account of revaluation of investments	-	-	-	14,767,514	-	-	14,767,514
Effect of foreign currency translation	-	-	-	-	-	-	-
<b>Net gains and losses not recognized in the income statement</b>	<b>4,377,499,280</b>	<b>3,909,507,173</b>	<b>55,771,397</b>	<b>16,343,053</b>	<b>115,314,704</b>	<b>2,168,447,775</b>	<b>10,642,883,382</b>
Net profit for the period	-	-	-	-	-	669,146,811	669,146,811
Dividend issued/paid during the period	656,624,890	-	-	-	-	(656,624,890)	-
Transfer to statutory reserve	-	272,144,502	-	-	-	(272,144,502)	-
<b>Balance as at 30 June 2015</b>	<b>5,034,124,170</b>	<b>4,181,651,676</b>	<b>55,771,397</b>	<b>16,343,053</b>	<b>115,314,704</b>	<b>1,908,825,194</b>	<b>11,312,030,194</b>

**INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED**

Liquidity Statement

Maturity Analysis of Assets and Liabilities

as at 30 June 2016

Amount in BDT

Particulars	Maturity Period					Total
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	
<b>Assets</b>						
Cash in hand (including Bangladesh Bank)	3,816,481,805	132,800,000	132,800,000	-	9,637,800,000	13,719,881,805
Balance with other banks and financial institutions	6,671,247,211	3,850,000,000	159,491,527	-	-	10,680,738,738
Money at call and on short notice	600,000,000	-	-	-	-	600,000,000
Investment	3,038,258,401	4,059,336,445	1,373,789,797	8,367,386,949	7,809,714,611	24,648,486,203
Loans and advances	27,551,097,545	23,312,214,007	38,935,959,296	25,600,773,955	13,956,520,633	129,356,565,436
Fixed assets including premises, furniture and fixture		356,670,020	535,005,030	1,426,680,081	1,248,345,071	3,566,700,203
Other assets	1,033,354,221	2,245,165,505	1,033,354,221	1,264,306,615	831,571,940	6,407,752,502
Non-banking assets	-	-	-	373,474,800	-	373,474,800
<b>Total assets</b>	<b>42,710,439,183</b>	<b>33,956,185,977</b>	<b>42,170,399,871</b>	<b>37,032,622,400</b>	<b>33,483,952,255</b>	<b>189,353,599,687</b>
<b>Liabilities</b>						
Subordinated debt	-	-	-	1,400,000,000	2,100,000,000	3,500,000,000
Borrowing from other banks, financial institutions and agents	889,092,353	1,781,002,401	2,038,000,633	338,148,447	-	5,046,243,835
Deposits and other accounts	25,380,396,982	30,950,128,010	36,368,216,324	43,661,088,961	17,224,736,657	153,584,566,933
Other liabilities	1,020,181,328	138,264,605	2,155,110,501	1,454,309,747	10,180,168,231	14,948,034,413
<b>Total liabilities</b>	<b>27,289,670,663</b>	<b>32,869,395,016</b>	<b>40,561,327,458</b>	<b>46,853,547,156</b>	<b>29,504,904,888</b>	<b>177,078,845,181</b>
<b>Net liquidity</b>	<b>15,420,768,520</b>	<b>1,086,790,962</b>	<b>1,609,072,413</b>	<b>(9,820,924,755)</b>	<b>3,979,047,367</b>	<b>12,274,754,506</b>

## Notes to the Financial Statements

### as at and for the half year ended 30 June 2016

#### 1 Legal status and nature of the Bank

##### 1.1 IFIC Bank Limited

IFIC Bank Limited denoted as International Finance Investment and Commerce Bank Limited (hereinafter referred to as "*the Bank*" / "*IFIC*"), 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. In 1983 when the Government allowed to open up banking in the private sector, the finance company was converted into a full fledge commercial bank and incorporated as a public limited company in Bangladesh under the Companies Act 1913, currently governed under the Bank Companies Act 1991 as amended and rules and regulations issued by Bangladesh Bank. The registered office and principal place of business of the Bank is situated at BDBL Bhaban (8th - 10th & 16th-19th floors), 8 Rajuk Avenue, Dhaka-1000. Its shares are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The Government of the People's Republic of Bangladesh now holds 32.75% share of the Bank. Directors and Sponsors hold 8.48% share and the remaining 58.77% share held by the institutions and general public.

The Bank has 130 branches and 59 own ATM booths with 68 ATMs as on 30 June 2016. The Bank has an Off-shore Banking Unit (OBU) located at Dhaka and also two subsidiary companies (note-1.4) namely IFIC Securities Limited and IFIC Money Transfer (UK) Limited (hereinafter together referred to as "*the Group*"). Moreover, the Bank has investment in two joint venture/associate companies (note-1.5) in abroad namely Nepal Bangladesh Bank Limited, Nepal and Oman International Exchange LLC, Oman. The Bank has also investment in another company in abroad namely NIB Bank Limited, Pakistan.

##### 1.2 Nature of business activities

The principal activities of the Bank are to provide all types of commercial banking services, within the stipulations laid down by Bank Companies Act 1991 and directives as received from Bangladesh Bank time to time, through its branches, SME centre and alternative delivery channels like ATM Booths, Mobile and Internet Banking etc.

##### 1.3 Off-shore Banking Unit (OBU)

Off-shore Banking Unit (OBU) is a separate business unit of IFIC Bank Limited . Bank obtained permission for OBU operations from Bangladesh Bank vide its letter no. BRPD (P-3) 744 (104)/2009-4233 dated 17 November 2009. The unit commenced its operation from 19 May 2010. Presently the Bank has one Off-shore Banking Unit in Bangladesh. The OBU is governed under the rules and regulations of Bangladesh Bank. Separate Financial Statements of the Bank have been prepared including the affairs of OBU. Separate Financial Statements of Off –shore Banking Unit are shown in **Annexure-K**.

##### 1.4 Subsidiaries of the Bank

###### 1.4.1 IFIC Securities Limited

IFIC Securities Limited, a fully owned subsidiary company of IFIC Bank Limited was incorporated as a public limited company in Bangladesh on 2 November 2010 vide certificate of incorporation no. C-87904/10 having registered office at BDBL Bhaban 8th floor, 8 Rajuk Avenue, Dhaka-1000. The total paid up capital of IFIC Securities Limited is BDT 800 million divided into 80 million shares of BDT 10 each; out of which IFIC Bank Limited holds 79,999,400 shares (99.99%). It acquired membership of Dhaka Stock Exchange Limited for brokerage transaction vide Bangladesh Security Exchange Commission (BSEC) certificate no. 3.1/DSE-192/2009/316 dated 1 January 2009. The main objectives of the company is to carry out the business of stock brokers/dealers relating to dealing of shares and securities as well as other services as mentioned in the Memorandum and Articles of Association of the company. The operation of the company starts on 10 March 2011. Separate Financial Statements of IFIC Securities Limited are shown in **Annexure-L**.

###### 1.4.2 IFIC Money Transfer (UK) Limited

IFIC Money Transfer (UK) Limited was incorporated as a private limited company with Companies House of England and Wales under registration no. 07379137 on 16 September 2010. The total paid up capital of IFIC Money Transfer (UK) Limited is GBP 300,000. The company is a wholly owned subsidiary of IFIC Bank Limited. IFIC Money Transfer (UK) Limited obtained Money Laundering registration on 17 January 2011 issued by HM Customs and Excise. The company got registration from Financial Services Authority (FSA) on 16 June 2011 under Payment Services Regulations 2009. The company commenced its operation on 31 August 2011. The registered office of the company is located at Ferrari House, 2<sup>nd</sup> Floor, 102 College Road, Harrow, Middlesex, United Kingdom HA1 1ES, London, UK. The Bank has obtained necessary permission from Bangladesh Bank to open the fully owned subsidiary in UK. Financial Statements of the company are shown in **Annexure-M**.

## 1.5 Joint Ventures/Associates of the Bank

### 1.5.1 Nepal Bangladesh Bank Limited (NBBL)

Nepal Bangladesh Bank Limited (NBBL) was incorporated in Nepal and registered with Office of Company Registrar (50-050/051, dated 14 January 1994) as a public company limited by shares. NBBL was established as a joint venture bank with IFIC Bank Ltd., Bangladesh. The Bank started its banking business from 06 June 1994.

IFIC holds 40.91% shares capital of Nepal Bangladesh Bank Ltd. (NBBL) of Nepal which is listed with Nepal Stock Exchange Limited. The Bank's total holding is 12,433,412 number of shares out of 30,392,119 number of shares of the Bank. The face value of the share is NRS 100 each.

### 1.5.2 Oman International Exchange (OIE) LLC

Oman International Exchange (OIE) LLC, an exchange company incorporated under the laws of the Sultanate of Oman having its registered office at Saif Bin Salim Road (Hamriya), RUWI. It was established in 1985 as a joint venture between IFIC Bank Limited and Oman Nationals, to facilitate remittance by Bangladeshi wage earners in Oman. The affairs and business of the company is run and managed by the Bank under a Management Contract. IFIC Bank holds 25% shares and the balance 75% is held by the Omani sponsors. Out of total 11,793 shares of the company, IFIC Bank owns 2,948 shares of which face value is RO 100 per share.

## 1.6 Investment in NIB Bank Ltd, Pakistan

IFIC Bank established two branches in Pakistan, one at Karachi and the other at Lahore. Karachi Branch was opened on 26th April 1987, while the Lahore Branch was opened on 23 December 1993.

Since late 1990s, the State Bank of Pakistan (SBP) revised the Minimum Capital Requirement (MCR) for banks in Pakistan time to time. To meet the MCR, a new bank has been incorporated in Pakistan in 2003 titled NDLC-IFIC Bank Ltd. (subsequently renamed as NIB Bank Ltd.) Thereafter, our Pakistan branches and a local leasing company, NDLC were amalgamated with the NIB. Consequently, our Pakistan Branches ceased to exist effective from 03 October 2003 with the commencement of operation of the new bank. Out of total number of 10,302,851,200 shares of NIB, IFIC Bank owns 24,578,800 shares.

## 2 Basis of preparation and significant accounting policies

### 2.1 Basis of preparation

#### 2.1.1 Statement of compliance

The separate financial statements of the Bank and the consolidated financial statements of the Group comprising the Bank and its subsidiaries as at and for the half year ended 30 June 2016 have been prepared on a going concern basis in accordance with the "First Schedule" (section 38) of the Bank Companies Act 1991, as amended by the BRPD Circular no. 14 dated 25 June 2003, rules & regulations issued by Bangladesh Bank time to time, the Companies Act 1994, Financial Reporting Act 2015, the

Bangladesh Securities and Exchange Rules 1987, listing regulations of Dhaka and Chittagong Stock Exchanges', International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh as Bangladesh Financial Reporting Standards (BFRSs) except in the circumstances where local regulations differ, and with other applicable laws and regulations applicable in Bangladesh.

In case the requirement of provisions and circulars issued by Bangladesh Bank differ with those of other regulatory authorities and BFRSs, the provisions and circulars issued by Bangladesh Bank have been applied. As such the Group and the Bank has departed from contradictory requirements of BFRSs in order to comply with the rules and regulations of Bangladesh Bank. Material departure from the requirements of BFRSs vis-a-vis Bangladesh Bank regulations are as follows:

#### i) Investment in shares and securities

**BFRS:** As per requirements of BAS 39 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognized at cost.

## ii) Revaluation gains/losses on Government securities

**BFRS:** As per requirement of BAS 39 where securities will fall under the category of Held for Trading (HFT), any change in the fair value of those assets are recognized through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortized cost method and interest income is recognized through the profit and loss account.

**Bangladesh Bank:** HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognized in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortization of discount are recognized in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortized at the year end and gains or losses on amortization are recognized in other reserve as a part of equity.

## iii) Provision on loans and advances/investments

**BFRS:** As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

**Bangladesh Bank:** As per BRPD circular No.14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012, BRPD circular no 16 dated 18 November 2014 and BRPD circular No. 05 dated 29 May 2013 a general provision at 0.25% to 5% under different categories of unclassified/standard loans has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad loss has to be provided at 20%, 50% and 100% respectively depending on the duration of past due of loans and advances. Again general provision at 1% is required to be provided for all off-balance sheet exposures. As per BRPD Circular No.-04 dated 29 January 2015, 1% additional provision have to be maintained for large restructured loan. Such provision policies are not specifically in line with those prescribed by BAS 39.

## iv) Recognition of interest in suspense

**BFRS:** Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 39 and interest income is recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognized in profit and loss account on the same basis based on revised carrying amount.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognized as income, rather the corresponding amount transferred/credited to an interest in suspense account and shown as liability in the balance sheet.

## v) Other comprehensive income

**BFRS:** As per BAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.

**Bangladesh Bank:** Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The template of financial statements issued by Bangladesh Bank neither include OCI nor the elements of OCI are allowed to be included in a single OCI Statement. As such the Bank does not prepare the OCI statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

## vi) Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorise, recognize, measure and present financial instruments differently from those prescribed in BAS 39. As such full disclosure and presentation requirements cannot be made in the financial statements as per BFRS 7 and BAS 32.

## vii) Financial guarantees

**BFRS:** As per BAS 39, financial guarantee is a contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantees are recognized as liability initially and recorded at fair value and the initial fair value is amortized over the life of the financial guarantee. The liability of financial guarantee is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

**Bangladesh Bank:** As per BRPD 14, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin.

**viii) Cash and cash equivalent**

**BFRS:** Cash and cash equivalent items should be reported as cash item as per BAS 7.

**Bangladesh Bank:** Some cash and cash equivalent items such as 'money at call and on short notice', treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.

**ix) Non-banking asset**

**BFRS:** No indication of Non-banking asset is found in any BFRS.

**Bangladesh Bank:** As per BRPD circular number 14, there must exist a face item named Non-banking asset.

**x) Cash flow statement**

**BFRS:** The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

**Bangladesh Bank:** As per BRPD circular number 14, cash flow is the mixture of direct and indirect methods.

**xi) Balance with Bangladesh Bank: (Cash Reserve Requirement)**

**BFRS:** As per BAS 7, Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations.

**Bangladesh Bank:** Balance with Bangladesh Bank is treated as cash and cash equivalents.

**xii) Presentation of intangible asset**

**BFRS:** Intangible asset must be identified, recognized and disclose in the financial statements as per BAS

38. **Bangladesh Bank:** There is no regulation for intangible assets in BRPD circular number 14.

**xiii) Off-balance sheet items**

**BFRS:** There is no concept of off-balance sheet items in any BFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

**Bangladesh Bank:** As per BRPD circular number 14, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

**xiv) Loans and advances/Investments net off provision**

**BFRS:** Loans and advances/Investments should be presented in the financial statements after net off provision.

**Bangladesh Bank:** As per BRPD circular number 14, provision for loans, advances and investments are presented separately as liability and can not be netted off against the outstanding balance of loans, advances and investment.

**2.1.2 Basis of measurement**

The financial statements of the Group and the Bank have been prepared on historical cost basis except the following:

- Government Treasury Bills and Bonds considered as 'Held for Trading (HFT)' are measured at present value using mark to market with gains credited directly to revaluation reserve but loss charged to Profit and Loss Account.
- Government Treasury Bills and Bonds considered as 'Held to Maturity (HTM)' at present value using amortization concept.
- Zero Coupon Bond at present value using amortization concept.
- Land is recognized at cost at the time of acquisition and subsequently measured at fair value as per BAS-16, "Property Plant and Equipment".

**2.1.3 Reporting period**

These consolidated and separate interim financial reports cover half year from 1 January to 30 June which has been followed consistently over the period. The reporting period of the subsidiaries and other two joint ventures/associates are also same as that of the Parent i.e. IFIC Bank except NBBL. However the reporting period for financial statements of NBBL has been adjusted with regard to the reporting period of the Parent.

**2.1.4 Directors' responsibility statement**

The Board of Directors is responsible for the preparation and presentation of the financial statements under section 183 of the Companies Act, 1994 .

**2.1.5 Date of authorization**

The Board of Directors has authorized these financial statements for public issue on 27 July 2016.

### **2.1.6 Functional and presentation currency**

The consolidated financial statements of the Group and the separate financial statements of the Bank are presented in Bangladeshi Taka (BDT/BDT) which is the Group's and the Bank's functional currency. Functional currency of Off-shore Banking Unit and IFIC Money Transfer (UK) Limited is US Dollar (USD) and Great Britain Pound (GBP) respectively. Functional currency for two joint ventures/associates - OIE LLC and NBBL is Omani Rial and Nepalese Rupee respectively. Financial information presented in BDT has been rounded off to nearest integer, except otherwise indicated.

### **2.1.7 Use of estimates and judgments**

In the preparation of the consolidated financial statements of the group and the separate financial statements of the Bank in conformity with BFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the measurement of assets, liabilities, income and expenses. Accordingly, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The key estimates, judgments and assumptions are applied to measure the following:

- a) Provision for loans, advances and investments
- b) Revaluation of land & buildings
- c) Deferred tax assets/liabilities
- d) Measurement of defined benefit obligation (Provision for gratuity)
- e) Provision for expenses
- f) Provision for current taxation
- g) Contingent Liability (Letter of Guarantee)

### **2.1.8 Going concern**

The Bank has no such reason to assume that it will not be able to continue its operation for foreseeable future because it has adequate resources in all respects, promising profitability, and forward looking strategy. For this reason, the directors continue to adopt going concern basis in preparing the financial statements. The current operations of the Bank provide sufficient funds to meet the present requirements of its existing businesses and operations.

### **2.1.9 Basis of consolidated and separate financial statements**

The financial statements of the Bank includes the Consolidated Financial Statements of the Bank as a Group of Bank and its subsidiaries and the Separate Financial Statements of the Bank as the stand-alone entity. The consolidated financial statements include the financial statements of the Bank and its two subsidiary companies namely, IFIC Securities Limited operating in Bangladesh and IFIC Money Transfer (UK) Limited operating in United Kingdom made up to the end of the half year. The separate financial statements are derived by combining the financial statements of main operation of IFIC Bank Limited and the financial statements of Off-shore Banking Unit operating in Bangladesh.

The consolidated and separate financial statements have been prepared in accordance with BAS 27: *Separate Financial Statements* and BFRS 10: *Consolidated Financial Statements*. The consolidated financial statements are prepared to a common half year ended 30 June 2016. Since the reporting period of one of the joint ventures/associates NBBL is different from that of the parent so necessary adjustments have been made to the financial results of NBBL for consolidation. Both consolidated financial statements and separate financial statements of the Bank comprises Balance Sheet, Profit & Loss Statement, Cash Flow Statement, Statement of Changes in Equity and relevant notes and disclosures.

#### **2.1.9.1 Subsidiary**

Subsidiary is the entity which is controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an entity, so as to obtain economic benefits from its activities.

The consolidated financial statements incorporate the financial statements of IFIC Bank Limited and financial statements of subsidiary companies from the date that control commences until the date that control ceases. The financial statements of such subsidiary companies are incorporated on a line by line basis and investment held by the bank is eliminated against the corresponding share capital of subsidiaries in the consolidated financial statements.

#### **2.1.9.2 Transactions eliminated on consolidation**

All intra-group transactions, balances and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gain, but only to the extent that there are no evidence of impairment.

### 2.1.10 Cash flow statement

Cash flow statement has been prepared in accordance with BAS 7 "Cash Flow Statement" and under the guideline of Bangladesh Bank BRPD Circular no. 14 dated 25 June 2003.

### 2.1.11 Statement of changes in equity

Statement of changes in equity has been prepared in accordance with BAS 1 "Presentation of Financial Statements" and following the guidelines of Bangladesh Bank BRPD Circular no. 14 dated 25 June 2003.

### 2.1.12 Liquidity statement

The liquidity statement has been prepared in accordance with the remaining maturity grouping of the value of the assets and liabilities as on the reporting date under the guidelines of Bangladesh Bank BRPD Circular No. 14 dated 25 June 2003. Following bases are used for preparation of the statement:

Particulars	Basis
Balance with other Banks and financial institutions	Maturity term
Money at call and on short notice	Maturity term
Investments	Respective residual maturity
Loans and advances	Repayment schedule
Fixed assets	Useful lives
Other assets	Realization / amortization
Borrowing from other Banks, financial institutions	Maturity / repayment terms
Deposits and other accounts	Maturity term and past trend of withdrawal
Provisions and other liabilities	Payment / adjustments schedule

### 2.1.13 Prior period adjustments

The Bank started to follow equity method of accounting for its investment in joint ventures, associates in line with *BAS 28: Investment in Associates and Joint Venture* from the year 2014. As per equity method of accounting the investment in equity accounted investees i.e. joint ventures or associates the initial recognition is to be made at cost and carrying amount is to be changed by share of the post acquisition profit earned by the investees subject to adjustment for the share of distributions made from those investees. At the time of calculation of investment in equity accounted investees in the half year ended 30 June 2015 (i.e. joint ventures and associates) the distributions received from equity accounted investees in the form of cash dividend was not eliminated in the consolidated financial statements. As such the same has been adjusted in the half year ended 30 June 2016 as per *BAS 8: Accounting Policies, Changes in Accounting Estimates and Errors*. The same was also adjusted retrospectively at the time of preparation of annual financial statements for the year ended 31 December 2015 and disclosed accordingly.

As a result, in the consolidated financial statements the net profit has been adjusted by BDT83.80 million and investment in equity accounted investees has also been adjusted for the same amount along with related effect of exchange rate differences. Due to the above adjustments Consolidated Earnings Per Share (EPS) and Net Asset Value (NAV) per share adjusted by 0.17 and 0.17 respectively. However, the separate financial statements of the Bank are not affected by these changes. The details of investment in joint ventures can be found at note no. 41(b).

## 2.2 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by group entities except otherwise instructed by the Central Bank as prime regulator. Certain comparative amounts in the financial statements have been reclassified and rearranged to conform to the current period's presentation.

### 2.2.1 Materiality and aggregation

Each material item considered by management as significant has been presented separately in the financial statements. No amount has been set off unless the Bank has a legal right to set off such amount and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant financial reporting standards.

### 2.2.2 Foreign currency

#### 2.2.2.1 Foreign currency transactions

Foreign currency transactions are translated into the Bank's functional currency at the exchange rates prevailing on the respective date of such transactions as per *BAS 21 "The Effect of Changes in Foreign Exchange Rates"*. Monetary assets and liabilities in foreign currencies at the reporting date are converted into Taka at weighted average rate of inter-bank market as determined by Bangladesh Bank. Foreign exchange differences are generally recognized in the profit and loss account.

### 2.2.2.2 Foreign operations

The assets and liabilities of foreign operations are translated to BDT at spot exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at spot exchange rates at the date of transactions as long as practicable, otherwise average rate of exchange has been used. Foreign currency differences arising on translation are recognized and presented directly in the foreign currency translation reserve in equity. If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, then foreign currency differences arising on the item form part of the net investment in the foreign operation and are recognized in other comprehensive income and accumulated in the translation reserve within equity.

### 2.2.3 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

### 2.2.4 Assets and basis of their measurement

#### 2.2.4.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and its agent bank, balance with other banks and financial institutions, money at call and on short notice and such other highly liquid financial assets which are subject to insignificant risk of changes in their value and are used by the Bank management for its short term commitments.

#### 2.2.4.2 Investment

Investments (except government treasury bill and bond) have been initially recognized at cost, including acquisition charges associated with the investment. Premiums have been amortized and discount accredited by using the effective or historical yield method. Government Treasury Bills and Bonds (categorized as HFT and/or HTM) are accounted for as per Bangladesh Bank DOS circular letter no. 05 dated 26 May 2008 and DOS circular no. 05 dated 28 January 2009. The valuation methods of investment used are :

##### i) Govt. securities - Held to Maturity (HTM)

Investments which are intended to be held to maturity are classified as "Held to Maturity". These are measured at amortized cost at each period end by taking into account any discount or premium in acquisition. Amortized amount of such premium are booked into Profit and Loss Statement or discount is booked to reserve until maturity/disposal.

##### ii) Govt. securities - Held for Trading (HFT)

Investment primarily held for selling/trading is classified in this category. After initial recognition, investments are revalued weekly basis on mark to market policy. Decrease in the book value is recognized in the profit and loss statement and any increase is transferred to revaluation reserve account.

Value of investments has been enumerated as follows :

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Govt. securities - HFT	Cost	Market value	Loss to profit and loss account and gain to revaluation reserve
Govt. securities - HTM	Cost	Amortized value	Increase in value to equity and decrease to equity as long as there are balances available otherwise to profit & loss account.
Debenture	Face value	Face value	None
Prize bond	Cost	Cost	None

##### iii) Investment in quoted shares/securities

These shares/securities are bought and held primarily for the purpose of selling in future or for dividend income. Investment in quoted shares/securities are revalued at the end of the reporting period and necessary provisions are maintained for diminution in value of investments in quoted shares/securities. Realized gains or losses are recognized in the profit and loss account.

**iv) Investment in unquoted shares/securities**

Investment in unquoted shares/securities are initially recognized at cost and revalued based on book value of last audited balance sheet.

**v) Investment in subsidiary**

Investment in subsidiary is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the *BAS 27: Separate Financial Statements* and *BFRS 3: Business Combination*.

**vi) Investment in associates and joint ventures**

Associates are those entities in which the Bank has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Bank has joint control, established by contractual agreement and requiring unanimous consent for strategic, financial and operating decisions. Associates and joint ventures are accounted for using the equity method (equity accounted investees). The consolidated financial statements include the IFIC Bank Limited's share of the profit and loss of equity accounted investees, after adjustments to align the accounting policies with those of the IFIC Bank Limited, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. This is consistent with *BFRS 11: Joint Arrangements* and *BFRS 12: Disclosure of Interests in other Entities*.

**vii) Repo and reverse repo**

The Bank recorded the Repo and reverse repo transactions in compliance with the DOS Circular No. 06, dated 15 July 2010 of Bangladesh Bank. In case of repo for both coupon and non-coupon bearing securities, the Bank adjust the revaluation reserve account for HFT securities and cease the weekly revaluation of such securities if the revaluation date falls within the repo period. For interest bearing securities, the Bank does not accrue interest during the repo period.

**2.2.4.3 Loans and advances**

- i) Loans and advances have been stated at gross value as pre requirements of Bank Companies Act, 1991 as amended. General provisions on unclassified loans and contingent assets, specific provisions for classified loans and interest suspense thereon are shown under other liabilities.
- ii) Provision for loans and advances are made on the basis of information furnished by the branches and instructions contained in Bangladesh Bank BRPD circular No. 14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012, BRPD circular No. 16 dated 18 November 2014 and BRPD circular no. 05 dated 29 May 2013. As per BRPD Circular No.-04 dated 29 January 2015, 1% additional provision has to be maintained for restructured large loan.
- iii) Interest is calculated on classified loans and advances as per BRPD Circular No. 14 dated 23 September 2012 and recognized as income on realization.

The classification rates are given below:

Particulars	Rate of Provision
<b>General Provision on:</b>	
<b>i) Unclassified loans and advances</b>	
Short term agricultural and micro-credits whether irregular or regular	2.50%
Small and medium enterprise (SME)	0.25%
Consumer Finance for housing finance and loans for professionals to set up business under Consumer Financing	2.00%
Loans to Brokerage House, Merchant Banks, Stock Dealers, etc.	2.00%
Consumer Finance other than housing finance and loans for professionals to set up business under Consumer Financing including credit cards	5.00%
All other unclassified loans and advances	1.00%
<b>ii) Special Mention Account</b>	Same rate applicable as per above particulars (0.25%-5.00%). Additional 1% for restructured large loan
<b>iii) Off Balance Sheet Exposure</b>	1.00%

<b>Specific Provision on classified loans &amp; advances:</b>	
Substandard loans and advances other than short term agricultural and micro-credits whether irregular or regular	20.00%
Substandard short term agri credit	5.00%
Doubtful loans and advances other than short term agricultural and micro-credits whether irregular or regular	50.00%
Doubtful short term agri credit	5.00%
Bad/loss loans and advances	100.00%

- iv) Loans and advances are written off to the extent that (i) there is no realistic prospect of recovery, and (ii) against which legal cases are filed and classified as bad/loss for more than five years as per guidelines of Bangladesh Bank. These write off however, will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.

#### 2.2.4.4 Stock of stationery

Stock of stationery has been shown under other assets and is valued at cost.

#### 2.2.4.5 Fixed assets and depreciation

##### A. Acquisition through outright purchase

- i) Fixed assets are stated at cost/revalued amount less accumulated depreciation for those acquired through outright purchase. Depreciation is computed consistently by using diminishing balance method at the following rates:

Particulars	Rate of depreciation
Land	Nil
Building	2.5%
Wooden Furniture	20%
Steel Furniture	10%
Office Equipment	20%
Computer	30%
Electrical & Gas Equipment	20%
Leasehold improvement	20%
Vehicles	20%
Soft furnishing	40%
Software	30%

- ii) Depreciation is charged from when the assets become ready to be used and no depreciation is charged when the asset is disposed. Land and building are revalued in sufficient regularity and gain/(loss) on revaluation recognized in equity under the head 'Revaluation reserve against fixed assets' in the financial statements.

##### B. Acquisition under finance lease

Assets acquired under finance lease are stated at cost less accumulated depreciation. Leased assets are depreciated in a consistent and systematic basis among the useful life. The useful life of leased assets are determined considering its economic life and lease term, whichever is lower.

#### 2.2.4.6 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. It comprises the value of computer application software licensed for the Bank, other than software applied to the operating systems of computers. An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Bank over a period of time and the cost of the asset can be measured reliably as per BAS 38: *Intangible Assets*. Intangible assets acquired separately are recorded on initial recognition at costs and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

##### Subsequent expenditure on intangible asset

Subsequent expenditure on intangible asset is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditures are charged as expense to the profit and loss account as and when they are incurred.

### **Amortization of intangible asset**

Intangible assets are amortized on diminishing method to the profit and loss account from the year when the asset is available for use. Intangible asset i.e. acquisition cost of the computer application software is amortized at the rate 30% every year.

#### **2.2.4.7 Impairment of assets**

An asset is impaired when its carrying amount exceeds its recoverable amount as per BAS 36: *Impairment of Assets*. The Bank assesses at the end of each reporting period whether there is any indication that an asset may be impaired. The impairment test is also made whenever events or changes in circumstances indicate that the carrying value of the asset may not be recovered. If any such indication exists, the Bank makes an estimate of the recoverable amount of such assets. Upon estimation, if the recoverable amount is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and resultant impairment losses are recognized in the profit and loss account.

However, the Bank has no such condition which makes any indication that might be suggestive for a heightened risk of existence of impairment at the reporting date.

#### **2.2.4.8 Leasing**

Leases are classified as finance leases when risk and rewards substantially transferred to the lessee whether title of lease assets eventually transfer or not as per BAS 17: *Leases*.

##### **i) The Bank as lessor**

The Bank has finance lease under its credit portfolio. Amount disbursed to lessees under finance lease is recorded as lease at constant periodic rate of return on the Bank's net investment outstanding in respect of the leases as per BAS 17: *Leases*.

##### **ii) The Bank as lessee**

Assets acquired under lease arrangement where substantially all the risks and rewards incidental to ownership are transferred to the lessees i.e. IFIC Bank Limited, are treated as finance lease and recognized as leased assets of the Bank as per BAS 17: *Leases*. Leased assets are stated at their fair value at the date of acquisition or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly in profit & loss.

### **2.2.5 Liabilities, provisions and basis of their measurement**

#### **2.2.5.1 Borrowings from other banks, financial institutions and agents**

Borrowing funds include call money deposits, borrowings under re-finance scheme and other short term and long term borrowings from banks and financial institutions. Interest paid/payable on these borrowings is charged to the profit and loss accounts.

#### **2.2.5.2 Deposits and other accounts**

Deposits and other accounts include interest and non-interest bearing demand and time deposits received from the customers/depositors in the form of current, savings and term deposits etc. Interest paid/payable is charged to the profit and loss account.

#### **2.2.5.3 Provision for taxation**

##### **i) Current tax**

Provision for taxation has been made as per Income Tax Ordinance, 1984 on the profit made by the bank after considering taxable add backs of income and disallowances of expenditure as per tax laws as well as excess or deficit in provision made in previous years/periods.

##### **ii) Deferred tax**

Deferred tax is calculated as per BAS 12: *Income Taxes* on taxable/deductible temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that the taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

#### **2.2.5.4 Provision for liabilities**

A provision is recognized in the balance sheet when the Bank has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the BAS 37: *Provisions, Contingent Liabilities and Contingent Assets*.

### 2.2.5.5 Provision for Nostro Account

Provision for Nostro accounts is maintained as per Circular Letter No. FEPD(FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank.

### 2.2.5.6 Employee benefits

Accounting recognition and measurement, as well as the disclosures requirements for different benefit schemes for employees are the followings:

#### i) Provident fund

The Bank operates a contributory provident fund for its permanent employees in accordance with the registered provident fund rules. The Commissioner of Income Tax, Dhaka has approved the Provident fund as a recognized fund as per Income Tax Ordinance 1984. All permanent employees of the Bank are contributing 10% of their basic salary as subscription of the fund and the Bank also contributes equal amount to the fund. The fund is operated by a Board of Trustees consisting of 5 (five) members of the Bank. Interest earned from the investments is credited to the members' account on half yearly basis.

#### ii) Gratuity

Gratuity benefits are given to the employee of the Bank in accordance with the registered gratuity fund rules. National Board of Revenue (NBR) has recognized the gratuity fund with effect from October 2007. The fund is operated by a Board of Trustees consisting of 5 (five) members of the Bank. Employees are entitled to gratuity benefit after completion of minimum 10 (ten) years of service.

### 2.2.5.7 Off-balance sheet items

Under general banking transactions liabilities against acceptance, endorsement and other obligations and bills against which acceptance has been given and claim exists there against have been shown as off balance sheet items. General provision at the rate 1% has been made for the off balance sheet exposures as per instruction contained in Bangladesh Bank BRPD circular No. 14 dated 23 September 2012.

### 2.2.5.8 Revenue recognition

As per Bangladesh Accounting Standard (BAS) 18: *Revenue*, revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Bank and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be measured reliably.

The revenue during the period is recognized following BAS 18: *Revenue* as detailed below:

#### i) Interest income

In terms of *BAS 18: Revenue* the interest income is recognized on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified. Interest on classified loans and advances is kept into interest suspense account. Loan and advances are classified as bad, interest ceases to apply and recorded in a memorandum account. However, interest on classified loans and advances is accounted for on realization basis as per Bangladesh Bank circulars.

#### ii) Fees and commission income

Fees and commission income arising on services provided by the Bank are recognized at the time of realization. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

#### iii) Investment income

Income on investments is recognized on accrual basis. Capital gain/loss is recognized at the time of realization.

#### iv) Dividend income on shares

Dividend income on shares is recognized when dividend is declared, ascertained and right to receive the payment is established.

### 2.2.5.9 Interest paid on deposits and borrowings

In terms of the provisions of the BAS 1: *Presentation of the Financial Statements* interest expenses are recognized on accrual basis.

### 2.2.5.10 Management and other expenses

General and administrative expenses of the Bank are recognized on accrual basis.

#### 2.2.6 General

##### 2.2.6.1 Share capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

##### 2.2.6.2 Statutory reserve

As per Bank Companies Act, 1991 as amended, the Bank is required to transfer at least 20% of its current year profit before tax to the statutory reserve until such reserve equals to Paid up capital.

### 2.2.6.3 Fixed assets revaluation reserve

When an asset's carrying amount is increased as a result of a revaluation the increase amount should be credited directly to equity under the heading of revaluation surplus/reserve as per *BAS 16: Property, Plant and Equipment*. The Bank revalued the land which is absolutely owned by the Bank and the increased amount was transferred to revaluation reserve.

### 2.2.6.4 Non controlling interest

Non controlling interest is that portion of the profit or loss and net assets of the subsidiaries attributable to equity interests that are not owned, directly or indirectly by the Parent i.e. IFIC Bank Limited.

### 2.2.6.5 Reconciliation of books of account

Books of account with regard to inter bank (in Bangladesh and outside Bangladesh) and inter branch transactions are reconciled and no material differences exist which may affect the financial statements significantly.

### 2.2.6.6 Earnings per share (EPS)

Earning per share (EPS) is calculated in accordance with *BAS 33: Earnings Per Share*, which has been shown on the face of the profit and loss account.

#### i) Basic earnings per share

This represents earnings for the period attributable to ordinary shareholders. As there was no preference shares, the net profit after tax for the period has been considered as fully attributable to the ordinary shareholders. This has been calculated by dividing the net profit after tax attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

#### ii) Weighted average number of ordinary shares outstanding

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary share issued during the period multiplied by a time weighted factor. The time-weighting factor is the numbers of days the specific shares were outstanding as a proportion of the total number of days in the year.

#### iii) Diluted earnings per share

No diluted earnings per share is required to be calculated for the period as there was no dilutive potential ordinary share during the period.

### 2.2.6.7 Related party transactions

As per *BAS 24: Related Party Disclosures* parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. The Bank carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties.

Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per *BAS 24: Related Party Disclosures*, Bangladesh Bank and BSEC guidelines. Details of the related party transactions have been disclosed in **Annexure F**.

### 2.2.6.8 Events after the reporting period

All material event occurring after the reporting period has been considered and where necessary, adjusted for or adequately disclosed in the financial statements as per *BAS 10 Events after the Reporting Period*.

### 2.2.6.9 Operating segments

An operating segment is a component of the Bank that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Bank's other components. All operating segments' operating results are reviewed regularly by the Bank's Management (as being the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Management include items directly attributable to a segment as well as the items that can be allocated on a reasonable basis. Segments which are reportable is analyzed at the end of the financial year.

The Bank has 8 (eight) operating segments at the end of the year 2015. Out of which only 5 (five) are reportable and hence segmental profit and loss for those segments have been disclosed. However since segmental assets and liabilities is not separately identifiable except for subsidiaries so that is not presented.

Details about segment reporting has been given at **Annexure-I**

### 2.2.6.10 Risk management

The Risk of the Bank is defined as the probability of losses, financial or otherwise. The Risk Management of the Bank covers core risk areas of banking viz. credit risk, foreign exchange risk, asset liability management risk, money laundering risk, internal control & compliance risk and information & communication technology risk. Other risks like operational risk, liquidity risk, interest rate risk, equity price risk, market risk are also managed on a regular basis. The prime objective of the risk management is that the Bank takes better calculative business risks at the same time keeping safe the Bank's capital, its financial resources and profitability from various business risks through its own measures and through implementing Bangladesh Bank's guidelines and following some of the best practices which is as under:

#### i) Credit risk

Credit risk is most simply defined as the potential that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The goal of the Bank Credit Risk Management is to maximize the bank's risk-adjusted rate of return by maintaining credit risk exposure within the acceptable parameters.

The Credit Risk Management works within the scope defined regulations and is in charge of specifying and implementing the policies towards the effective functioning of the Bank's lending process and to develop the strategies for appropriate management, measurement and monitoring its lending portfolio. Regular monitoring of the ability of borrowers to meet their principal and interest repayment obligations is conducted. Credit risk is monitored by reference to risk grading and managed by limiting the aggregate exposure to any individual counter party, group of companies or industry as per lending cap of the bank and single borrower exposure limit defined by the Bangladesh Bank.

#### ii) Asset liability management risk

Asset Liability Management (ALM) is the most important aspect for the Bank to manage Balance Sheet Risk, especially for managing of liquidity risk and interest rate risk. Changes in market liquidity and interest rate expose Bank business to the risk of loss. Failure to identify the risks associated with business and to take timely measures against those risks may threaten the survival of institution. As such, it is important that the senior management as well as the Board of Directors to understand the existence of such risk on the Balance Sheet and ensure that the structure of the Bank business and the level of Balance Sheet risks are effectively managed by adopting the appropriate policies, procedures to control these risks as well as resources available for evaluating and controlling such risk. To address all the risk elements of the Balance Sheet, ALCO Meetings are conducted at least on a monthly basis. ALM desk of the Bank analyses the Balance Sheet Risk and prepares the monthly ALCO Papers as per the guidelines of Bangladesh Bank. The maturity gap of the assets-liabilities and interest rate movement are strongly monitored by the ALCO. Moreover, ALCO of the Bank also monitor the optimum liquidity position of the Bank in line with regulatory requirement. The Board approved policy guidelines on asset liability management has been formulated which is reviewed time to time.

#### iii) Money laundering risk

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. To mitigate this risk, since 2002 Bank has been complying with all the rules and regulations on AML/CFT issues. As directed by the Bangladesh Bank, the Bank has formulated "Guidelines on Prevention of Money Laundering" and "Policy for Combating Financing of Terrorism" which is strictly followed by the branches and officers of the Bank.

In line with the noted policy and regulatory requirement, the Chief Anti-Money Laundering Compliance Officer (CAMLCO) regularly submits status report to the competent authorities in respect of the Suspicious Transaction Report (STR), Cash Transaction Report (CTR), Know Your Customer (KYC) Procedure, Transaction Monitoring Report, Structured Monitoring Report as well as submits the half yearly Self Assessment Report of branches and independent testing procedures conducted by Internal Control & Compliance Division and similar other areas. The Bank is consistently maintaining very good rating on AML/CFT issues.

Bank is regularly arranging training programs on prevention of money laundering & combating financing of terrorism for its all executives & officers. During the period, the Bank arranged several training programs on prevention of money laundering & combating financing of terrorism where a number of executives & officers were participated.

#### **iv) Internal control and compliance risk**

The operational performance of the Bank is depended on efficient and sound internal control system for establishing corporate governance, transparency and accountability. In line with the Bangladesh Bank guidelines the Bank has successfully implemented the effective internal control system guidelines, formulation of policy guideline, set up of separate organizational structure, segregation of duties and introduction of internal control process, such as Departmental Control Function Checklist (DECFL), Quarterly Operation Report (QOR), Monitoring of Staff Accounts, Ethics/Code of Conduct of the employees etc.

Being an integral part of daily activities of the Bank, Internal Control & Compliance Division consist three units namely; Compliance, Monitoring and Audit & Inspection. These units are look after internal control, operational process very minutely to ensure the smooth operation of the Bank. Compliance section is functioning to ensure compliance with statutory/regulatory requirements and also Bank's internal policies & procedures for developing compliance culture within the Bank. Monitoring unit is responsible for operational performance of branches and head office to minimize and mitigate the risk factors associated with the banking business. As a internal watchdog, the Audit and Inspection unit is conducting Risk Based Audit & Inspection to identify, measure, control and mitigate risk factors at the branches and division of the Bank.

Internal Control Unit (ICU) has also been set-up at the branches with the existing manpower to minimize irregularities and lapses to prevent fraud, forgeries and to avoid operational risks of the Bank. In 2011 the Bank has introduced, Branch Audit Rating System in order to up grade the operational efficiency of the branches.

#### **v) Fraud risk**

Fraud is a concept that is generally understood but whose characteristics are often not recognized in due course. The incidence of fraud may occur due to rapid changes in technological environment in the banking sector or intentional behavioural aspect of the human being. Human fraudulent acts may be committed by outsiders or insider such as employees who are aware of the internal operational process of the Bank. To take the advantage of the operational process and weakness of the internal control system of the work place, employees may commit fraudulent activities within the Bank. To prevent the fraud and forgeries, the Bank has adopted broad range of measures to monitor and mitigate the fraud risk which involves three steps, fraud prevention, fraud detection and fraud investigation. Bank considers the best practice to prevent frauds and forgeries rather than to detect or investigate. To prevent the external fraud, Bank regularly arrange training program for its executives and staffs working at branch and head office level. Internal Control and Compliance unit of the Bank also works very extensively to ensure the effectiveness of the internal control system throughout the Bank. Internal Control Unit (ICU) of each branch and division monitors the transactions process to prevent and detect both internal and external frauds. During the period from 1 January to 30 June 2016 no fraud and forgeries has been identified.

#### **vi) Foreign exchange risk**

Foreign Exchange Risk arises from adverse movement in currency exchange rates. As per directives of Bangladesh Bank, the Bank has formulated and adopted the treasury policy for managing the foreign exchange risks. Functions of the treasury front, mid and back office have been designated and properly segregated. In addition to the policy guidelines treasury operational guidelines have also been formulated for defining the roles and responsibilities of front, back and mid office so that various foreign exchange transactions can be performed in line with the Bangladesh Bank regulations and Bank's internal policies and procedures to measure, monitor and mitigate the foreign exchange risks.

#### **vii) Information and communication technology (ICT) risk**

Technology and Banking Business has now been closely integrated. Since its inception, the Bank has adopted information and communication technology for its business to facilitate faster decision making and satisfaction of its customers.

Accordingly, the Bank has formulated policies and procedures for ICT Risk Management and has taken steps to protect the information and related assets from unauthorized access, modification and destruction for the sake of the interest of its customers. To mitigate risks in ICT operations, the Bank is continuously conducting training sessions on sensitive IT tasks (i.e. operational procedures, security procedures etc.) for relevant employees.

The Bank is taking Data Backup on daily basis; one copy is being stored in fire-proof Vault and another copy is being kept at remote site to face any disaster in Data Centre. Disaster Recovery (DR) Site has been established at Uttara, Dhaka to replicate data of Data Centre and failover business operations in case of any emergency or any disaster at Data Centre. Business continuity Plan has also been developed.

The Bank Management has been putting conscious efforts to improve problem Management, ICT Operation Management, Change Management, Asset Management and Request Management to maintain maximum uptime of automated online banking business.

The Bank has updated ICT Policy Guideline in commensurate with guidelines of Bangladesh Bank. Physical security is being maintained for its workplace to properly protect ICT resources as per the Physical Security Guideline under Tier-1 of ICT guideline of Bangladesh Bank. The Bank is strictly following the Information Security Guidelines of Bangladesh Bank which covers Password Control, User ID Maintenance, Input Control, Network Security, Data Encryption, Virus Protection and Access Control to Internet and Emailing.

The Bank is maintaining Service Level Agreement (SLA) with the vendors who are directly involved for providing critical services on behalf of the Bank. The Bank is also maintaining Insurance Coverage of critical IT Assets and maintaining IT Assets Inventory.

The Bank has developed Fall Back Plan of IT Human Resources with detailed job descriptions and segregation of duties for IT tasks. The Bank has also completed all ICT Security documentation to ensure security of ICT Systems and is continuously updating them to strengthen security of the systems.

## **vii) Other relevant risks**

### **a) Operational risk**

Operational risk addresses the risk associated with fraud, forgery, unauthorized activities, error, omission, system failure and other external events. These occur mainly due to inadequate or failed internal processes, people and systems, or from external events (including legal risk). The Bank is managing these risks through written procedures, regular training, awareness programs and monitoring of the implementation of these procedures. Internal Control and Compliance Division of the Bank monitors operational procedure of the Bank. It undertakes periodical and special audit of the branches and divisions at the Head Office for review of the operation and compliance of statutory requirements. The Audit Committee of the Board subsequently reviews the reports of the Internal Control and Compliance Division.

### **b) Liquidity risk**

Liquidity risk is the potential for loss to a bank arising from either its inability to meet its obligations as they fall due or to fund increases in assets as they required without incurring unacceptable cost or losses.

Liquidity risk arises when the cushion provided by the liquid assets are not sufficient enough to meet maturing obligations.

The objective of liquidity risk management is to ensure that all foreseeable funding and payments commitments and deposit withdrawals can be met when due. To this end, the Bank is maintaining a diversified and stable funding base comprising of retail and corporate deposits maintain balanced tenor and institutional balance. The liquidity management is monitored by Asset Liability Committee (ALCO) on a regular basis.

### **c) Market risk**

It is the risk of potential losses in the on-balance sheet and off-balance sheet positions of a bank, stems from adverse movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices.

Banks may be exposed to market risk in variety of ways. Market risk exposure-

- a) may be explicit in portfolios of securities/equities and instruments that are actively traded;
- b) may be implicit such as interest rate risk due to mismatch of assets and liabilities; and
- c) may arise from activities categorized as off-balance sheet items.

### **d) Interest rate risk**

Interest rate risk may arise from trading portfolio and non-trading portfolio. The trading portfolio of the Bank consists of government treasury bills, bond, etc. Interest rate risk of non-trading business arises from mismatches between the future yield of an asset and its funding cost. Asset Liability Committee (ALCO) of the Bank monitors the interest rate movement on a regular basis.

Interest rate risk is the potential impact on a bank's earnings and net asset values due to changes in market interest rates. Interest rate risk arises when a bank's principal and interest cash flows (including final maturities), both on-and off-balance sheet, have mismatched reprising dates. The amount at risk is a function of the magnitude and direction of interest rate changes and the size and maturity structure of the mismatch position. Bank's lending, funding and investment activities give rise to interest rate risk. Interest rate risk management is conducted within the context of a comprehensive business plan.

#### e) Equity price risk

Equity price risk is the risk of losses caused by changes in equity prices. These losses could arise because of changes in the value of listed shares held directly by the bank; changes in the value of listed shares held by a bank subsidiary; changes in the value of listed shares used as collateral for loans from a bank or a bank subsidiary, whether or not the loan was made for the purpose of buying the shares; and changes in the value of unlisted shares. Bank presses vital importance to measure, monitor, and control their equity market risk.

#### f) Reputation risk

Reputation risk may arise from the possibility that negative publicity regarding the bank and its business practices, in the territory or elsewhere through related entities, and whether accurate or not, will adversely impact the operations and position of the bank. Reputation risk may also arise from an institution, or an affiliate, being domiciled in a jurisdiction where the legal and organizational framework for the regulation and supervision of financial institutions is generally viewed as failing to meet international standards for the protection of consumers of financial services and for the prevention of sheltering the proceeds of organized crime.

The Bank manages the reputation risk ensuring the followings:

- a) Management anticipates and responds to changes of a market or regulatory nature that affect its reputation in the market place;
- b) The Bank effectively develops its policies for risk management to refrain from committing violations of laws, regulations, best banking practices, and consumer rights that could affect its reputation;
- c) The Bank has continuous awareness that it is not subject to significant litigation, large monetary losses, or a high volume of customer complaints;
- d) The bank is routinely seen in a leadership role in community development and corporate social responsibility; and
- e) Management has a clear awareness of privacy issues and uses customer information responsibly.

#### 2.2.6.11 Management Committee (MANCOM)

The Management Committee (MANCOM) is functioning since the year 1994 as a structured unit to take important management decisions. Presently, it comprises members holding key positions in the management of the Bank. The Committee is headed by the Managing Director who is assisted by a Senior Management Group consisting of the Deputy Managing Directors, Heads of Division of strategically important divisions along with Branch Managers of large and important branches. Managing Director's Secretariat also acts as the member secretary to the Committee. The members of the Committee, having long experience in commercial banking activities, are concerned with management of respective Division as well as monitoring day to day activities taking place in different areas of the Bank.

The Committee sits at least once in every month to review and evaluate strategic operational issues of the bank, identify specific problems which need to be immediately attended, identify position of weakness (if any) of the Bank and take remedial measures or any other measures for enhancing general image of the Bank. Generally, the MANCOM is concerned with major decision making, planning and framing of policy guidelines in the Bank.

#### 2.2.6.12 Credit rating of the bank

The Bank has been awarded its credit rating done by Credit Rating Agency of Bangladesh Limited (CRAB) based on the financial statements and other relevant information as at and for the year ended 31 December 2015 as per BRPD Circular no. 6 dated 5 July 2006. The following ratings for different year have been awarded:

Type of Rating	Period of Financial statements used as basis	Rating Status			Validity
		Long term	Short term	Outlook	
Entity	January to December 2015	AA2	ST-2	Stable	30-Jun-17
Entity	January to December 2014	AA2	ST-2	Positive	30-Jun-16
Entity	January to December 2013	AA2	ST-2	Stable	30-Jun-15
Entity	January to December 2012	AA2	ST-2	Stable	30-Jun-14
Entity	January to December 2011	AA2	ST-2	Stable	30-Jun-13

### 2.2.6.13 Compliance report on Bangladesh Financial Reporting Standards (BFRSs):

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of Bangladesh Financial Reporting Standards (BFRSs) including Bangladesh Accounting Standards (BASs). While preparing the financial statements, Bank complied all the applicable BASs and BFRSs as adopted by ICAB except those described in note 2.1.1. Details are given

Name of the BFRS	BFRS No.	Status
First time Adoption	1	N/A
Share Based Payment	2	N/A
Business Combinations	3	Complied
Insurance Contracts	4	N/A
Non- current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resource	6	N/A
Financial Instruments: Disclosures	7	Complied
Operating Segments	8	Complied
Consolidated Financial Statements	10	Complied
Joint Arrangements	11	Complied
Disclosure of Interests in Other Entities	12	Complied
Fair Value Measurement	13	Complied

Note: N/A - Not Applicable

Name of the BAS	BAS No.	Status
Presentation of Financial Statements	1	Complied*
Inventories	2	Complied
Statement of Cash Flows	7	Complied
Accounting Policies, Changes in Accounting estimates & Errors	8	Complied
Events after the Reporting Period	10	Complied
Construction Contracts	11	N/A
Income Taxes	12	Complied
Property, Plant and Equipment	16	Complied
Leases	17	Complied
Revenue	18	Complied
Employee Benefits	19	Complied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The effects of changes in Foreign Exchange Rates	21	Complied
Borrowing Costs	23	Complied
Related Party Disclosure	24	Complied
Accounting and Reporting by Retirement Benefits Plans	26	N/A**
Separate Financial Statements	27	Complied
Investment in Associates and Joint Ventures	28	Complied
Financial Instruments: Presentation	32	Complied*
Earnings per share	33	Complied
Interim Financial Reporting	34	Complied
Impairment of Assets	36	Complied
Provisions, Contingent Liabilities and Contingent Assets	37	Complied
Intangible Assets	38	Complied
Financial Instruments: Recognition and Measurement	39	Complied*
Investment Property	40	N/A
Agriculture	41	N/A

\* In order to comply with certain specific rules and regulations of the local Central Bank (Bangladesh Bank) which are different to BAS/BFRS, some of the requirements specified in these BAS/BFRSs are not applied.

\*\* This Standard regards a retirement benefit plan as a reporting entity separate from the employers of the participants in the plan. Therefore, it is not applicable for the Bank's annual report as it is the employer and not the retirement benefit plan itself.

The following BFRSs were issued but not effective as at 30 June 2016

<b>Name of the BFRS</b>	<b>BFRS No.</b>	<b>Effective From</b>
Financial Instruments	BFRS 9	On or after 01.01.2018
Revenue form Contracts with Customers	BFRS 15	On or after 01.01.2018

Notes to the Financial Statements  
as at and for the half year ended 30 June 2016

	Note	30 June 2016	31 December 2015
<b>Amount in BDT</b>			
<b>3 Cash</b>			
Cash in hand (including foreign currency)	3.1	1,640,659,380	1,626,141,729
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	12,079,222,425	10,235,213,906
		<b>13,719,881,805</b>	<b>11,861,355,635</b>
<b>3.1 Cash in hand (including foreign currency)</b>			
Local currency in hand		1,459,996,830	1,487,148,722
Foreign currencies in hand		23,997,939	21,543,772
Cash with ATM		156,664,611	117,449,235
		<b>1,640,659,380</b>	<b>1,626,141,729</b>
<b>3.2 Balance with Bangladesh Bank and its agents bank</b>			
<b>Bangladesh Bank</b>			
Local currency		10,456,574,517	8,953,855,327
Foreign currency		1,328,206,756	884,451,807
		<b>11,784,781,273</b>	<b>9,838,307,134</b>
Sonali Bank as agent of Bangladesh Bank		294,441,152	396,906,772
		<b>12,079,222,425</b>	<b>10,235,213,906</b>
<b>3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)</b>			
Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of Bank Companies Act 1991 as amended and MPD circular no. 1, dated 23 June 2014 and MPD circular no. 2, dated 10 December 2013.			
<b>3.3.1 Cash Reserve Requirement (CRR)</b>			
As per Bangladesh Bank MPD Circular no. 1 dated 23 June 2014 [effective from 24 June 2014], all scheduled banks have to maintain CRR of minimum 6.0% on daily basis and 6.5% on bi-weekly basis based on weekly average demand and time liabilities excluding inter-bank deposits of immediate preceding two months [i.e. CRR of June 2016 was based on weekly average balance of April 2016]. CRR maintained by the Bank as per statutory requirement is shown below:			
Average time and demand liabilities		147,609,463,300	139,513,656,200
Required reserve		8,856,567,798	8,370,819,372
Actual reserve maintained*		10,448,639,000	8,978,550,000
<b>Surplus</b>		<b>1,592,071,202</b>	<b>607,730,628</b>
* As per Bangladesh Bank statement.			
<b>3.3.2 Statutory Liquidity Ratio (SLR)</b>			
As per Bangladesh Bank MPD Circular no. 2 dated 10 December 2013 [effective from 1 February 2014], all scheduled banks have to maintain SLR of minimum 13.0% of weekly average demand and time liabilities excluding inter-bank deposits of immediate preceding two months [i.e. SLR of June 2016 was based on weekly average balance of April 2016]. SLR maintained by the Bank as per statutory requirement is shown below:			
Average time and demand liabilities		147,609,463,300	139,513,656,200
Required reserve		19,189,230,229	18,136,775,306
Actual reserve maintained		23,424,965,160	26,219,916,781
<b>Surplus</b>		<b>4,235,734,931</b>	<b>8,083,141,475</b>
<b>Actual reserve maintained for SLR</b>			
Cash in hand	3.1	1,640,659,380	1,626,141,729
Balance with Bangladesh Bank in excess of CRR	3.3.1	1,592,071,202	607,730,628
Balance with Sonali Bank as agent	3.2	294,441,152	396,906,772
Government securities (HFT)	6.3	6,433,201,060	10,199,931,664
Government securities (HTM)	6.3	13,459,592,366	13,384,205,988
Other approved securities	6.1.3	5,000,000	5,000,000
		<b>23,424,965,160</b>	<b>26,219,916,781</b>

		Amount in BDT		
		Note	30 June 2016	31 December 2015
<b>3.a</b>	<b>Consolidated cash in hand</b>			
	IFIC Bank Limited	3.1	1,640,659,380	1,626,141,729
	IFIC Securities Limited		44,441	30,095
	IFIC Money Transfer (UK) Limited		18,381,203	22,555,143
			<b>1,659,085,024</b>	<b>1,648,726,967</b>
<b>3.b</b>	<b>Balance with Bangladesh Bank and its agents bank</b>			
	IFIC Bank Limited	3.2	12,079,222,425	10,235,213,906
	IFIC Securities Limited		-	-
	IFIC Money Transfer (UK) Limited		-	-
			<b>12,079,222,425</b>	<b>10,235,213,906</b>
			<b>13,738,307,449</b>	<b>11,883,940,873</b>
<b>4</b>	<b>Balance with other banks and financial institutions</b>			
	In Bangladesh	4.1	8,351,492,804	3,827,088,363
	Outside Bangladesh	4.2	2,329,245,934	1,883,456,854
			<b>10,680,738,738</b>	<b>5,710,545,217</b>
<b>4.1</b>	<b>In Bangladesh</b>			
	<b>In current deposit account with</b>			
	Agrani Bank Ltd.		42,028,728	50,030,513
	Sonali Bank Ltd.		5,590,216	19,040,228
			<b>47,618,944</b>	<b>69,070,741</b>
	<b>In special notice deposit account with</b>			
	Trust Bank Ltd		72,249,327	28,775,384
	Standard Chartered Bank		72,133,006	27,773,811
			<b>144,382,333</b>	<b>56,549,195</b>
	<b>In beneficiary owner (BO) account with</b>			
	IFIC Securities Ltd.		9,461,293	1,438,193
	Latif Securities		30,234	30,234
			<b>9,491,527</b>	<b>1,468,427</b>
	<b>In fixed deposit account with banks and NBFIs</b>			
	Peoples Leasing & Financial Services Ltd.		150,000,000	150,000,000
	The City Bank Ltd.		1,450,000,000	-
	Industrial and Infrastructure Development Finance Company Ltd.		150,000,000	150,000,000
	Investment Corporation of Bangladesh(ICB)		3,700,000,000	3,000,000,000
	Bangladesh Finance and Investment Co. Ltd		-	400,000,000
	Jamuna Bank Ltd.		1,200,000,000	-
	National Bank Ltd.		1,500,000,000	-
			<b>8,150,000,000</b>	<b>3,700,000,000</b>
			<b>8,351,492,804</b>	<b>3,827,088,363</b>
<b>4.2</b>	<b>Outside Bangladesh (NOSTRO Accounts)</b>			
	<b>Current account</b>			
	J.P. Morgan Chase Bank, New York		242,892,167	183,250,044
	Citi Bank N.A. New York		350,037,375	183,315,158
	HSBC Bank , New York		-	502,360,634
	Standard Chartered Bank, London		12,002,892	12,443,300
	Masreq Bank PSC, New York		164,170,786	289,213,990
	Mashreq Bank, PSC, Mumbai, India		9,065,465	29,058,358
	Standard Chartered Bank, New York		956,525,046	57,683,398
	Wells Fargo Bank, New York		85,199,078	158,144,711

	Note	Amount in BDT	
		30 June 2016	31 December 2015
Sonali Bank, (UK) Limited		39,957,261	13,735,464
Standard Chartered Bank, Kolkata		50,844,880	46,497,271
AB Bank Ltd., Mumbai		65,941,562	81,889,537
NIB Bank Ltd, Karachi, Pakistan		38,712,494	31,333,264
National Trust Bank Ltd., Colombo		335,021	166,393
Nepal Bangladesh Bank Ltd., Kathmandu, Nepal		12,190,483	11,687,054
Sonali Bank, Kolkata		13,910,114	15,780,281
State Bank of India, Kolkata		-	4,835,459
Bank of Bhutan, Phuentosoling		319,531	84,439
ICIC Bank Ltd.,Kolkata		63,842,534	62,877,204
Commerz Bank AG, Frankfurt		107,218,659	67,913,524
Habib American Bank, New York		48,150,692	68,429,084
J.P. Morgan Chase Bank, Sydney		3,995,888	4,011,554
Habib Bank AG , Zurich		(51,381)	388,242
Commerz Bank AG, Frankfurt		8,851,588	30,390,907
J.P. Morgan Chase Bank AG, Frankfurt		4,523,671	5,731,476
Sonali Bank UK London		795,374	782,575
Standard Chartered Bank, London		46,085,355	9,292,099
Sonali Bank(UK)Limited		1,556,447	6,210,353
Bank of Tokyo- Mitsubishi, Tokyo		1,033,122	143,907
AB Bank Ltd., Mumbai		866,156	5,807,175
Habib Bank UK, London		273,675	-
		<b>2,329,245,934</b>	<b>1,883,456,854</b>

For details of foreign currency amounts and rates thereof please see "Annexure-A"

#### 4.3 Maturity grouping of balance with other banks and FIs

Receivable on demand	2,521,247,211	2,010,545,217
Upto 1 month	4,150,000,000	2,000,000,000
More than 1 month but not more than 3 months	3,850,000,000	1,150,000,000
More than 3 months but not more than 6 months	159,491,527	550,000,000
More than 6 months but not more than 1 year	-	-
More than 1 year but not more than 5 years	-	-
More than 5 years	-	-
	<b>10,680,738,738</b>	<b>5,710,545,217</b>

#### 4.a Consolidated balance with other banks and financial institutions

##### 4.a(i) In Bangladesh

IFIC Bank Limited	4.1	8,351,492,804	3,827,088,363
IFIC Securities Limited		79,819,767	6,434,716
IFIC Money Transfer (UK) Limited		-	-
		<b>8,431,312,571</b>	<b>3,833,523,079</b>
Less: Inter -company transaction		79,819,766	6,434,715
		<b>8,351,492,805</b>	<b>3,827,088,364</b>

##### 4.a(ii) Outside Bangladesh

IFIC Bank Limited	4.2	2,329,245,934	1,883,456,854
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		15,678,342	6,503,084
		<b>2,344,924,276</b>	<b>1,889,959,938</b>
Less: Inter -company transaction		-	-
		<b>2,344,924,276</b>	<b>1,889,959,938</b>
		<b>10,696,417,081</b>	<b>5,717,048,302</b>

		Amount in BDT		
		Note	30 June 2016	31 December 2015
<b>5</b>	<b>Money at call and on short notice</b>			
	<b>Banking companies</b>			
	BRAC Bank Ltd.		210,000,000	-
	National Bank Ltd.		200,000,000	-
	Pubali Bank Ltd.		100,000,000	-
	Modhumoti Bank Ltd.		90,000,000	-
			<b>600,000,000</b>	<b>-</b>
<b>6</b>	<b>Investments</b>			
	Government Securities	6.1	19,902,907,126	23,596,892,752
	Other Investments	6.2	4,745,579,077	4,900,964,126
			<b>24,648,486,203</b>	<b>28,497,856,878</b>
<b>6.1</b>	<b>Government securities</b>			
	Treasury bills	6.1.1	4,635,364,539	10,204,931,663
	Treasury bonds	6.1.2	13,459,592,367	13,379,205,989
	Bangladesh Bank bills		1,797,836,520	-
	Prize bond		5,113,700	7,755,100
	Debentures	6.1.3	5,000,000	5,000,000
			<b>19,902,907,126</b>	<b>23,596,892,752</b>
<b>6.1.1</b>	<b>Treasury bills</b>			
	91 days treasury bills		1,897,697,289	4,307,601,783
	182 days treasury bills		593,036,870	3,514,563,540
	364 days treasury bills		2,144,630,380	2,382,766,340
			<b>4,635,364,539</b>	<b>10,204,931,663</b>
<b>6.1.2</b>	<b>Treasury bonds</b>			
	2 years Treasury bond		1,219,230,155	1,073,474,828
	5 years Treasury bond		1,633,110,420	1,291,919,220
	10 years Treasury bond		6,161,416,585	6,567,976,734
	15 years Treasury bond		2,980,402,075	2,980,402,075
	20 years Treasury bond		1,465,433,132	1,465,433,132
			<b>13,459,592,367</b>	<b>13,379,205,989</b>
<b>6.1.3</b>	<b>Debentures</b>			
	House Building Finance Corporation		5,000,000	5,000,000
			<b>5,000,000</b>	<b>5,000,000</b>
<b>6.2</b>	<b>Other investments</b>			
	<b>Unquoted shares</b>			
	Karma Sangsthan Bank		20,000,000	20,000,000
	Central Depository Bangladesh Ltd.		22,847,220	22,847,220
	Energy Pack Power Company Ltd.		25,960,000	25,960,000
			<b>68,807,220</b>	<b>68,807,220</b>
	<b>Quoted shares</b>			
	National Housing Finance & Investment Ltd.		39,010,000	39,010,000
	Power Grid Company Ltd.		275,412,488	275,412,488
	Delta Life Insurance Company Ltd.		83,187,944	83,187,944
	Khulna Power Company Ltd.		-	4,467,884
	Summit Power Ltd.		108,786,696	108,786,696
	Summit Alliance Port Ltd.		28,198,825	27,546,745
	British American Tobacco Bangladesh Ltd.		91,555,568	91,555,568
	Eastland Insurance Company Ltd.		8,941,428	8,941,428

	Note	30 June 2016	31 December 2015
TITAS Gas Transmission and Distribution Ltd.		465,701,734	465,701,734
Beximco Ltd.		1,264,121,634	1,264,121,634
Malek Spinning Mills Company Ltd.		7,681	7,681
Unique Hotel and Resorts Ltd.		21,029,385	21,029,385
The City Bank Ltd.		194,197,477	194,197,477
MJL Bangladesh Ltd.		8,578,577	45,291,198
Fareast Life Insurance Ltd.		136,631,812	136,631,812
Beximco Pharmaceuticals Ltd.		24,619,620	137,938,967
Northern General Insurance Company Ltd.		10,951,563	10,951,563
Reliance Insurance Ltd.		11,674,463	11,674,463
		<b>2,772,606,895</b>	<b>2,926,454,667</b>
<b>Mutual funds</b>			
IFIC Bank 1st Mutual Fund		250,000,000	250,000,000
ICB Employee 1st Mutual Fund		17,986,473	17,986,473
		<b>267,986,473</b>	<b>267,986,473</b>
<b>Outside Bangladesh</b>			
Nepal Bangladesh Bank Ltd.		1,285,345,324	1,286,433,768
Oman International Exchange LLC		17,820,477	17,843,275
NIB Bank Ltd., Pakistan		333,012,688	333,438,723
		<b>1,636,178,489</b>	<b>1,637,715,766</b>
		<b>4,745,579,077</b>	<b>4,900,964,126</b>

For details of of investment in shares please see "Annexure-B"

### 6.3 Government securities classified according to Bangladesh Bank Circular

Held for trading (HFT)	6,433,201,060	10,199,931,664
Held to maturity (HTM)	13,459,592,366	13,384,205,988
Other securities	10,113,700	12,755,100
	<b>19,902,907,126</b>	<b>23,596,892,752</b>

### 6.4 Maturity grouping of investments

On demand	5,113,700	7,755,100
Up to 1 month	3,033,144,701	2,107,865,071
Over 1 month but not more than 3 months	4,059,336,445	5,104,777,625
Over 3 months but not more than 6 months	223,439,566	1,830,018,863
Over 6 months but not more than 1 years	1,150,350,231	1,913,870,143
Over 1 year but not more than 5 years	8,367,386,949	9,753,794,807
Over 5 years	7,809,714,611	7,779,775,269
	<b>24,648,486,203</b>	<b>28,497,856,878</b>

### 6.5 Disclosure regarding outstanding Repo and Reverse Repo

Sl.	Counterparty Name	Agreement date	Reversal date	Amount
-	-	-	-	-
<b>Total</b>				

### Disclosure regarding outstanding Reverse Repo

Sl.	Counterparty Name	Agreement date	Reversal date	Amount
-	-	-	-	-
<b>Total</b>				

		Amount in BDT	
	Note	30 June 2016	31 December 2015
<b>Disclosure regarding Overall transaction of Repo and Reverse Repo</b>			
Counterparty Name	Minimum outstanding in HY2016	Maximum outstanding in HY2016	Daily average outstanding in HY2016
<b>Securities sold under Repo</b>			
With Bangladesh Bank	-	-	-
With other Banks and FIs	172,600,000	1,568,000,000	70,400,000
<b>Securities purchased under Reverse Repo</b>			
From Bangladesh Bank	-	-	-
From other Banks and FIs	209,200,000	760,500,000	44,700,000
<b>6.a Consolidated investments</b>			
<b>Government Securities</b>			
IFIC Bank Limited	6.1	19,902,907,126	23,596,892,752
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		<b>19,902,907,126</b>	<b>23,596,892,752</b>
<b>6.b Consolidated other investments</b>			
IFIC Bank Limited	6.2	4,745,579,077	4,900,964,126
IFIC Securities Limited		89,003,312	89,321,750
IFIC Money Transfer (UK) Limited		-	-
<b>Less:</b>			
Book value of investment in joint venture/associate-NBBL		(1,285,345,324)	(1,286,433,768)
Book value of investment in joint venture/associate -OIE LLC		(17,820,477)	(17,843,275)
<b>Add:</b>			
Investment in NBBL under equity method	41.b(i)	1,893,093,347	1,744,628,767
Investment in OIE LLC under equity method	41.b(ii)	87,526,737	86,223,917
		<b>5,512,036,672</b>	<b>5,516,861,518</b>
		<b>25,414,943,798</b>	<b>29,113,754,270</b>
<b>7 Loans and advances</b>			
Loans, cash credit, overdraft etc.	7.1	120,396,102,483	114,236,126,152
Bill purchased and discounted	8	8,960,462,953	9,032,541,721
		<b>129,356,565,436</b>	<b>123,268,667,873</b>
<b>7.1 Loans, cash credit, overdraft etc.</b>			
<b>Inside Bangladesh</b>			
Term loan industrial		12,518,919,924	11,011,276,371
Term loan consumer finance		615,085,856	590,143,861
Agricultural loan		2,105,247,817	2,002,885,416
Term loan women entrepreneur		10,285,461	8,416,725
Term loan-others		29,273,387,666	27,005,371,690
House building loans		9,240,973,551	5,539,524,968
Staff loan		1,939,876,787	1,957,587,284
Transport loan		746,750,308	801,367,255
Loan general		2,312,920,125	2,637,343,293
Demand loan		3,184,872,787	2,711,519,557
Overdrafts		25,108,184,879	25,220,065,470
Cash credit		27,018,106,172	27,282,256,826
Credit card finance		240,533,517	252,438,131
Loan against imported merchandise(LIM)		65,696,811	71,170,218
Loan against trust receipt (LTR)		4,807,724,678	5,877,060,897
Lease Finance	7.16	551,248,225	524,324,497
		<b>119,739,814,564</b>	<b>113,492,752,459</b>
<b>Outside Bangladesh</b>			
		-	-
		<b>119,739,814,564</b>	<b>113,492,752,459</b>
<b>Off-shore banking unit</b>			
		656,287,919	743,373,693
		<b>120,396,102,483</b>	<b>114,236,126,152</b>

	Note	30 June 2016	31 December 2015
<b>7.2 Residual maturity grouping of Loans, cash credit, overdraft etc.</b>			
<b>Receivable</b>			
On demand		-	3,830,157,011
Up to 1 month		23,939,063,428	23,172,649,927
Over 1 month but not more than 3 months		20,275,607,877	20,546,137,290
Over 3 months but not more than 1 years		36,624,136,590	32,541,033,969
Over 1 year but not more than 5 years		25,600,773,955	24,801,136,923
Over 5 years		13,956,520,633	9,345,011,032
		<b>120,396,102,483</b>	<b>114,236,126,152</b>

**7.3 Loans and advances under broad categories**

<b>In Bangladesh</b>			
Loans		68,269,811,432	61,733,803,856
Cash credit		27,018,106,172	27,282,256,826
Overdrafts		25,108,184,879	25,220,065,470
		<b>120,396,102,483</b>	<b>114,236,126,152</b>
Bill purchased and discounted	8	8,960,462,953	9,032,541,721
		<b>129,356,565,436</b>	<b>123,268,667,873</b>
<b>Outside Bangladesh</b>			
		-	-
		<b>129,356,565,436</b>	<b>123,268,667,873</b>

**7.4 Loans and advances on the basis of significant concentration**

<b>Loans and advances to Directors, executives and others</b>			
Loans and advances to directors and their allied concerns		-	-
Loans and advances to Managing Director, Senior Executives and Staffs		1,939,876,787	1,957,587,284
Advances to customers' groups		127,416,688,649	121,311,080,589
		<b>129,356,565,436</b>	<b>123,268,667,873</b>

**7.5 Loans and advances allowed to each customer exceeding 10% of Bank's total capital**

Number of customers		24	29
Amount of outstanding loans - funded & non-funded		56,092,200,000	60,163,200,000
Amount classified		-	-

Amount of loans and advances (comprising funded and non funded facilities) to each customer exceeding BDT 1,582.41 million which is computed as 10% of the Bank's capital (as defined under Bank Companies Act 1991 as amended) of Tk 15,824.14 million as at 30 June 2016. As at 31 December 2015, 10% of Bank's total capital of BDT 11,813.12 million was BDT 1,181.31 million.

For details of loans and advances to each customer exceeding 10% Banks capital please see "Annexure-C".

**7.6 Industry wise position of loans and advances including bills purchased and discounted**

Agriculture Industries		2,105,247,817	2,002,885,416
Jute Industries		1,880,680,525	1,296,298,222
Textile Industries		6,556,152,101	8,118,842,232
Garments Industries		19,836,331,335	18,336,362,179
Chemical and Chemical Products		372,239,262	372,239,262
Cement Industries		238,764,504	367,851,556
Bricks & Ceramic		928,076,185	887,340,215
Food Products & Processing		1,154,699,565	1,228,055,714
Engineering & Metal		4,370,629,591	5,593,862,778
Drugs & Pharmaceuticals		790,106,357	934,861,390
Hospital & Clinics		132,548,948	125,355,045
Paper & Paper Products Industries		162,200,586	296,104,544
Other Small Industries		10,540,309,891	11,498,323,363
IT Sector		2,687,342,273	3,242,999,001
Other Service Industries		10,316,521,692	4,890,000,000
Trade & Commerce		29,671,376,965	26,272,748,741

	Note	30 June 2016	31 December 2015
<b>Amount in BDT</b>			
IFIC Securities Ltd.		1,263,637,914	1,295,383,172
Transport		355,816,679	895,567,615
Construction Firms/Companies		4,460,603,449	4,546,534,800
Housing Societies/Companies		8,438,433,563	9,908,212,895
Cold Storage		81,780,741	89,280,741
Non-Banking Financial Institutions		-	700,045,944
Consumer Finance		8,727,284,956	6,238,511,093
Energy		6,051,021,983	4,972,747,360
Telecommunication		5,556,998,503	5,525,088,366
Others		2,677,760,054	3,633,166,227
		<b>129,356,565,436</b>	<b>123,268,667,873</b>
<b>7.7 Sector wise position of loans and advances including bills purchased and discounted</b>			
Government sector		-	-
Other public sector		251,000,000	591,971,117
Private sector		129,105,565,436	122,676,696,756
Co-operative sector		-	-
		<b>129,356,565,436</b>	<b>123,268,667,873</b>
<b>7.8 Geographical location-wise loans and advances including bills purchased and discounted</b>			
<b>Inside Bangladesh</b>			
Dhaka division		100,352,915,440	95,187,256,664
Chittagong division		15,271,081,717	16,068,894,624
Sylhet division		1,109,249,257	883,817,564
Rajshahi division		5,982,406,397	5,369,258,853
Khulna division		3,322,637,294	2,930,916,862
Barisal division		617,886,417	463,872,866
Rangpur division		2,700,388,914	2,364,650,440
		<b>129,356,565,436</b>	<b>123,268,667,873</b>
<b>Outside Bangladesh</b>			
		-	-
		<b>129,356,565,436</b>	<b>123,268,667,873</b>
<b>7.9 Business segment-wise concentration of loans and advances as per CL</b>			
Corporate		84,524,950,069	88,764,434,503
SME		27,250,002,395	20,741,562,729
Short term agri credit		2,529,792,809	2,213,281,743
Consumer (including staff)		5,566,186,998	5,413,427,738
Others		9,485,633,165	6,135,961,160
		<b>129,356,565,436</b>	<b>123,268,667,873</b>
<b>7.10 Loans and advances including bills purchased and discounted as per CL</b>			
<b>Inside Bangladesh</b>			
<b>Continuous loan</b>			
Consumer finance		2,381,895,492	2,278,438,642
Small and medium enterprise		21,102,477,225	17,525,982,325
Loans to BHs/MBs/SDs		2,181,121,827	2,207,827,731
Other continuous loans		24,974,181,375	29,307,054,916
		<b>50,639,675,919</b>	<b>51,319,303,614</b>
<b>Demand loans</b>			
Consumer finance		498,685,614	483,833,803
Small and medium enterprise		2,593,184,705	1,600,480,409
Loans to BHs/MBs/SDs		-	-
Other continuous loans		19,019,058,974	20,462,459,126
		<b>22,110,929,293</b>	<b>22,546,773,338</b>
<b>Short term loan</b>			
Short term agri credit		2,529,792,809	2,213,281,743

	Note	30 June 2016	31 December 2015
<b>Amount in BDT</b>			
<b>Term loan</b>			
Consumer finance (including staff, other than HF)		2,685,605,892	2,651,155,293
Small and medium enterprise		3,554,340,465	1,615,099,995
Housing finance (HF)		7,302,276,886	3,925,919,657
Loans for professionals		2,234,452	2,213,772
Loans to BHs/MBs/SDs		-	-
Other fixed term loan		40,531,709,720	38,994,920,461
		<b>54,076,167,415</b>	<b>47,189,309,178</b>
<b>Outside Bangladesh</b>		-	-
		<b>129,356,565,436</b>	<b>123,268,667,873</b>
<b>7.11 Security/collateral-wise concentration of loans and advances including bills purchased and discounted</b>			
Collateral of movable/immovable assets		89,025,787,428	65,256,639,311
Local banks and financial institutions' guarantee		-	-
Government guarantee		-	-
Foreign bank guarantee		-	-
Export documents		3,950,786,308	3,850,631,263
Fixed deposit receipts		9,817,935,109	8,811,513,496
Government bonds		-	-
Personal guarantee		8,948,174,836	12,067,127,042
Other securities		17,613,881,756	33,282,756,761
		<b>129,356,565,436</b>	<b>123,268,667,873</b>
<b>7.12 Particulars of loans and advances</b>			
i) Loans considered good in respect of which the Bank is fully secured.		113,126,215,682	108,090,979,501
ii) Loans considered good for which the Bank holds no other security than the debtors' personal guarantee.		9,948,174,836	10,170,470,841
iii) Loans considered good being secured by personal security of one or more persons in addition to the personal security of the debtors.		6,282,174,918	5,007,217,531
iv) Loans adversely classified; provision not maintained there against.		-	-
		<b>129,356,565,436</b>	<b>123,268,667,873</b>
v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons.		1,939,876,787	1,957,587,284
vi) Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members;		1,263,766,052	1,295,368,172
vii) Maximum total amount of advances, including temporary advances made at any time during the period/year to directors or employees of the Bank or any of them either severally or jointly with any other person		1,939,876,787	2,073,804,566
viii) Maximum total amount of advances, including temporary advances granted during the period/year to the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or in the case of private companies as members		1,263,766,052	1,295,368,172
ix) Due from banking companies		-	-
x) a) Classified loans for which interest has not been charged:			
Increase/(decrease) in specific provision		340,113,339	523,923,354
Amount of loan written off		-	1,224,042,403
Amount recovered against the loans previously written off		97,612,716	102,050,000

		Amount in BDT	
	Note	30 June 2016	31 December 2015
b) Amount of provision kept against loans classified as bad/loss as at the Balance Sheet date		2,616,063,214	2,275,949,875
c) Amount of interest creditable to the interest suspense account		1,117,669,148	1,962,382,331
xi) Cumulative amount of written off loan:			
Opening balance		8,805,293,785	7,681,387,382
Amount written off during the period/year		-	1,224,042,403
Interest charged		944,000	1,914,000
Recovery from written-off during the period/year*		(97,612,716)	(102,050,000)
		<b>8,708,625,069</b>	<b>8,805,293,785</b>

\* Recovery from written-off loans during the period/year include waiver of BDT 9,524,000 [Y2015: BDT 10,071,613].

#### 7.13 Cumulative amount of written off loans for which law suits have been filed

Opening balance	13,628,593,146	12,404,550,743
During the period/year	-	1,224,042,403
	<b>13,628,593,146</b>	<b>13,628,593,146</b>

Out of this cumulative amount of written-off loans, no suit could be filed for recovery of BDT 43.8 million for becoming time barred.

#### 7.14 Classification of loans and advances

##### Unclassified

Standard	108,018,302,696	105,456,769,377
Special mention account	11,196,654,559	9,849,846,666
	<b>119,214,957,255</b>	<b>115,306,616,044</b>

##### Classified

Substandard	1,723,596,092	1,208,861,621
Doubtful	2,077,511,632	1,282,352,831
Bad/Loss	6,340,500,457	5,470,837,378
	<b>10,141,608,181</b>	<b>7,962,051,830</b>
	<b>129,356,565,436</b>	<b>123,268,667,873</b>

#### 7.15 Movements of classified loans and advances

Opening balance	7,962,051,830	5,061,133,652
Additions during the period/year	3,973,290,000	8,190,736,565
Reduction during the period/year	(1,793,733,649)	(5,289,818,388)
	<b>10,141,608,181</b>	<b>7,962,051,830</b>

#### 7.16 Net lease receivable

Gross lease receivable within 1 year	157,422,805	153,006,637
Gross lease receivable 1 - 5 years	582,369,770	566,032,601
<b>Total lease rental receivable</b>	<b>739,792,576</b>	<b>719,039,238</b>
Less: Unearned income	188,544,351	194,714,741
<b>Net lease receivable</b>	<b>551,248,225</b>	<b>524,324,497</b>

The net lease receivable is shown under the head of loans, cash credit, overdraft etc.

#### 7.a Consolidated loans and advance

##### Loans, cash credits, overdrafts etc.

IFIC Bank Limited	7.1	120,396,102,483	114,236,126,152
IFIC Securities Limited		3,906,202,585	3,694,754,938
IFIC Money Transfer (UK) Limited		-	-
		124,302,305,068	117,930,881,090
Less: Inter-company transactions		1,263,766,052	1,295,383,173
		<b>123,038,539,016</b>	<b>116,635,497,917</b>

		Amount in BDT	
	Note	30 June 2016	31 December 2015
<b>8 Bills purchased and discounted</b>			
Payable in Bangladesh		8,021,026,663	8,546,663,593
Payable outside Bangladesh		939,436,290	485,878,128
		<b>8,960,462,953</b>	<b>9,032,541,721</b>
<b>8.1 Bill purchased and discounted</b>			
<b>Payable in Bangladesh</b>			
<b>Local bills/documents</b>			
Inland documentary bill purchase (IDBP)		1,249,936,395	1,390,912,895
Payment against documents-cash		289,722,647	355,359,394
Payment against documents-EDF		5,253,399,041	4,778,404,158
Payment against documents-forced (Inland)		202,937,307	164,320,231
Payment against documents-forced (Foreign)		143,923,684	382,748,266
Payment against documents-Others		23,768,709	321,636,140
		<b>7,163,687,783</b>	<b>7,393,381,084</b>
Off-shore banking unit		857,338,880	1,153,282,509
		<b>8,021,026,663</b>	<b>8,546,663,593</b>
<b>Payable outside Bangladesh</b>			
<b>Foreign bills/documents</b>			
Foreign documentary bill purchase (FDBP)		939,436,290	485,878,128
		<b>939,436,290</b>	<b>485,878,128</b>
		<b>8,960,462,953</b>	<b>9,032,541,721</b>
<b>8.2 Residual maturity grouping of bill purchased and discounted</b>			
Receivable			
On demand		1,168,670,088	1,424,916,039
Up to 1 month		2,443,364,029	2,370,666,051
Over 1 month but not more than 3 months		3,036,606,130	2,979,636,791
Over 3 months but not more than 6 months		2,290,251,242	2,234,989,719
Over 6 months		21,571,464	22,333,121
		<b>8,960,462,953</b>	<b>9,032,541,721</b>
<b>8.a Consolidated bills purchased and discounted</b>			
IFIC Bank Limited	8	8,960,462,953	9,032,541,721
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		<b>8,960,462,953</b>	<b>9,032,541,721</b>
<b>9 Fixed assets including premises, furniture and fixtures</b>			
<b>Cost/revalued:</b>			
Land		475,118,759	475,118,759
Buildings and premises		1,337,951,477	1,337,951,477
Wooden furniture		121,374,186	118,694,149
Steel furniture		61,872,895	59,242,462
Computer equipment		709,773,095	668,481,187
Office equipment		202,737,786	196,964,697
Electrical & gas equipment		416,415,019	394,944,685
Leasehold improvement		253,816,300	237,653,741
Vehicles		115,613,145	115,673,145
Leased vehicles		47,600,000	47,600,000
Soft furnishing		12,203,383	12,653,637
		<b>3,754,476,045</b>	<b>3,664,977,939</b>
<b>Intangible assets:</b>			
Software		295,567,722	293,931,990
		<b>4,050,043,767</b>	<b>3,958,909,929</b>
Capital work in progress *		1,196,085,840	846,594,774
		<b>5,246,129,608</b>	<b>4,805,504,702</b>
Less: Accumulated depreciation		1,679,429,405	1,575,137,777
<b>Written down value</b>		<b>3,566,700,203</b>	<b>3,230,366,926</b>

	Note	30 June 2016	31 December 2015
For details of fixed assets please see "Annexure-D"			
* Capital work in progress represents the amount paid for procuring material & equipment for under constructed IFIC Bank Tower and upgradation of core banking software-MISYS.			
<b>9.a Consolidated fixed assets including premises, furniture and fixtures</b>			
IFIC Bank Limited	9	3,566,700,203	3,230,366,926
IFIC Securities Limited		5,517,902	6,071,123
IFIC Money Transfer (UK) Limited		6,747,469	8,442,974
		<b>3,578,965,574</b>	<b>3,244,881,023</b>
<b>10 Other assets</b>			
Stationery and stamps		25,706,892	23,880,960
Suspense account	10.1	506,727,104	472,775,672
Advance, deposit and prepayments	10.2	2,912,080,073	2,217,402,880
Accrued interest on investment & other income receivable	10.3	968,019,361	848,795,327
Investment in subsidiaries	10.4	831,571,940	834,879,920
Revaluation account FDBP		1,792,520	1,792,520
Deferred tax assets	10.5	1,081,670,632	841,302,473
Accounts receivable others		8,617,760	5,123,046
		<b>6,336,186,282</b>	<b>5,245,952,798</b>
Off-shore banking unit		71,566,220	145,731,263
		<b>6,407,752,502</b>	<b>5,391,684,061</b>
<b>10.1 Suspense account</b>			
Sundry debtors		136,721,982	134,948,472
Advance against bills, new branches		15,376,060	32,501,733
Advance against TA / DA		1,397,340	1,095,990
Law charges		145,795,033	130,206,562
Sanchayapatra paid		147,811,009	131,687,663
Wage earners development bond paid		27,528,369	6,992,551
CIB charge recovery		855,444	92,904
Moneygram services		30,462,989	34,685,105
Others		633,190	564,692
		<b>506,727,104</b>	<b>472,775,672</b>
<b>10.2 Advance, deposit and prepayments</b>			
Advance rent		292,176,202	317,008,488
Advance income tax		2,265,368,517	1,578,711,636
Security deposit including demand note		11,846,191	6,277,571
Advance against car purchase		207,434,464	228,842,260
Advance against insurance premium		3,166,678	501,307
Protested bills		22,200,650	22,121,026
Cash remittance		34,000,000	12,500,000
Others		75,887,371	51,440,592
		<b>2,912,080,073</b>	<b>2,217,402,880</b>
<b>10.3 Accrued interest on investment &amp; other income receivable</b>			
Treasury bonds		452,577,881	444,497,079
Debentures and bonds		3,354,562	3,210,562
Receivables from Government		41,272,375	41,272,375
Interest accrued on loans and advances		264,592,664	88,330,394
Investment on FDR		63,496,042	73,700,526
Others		142,725,837	197,784,391
		<b>968,019,361</b>	<b>848,795,327</b>

		Amount in BDT	
	Note	30 June 2016	31 December 2015
<b>10.4 Investment in subsidiaries</b>			
IFIC Securities Limited		799,994,000	799,994,000
IFIC Money Transfer (UK) Limited		31,577,940	34,885,920
		<b>831,571,940</b>	<b>834,879,920</b>
<b>10.5 Deferred tax assets</b>			
Deferred tax assets have been recognized and measured as per Bangladesh Accounting Standards-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		1,263,244,772	1,041,964,428
Deferred tax liabilities		(181,574,140)	(200,661,955)
<b>Deferred tax assets/(liabilities)</b>		<b>1,081,670,632</b>	<b>841,302,473</b>
<b>i) Deferred tax on provision for loans and advances classified as doubtful and bad &amp; loss</b>			
Carrying amount		3,158,111,930	2,604,911,071
Tax base		-	-
Deductible/(taxable) temporary difference		3,158,111,930	2,604,911,071
Tax rate		40.00%	40.00%
Closing deferred tax assets/(liabilities)		1,263,244,772	1,041,964,428
Opening deferred tax assets/(liabilities)		1,041,964,428	816,242,841
<b>Deferred tax (expense)/income (A)</b>		<b>221,280,344</b>	<b>225,721,587</b>
<b>ii) Deferred tax on fixed assets</b>			
Carrying amount		2,355,412,179	2,383,772,155
Tax base		1,901,476,828	1,882,117,267
Deductible/(Taxable) temporary difference		<b>453,935,351</b>	<b>501,654,888</b>
Tax rate		40.00%	40.00%
Closing deferred tax assets/(liabilities)		<b>(181,574,140)</b>	<b>(200,661,955)</b>
Opening deferred tax assets/(liabilities)		(200,661,955)	(196,957,860)
<b>Deferred tax (expense)/income (B)</b>		<b>19,087,815</b>	<b>(3,704,095)</b>
<b>Deferred tax (expense)/income (A+B)</b>		<b>240,368,158</b>	<b>222,017,492</b>
<b>10.6 Income generating other assets</b>			
Investment in subsidiary-IFIC Securities Limited	10.4	799,994,000	799,994,000
Investment in subsidiary-IFIC Money Transfer UK	10.4	31,577,940	34,885,920
		<b>831,571,940</b>	<b>834,879,920</b>
<b>10.7 Non-Income generating other assets</b>			
Stationery and stamps		25,706,892	23,880,960
Sundry debtors		136,721,982	134,948,472
Advance against bills, new branches		15,376,060	32,501,733
Advance against TA / DA		1,397,340	1,095,990
Law charges		145,795,033	130,206,562
Advance against insurance premium		3,166,678	501,307
Advance against rent		292,176,202	317,008,488
Advance income tax		2,265,368,517	1,578,711,636
Sanchaya patra paid		147,811,009	131,687,663
Wage earners development bond paid		27,528,369	6,992,551
Security deposit including demand note		11,846,191	6,277,571
Advance against car purchase		207,434,464	228,842,260
Protested bills		22,200,650	22,121,026
Accrued interest and other interest receivable		968,019,361	848,795,327
CIB charges		855,444	92,904
Deferred tax assets	10.5	1,081,670,632	841,302,473
Cash remittance		34,000,000	12,500,000
Revaluation account FDBP		1,792,520	1,792,520

		Amount in BDT	
	Note	30 June 2016	31 December 2015
Moneygram		30,462,989	34,685,105
Accounts receivable others		8,617,760	5,123,046
Others		76,520,561	52,005,284
		<b>5,504,614,342</b>	<b>4,411,072,878</b>
Off-shore banking unit		71,566,220	145,731,263
		<b>5,576,180,562</b>	<b>4,556,804,141</b>
<b>10.a Consolidated other assets</b>			
IFIC Bank Limited	10	6,407,752,502	5,391,684,061
Less: Investment in IFIC Securities Limited	10.4	799,994,000	799,994,000
Less: Investment in IFIC Money Transfer (UK) Limited	10.4	31,577,940	34,885,920
		5,576,180,562	4,556,804,141
IFIC Securities Limited		147,785,841	178,781,383
IFIC Money Transfer (UK) Limited		605,244	668,647
		<b>5,724,571,647</b>	<b>4,736,254,171</b>
<b>11 Non-banking assets</b>			
Through the verdict of honorable court under section 33(7) of the Artharin Adalat Act 2003, the Bank has got an absolute ownership on few mortgaged properties. These properties were recorded at BDT 373,474,800 as non-banking assets in the year 2013.			
<b>12 Borrowing from other banks, financial institutions and agents</b>			
In Bangladesh		4,654,243,835	6,651,311,614
Outside Bangladesh		392,000,000	549,502,100
		<b>5,046,243,835</b>	<b>7,200,813,714</b>
<b>12.1 In and outside Bangladesh</b>			
<b>Short term borrowing</b>			
Basic Bank Limited		-	1,000,000,000
National Bank Limited		-	700,000,000
Prime Bank Limited		-	200,000,000
		-	<b>1,900,000,000</b>
<b>Obligation under lease finance</b>		<b>35,651,361</b>	<b>37,973,238</b>
		<b>35,651,361</b>	<b>1,937,973,238</b>
<b>Refinance from Bangladesh Bank</b>			
Export Development Fund (EDF)		4,040,281,137	4,314,222,031
Small and Medium Enterprise		578,311,337	399,116,344
		<b>4,618,592,474</b>	<b>4,713,338,376</b>
<b>In Bangladesh</b>		<b>4,654,243,835</b>	<b>6,651,311,614</b>
<b>Outside Bangladesh</b>		<b>392,000,000</b>	<b>549,502,100</b>
		<b>5,046,243,835</b>	<b>7,200,813,714</b>
<b>12.2 Secured and unsecured borrowing from other banks, financial institutions and agents</b>			
Secured borrowing		-	-
Unsecured borrowing		5,046,243,835	7,200,813,714
		<b>5,046,243,835</b>	<b>7,200,813,714</b>
<b>12.3 Maturity grouping of borrowing from other banks, financial institutions and agents</b>			
<b>Payable</b>			
On demand		3,544,565	1,056,000
Up to 1 month		885,547,788	2,047,338,639
Over 1 month but not more than 3 months		1,781,002,401	1,690,598,876
Over 3 months but not more than 1 year		2,038,000,633	3,127,612,836
Over 1 year but not more than 5 years		338,148,447	292,283,553
Over 5 years		-	41,923,810
		<b>5,046,243,835</b>	<b>7,200,813,714</b>

		Amount in BDT	
	Note	30 June 2016	31 December 2015
<b>12.a Consolidated borrowing from other banks, financial institutions and agents</b>			
<b>In Bangladesh</b>			
IFIC Bank Limited		4,654,243,835	6,651,311,614
IFIC Securities Limited		1,609,458,993	1,588,024,135
IFIC Money Transfer (UK) Limited		-	-
		<b>6,263,702,828</b>	<b>8,239,335,749</b>
Less: Inter -company transactions		1,263,766,052	1,295,383,173
		<b>4,999,936,776</b>	<b>6,943,952,576</b>
<b>Outside Bangladesh</b>			
IFIC Bank Limited		392,000,000	549,502,100
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		392,000,000	549,502,100
		<b>5,391,936,776</b>	<b>7,493,454,676</b>
<b>13</b>			
During the year 2016, the Bank with prior consent of Bangladesh Securities and Exchange Commission (vide letter no. BSEC/CI/DS-32/2015/644 dated 28 December 2015) and Bangladesh Bank (vide letter no. BRPD(BFIS)661/18B(P)/2016-938 dated 08 February 2016 and BRPD(BFIS)661/18B(P)/2016-2475 dated 17 April 2016), issued 07 (seven) years Tier-II Non-Convertible Coupon Bearing Subordinated Bonds to several banks. Coupon Ceiling and Floor rates of the Bond are 11.0% and 7.0% respectively. The reference rate of the Bond is latest published 182 days Treasury Bill yield plus margin of 4.80%. The bond will be redeemable at the rate of 20% from 3rd year to the end of the bond tenor i.e. 7th year. The outstanding balance of the Bond as per subscriber is as follows:			
Sonali Bank Limited		1,000,000,000	-
Janata Bank Limited		1,000,000,000	-
Rupali Bank Limited		1,000,000,000	-
Agrani Bank Limited		500,000,000	-
		<b>3,500,000,000</b>	<b>-</b>
<b>14 Deposits and other accounts</b>			
Current deposit and other accounts	14.1	18,741,569,699	17,411,524,226
Bills payable	14.2	2,350,923,777	1,473,570,630
Savings bank deposits	14.3	26,205,220,198	24,496,108,248
Fixed deposits	14.4	106,286,853,259	103,438,502,428
		<b>153,584,566,933</b>	<b>146,819,705,532</b>
<b>14.1 Current deposit and other accounts</b>			
Current accounts		10,840,413,069	9,527,215,111
Foreign currency deposit		729,780,054	1,002,570,119
Resident foreign currency deposit		43,352,701	43,727,497
Exporters foreign currency account		4,899,611,834	5,227,213,326
Margin on letters of credit		1,388,983,832	968,836,637
Margin on letters of guarantee		327,511,446	330,148,676
Investors' account credit balance		549,350	548,938
Q-cash, prepaid, cheque card		2,344,948	2,142,834
Sundry deposit	14.1.1	509,022,465	309,121,088
		<b>18,741,569,699</b>	<b>17,411,524,226</b>
<b>14.1.1 Sundry deposit</b>			
Sundry creditor		185,317,931	106,294,161
Lease deposit		26,034,819	24,743,476
Risk fund-lease, CCS & others		749,847	794,970
Clearing adjustment		102,606,166	36,109,852

	Note	30 June 2016	31 December 2015
<b>Amount in BDT</b>			
Visa credit card		49,671,436	25,645,521
Sundry deposit BFF		25,912,400	25,912,400
FDD issued but not presented		12,630,626	12,609,186
IBC lodgment		6,004,429	62,595
Other sundry deposits		100,094,811	76,948,927
		<b>509,022,465</b>	<b>309,121,088</b>
<b>14.2 Bills payable</b>			
Payment order		2,343,061,117	1,463,128,293
Demand draft		5,895,117	6,060,994
Security deposit receipt		1,967,543	4,381,343
		<b>2,350,923,777</b>	<b>1,473,570,630</b>
<b>14.3 Savings bank deposit</b>			
Savings account		16,508,449,978	15,480,526,093
Super savings plus		8,299,265,210	7,826,272,790
Payroll savings		346,131,545	242,117,559
Sanchita-female savings		939,323,511	873,761,715
Student savings - duronto		111,901,248	73,289,202
Interest payable on savings deposit		148,706	140,889
		<b>26,205,220,198</b>	<b>24,496,108,248</b>
<b>14.4 Fixed deposit</b>			
Special notice deposit (SND)		18,939,954,250	14,805,642,037
Term deposit	14.4.1	81,631,441,598	83,399,500,647
Recurring deposit	14.4.2	5,677,672,019	5,194,783,032
Non resident foreign currency deposit (NFCD)		8,405,331	8,392,777
Export retention quota (ERQ)		29,380,061	30,183,935
		<b>106,286,853,259</b>	<b>103,438,502,428</b>
<b>14.4.1 Term deposit</b>			
Fixed deposits		64,246,339,220	66,324,177,224
Double return deposit scheme		9,505,453,117	8,529,344,839
Millionaire dream plan		431,105,178	413,610,746
Three years deposit plus		4,200,000	4,200,000
Monthly income scheme		5,884,843,351	6,514,807,077
Monthly income scheme - Arjon		138,872,295	141,322,295
Interest payable on term deposit		1,420,628,437	1,472,038,466
		<b>81,631,441,598</b>	<b>83,399,500,647</b>
<b>14.4.2 Recurring deposit</b>			
Pension savings scheme (PSS)		5,077,704,907	4,697,420,872
Pension savings scheme - Joma		8,108,555	5,949,762
Flexi DPS - Freedom		351,333,529	243,459,937
School savings plan		44,413,379	38,863,253
Interest payable on recurring deposit		196,111,649	209,089,208
		<b>5,677,672,019</b>	<b>5,194,783,032</b>
<b>14.5 Deposit and other accounts of the banks</b>			
Deposit form banks		327,126,000	1,166,600,000
Deposit from customers		153,257,440,933	145,653,105,532
		<b>153,584,566,933</b>	<b>146,819,705,532</b>
<b>14.6 Payable on demand and time deposit</b>			
<b>Demand deposits</b>			
Current deposits		11,645,820,182	10,606,388,434
Savings deposits		2,358,469,818	2,204,649,742
Security deposits		1,967,543	4,381,343
Sundry deposit		2,225,517,743	1,608,106,401
Bills payable		2,348,956,234	1,469,189,287
		<b>18,580,731,521</b>	<b>15,892,715,208</b>

	Note	Amount in BDT	
		30 June 2016	31 December 2015
<b>Time deposits</b>			
Savings deposits		23,846,750,381	22,291,458,506
Fixed deposits		86,400,586,469	88,493,784,456
Special notice deposits		18,939,954,250	14,805,642,037
Deposits under schemes		5,816,544,312	5,336,105,325
		<b>135,003,835,412</b>	<b>130,926,990,324</b>
		<b>153,584,566,933</b>	<b>146,819,705,532</b>
<b>14.7 Sector-wise concentration of deposits and other accounts</b>			
Government deposits		3,687,075,000	3,803,794,000
Other public sector		24,406,524,000	20,461,403,000
Deposit for banks		327,126,000	1,166,600,000
Foreign currency deposits		729,780,054	1,002,570,119
Private sectors		124,434,061,879	120,385,338,413
		<b>153,584,566,933</b>	<b>146,819,705,532</b>
<b>14.8 Unclaimed deposits</b>			
Current deposits		989,851	639,715
Savings deposits		3,388,468	1,921,764
Special notice deposits		560,893	366,079
Pay order		4,208,246	358,300
Demand Draft		516,764	10,000
Sundry Creditors		219,163	16,000
		<b>9,883,385</b>	<b>3,311,858</b>
<b>14.9 Residual maturity grouping of deposits and other accounts</b>			
<b>Maturity grouping of deposit from banks</b>			
Payable			
On demand		327,126,000	1,166,600,000
Up to 1 month		-	-
Over 1 month but not more than 3 months		-	-
Over 3 months but not more than 1 year		-	-
Over 1 year but not more than 5 years		-	-
Over 5 years		-	-
		<b>327,126,000</b>	<b>1,166,600,000</b>
<b>Maturity grouping of deposit from customers excluding bills payable</b>			
Payable			
On demand		4,640,233,565	5,991,155,032
Up to 1 month		19,673,490,258	15,460,588,373
Over 1 month but not more than 3 months		30,489,734,690	27,450,939,281
Over 3 months but not more than 1 year		36,138,019,664	33,969,252,071
Over 1 year but not more than 5 years		42,740,302,322	42,578,867,104
Over 5 years		17,224,736,657	18,728,733,041
		<b>150,906,517,156</b>	<b>144,179,534,902</b>
<b>14.10 Maturity grouping of bills payable</b>			
Payable			
On demand		-	-
Up to 1 month		739,547,159	442,021,187
Over 1 month but not more than 3 months		460,393,319	294,714,126
Over 3 months but not more than 1 year		230,196,660	147,407,065
Over 1 year but not more than 5 years		460,393,319	294,714,126
Over 5 years		460,393,319	294,714,126
		<b>2,350,923,777</b>	<b>1,473,570,630</b>

		Amount in BDT	
	Note	30 June 2016	31 December 2015
<b>14.a Consolidated deposits and other accounts</b>			
<b>Current deposits and other accounts</b>			
IFIC Bank Limited	14.1	18,741,569,699	17,411,524,226
IFIC Securities Limited		58,947,228	34,940,487
IFIC Money Transfer (UK) Limited		-	-
		<b>18,800,516,927</b>	<b>17,446,464,713</b>
Less: Inter -company transactions		79,819,766	6,434,715
		<b>18,720,697,161</b>	<b>17,440,029,998</b>
<b>Bills payable</b>			
IFIC Bank Limited	14.2	2,350,923,777	1,473,570,630
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		<b>2,350,923,777</b>	<b>1,473,570,630</b>
<b>Savings bank deposit</b>			
IFIC Bank Limited	14.3	26,205,220,198	24,496,108,248
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		<b>26,205,220,198</b>	<b>24,496,108,248</b>
<b>Fixed deposits</b>			
IFIC Bank Limited	14.4	106,286,853,259	103,438,502,428
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		<b>106,286,853,259</b>	<b>103,438,502,428</b>
		<b>153,563,694,395</b>	<b>146,848,211,304</b>
<b>15 Other liabilities</b>			
Specific provision for classified loans and advance	15.1	3,300,211,628	2,699,917,003
General provision for unclassified loans and advances	15.2	1,332,356,952	1,282,300,000
Provision for off balance sheet	15.3	540,219,892	478,720,000
Provision for diminution in value of investments	15.4	550,852,496	394,000,000
Provision for nostro account	15.5	9,843,120	9,862,000
Provision for other assets	15.6	307,838,358	296,416,223
Provision for taxation	15.7	4,548,795,584	3,698,795,584
Interest suspense accounts	15.8	3,952,979,443	3,217,989,895
Interest payable on borrowing from Banks & FI's		45,025,058	8,580,484
Accrued expenses		89,755,975	29,894,147
Withholding Tax payable to government (*)		112,218,945	133,947,130
Withholding VAT payable to government (*)		18,794,706	27,942,952
Excise duty payable to government (*)		7,250,954	129,230,430
Dividend payable		2,814,447	2,814,447
Payable to good borrowers		10,000,000	10,000,000
Bonus payable		-	130,000,000
Revaluation of investment abroad		28,184,837	28,184,837
Exporter's cash assistance		54,870	10,300
Oman International Exchange (LLC)		10,072,146	8,295,427
Sale proceeds of PSP & TC		5,963,999	1,999,232
Local commission on export		9,586,281	8,536,132
Recovery on court cases		4,346,521	4,391,447
Others		60,868,201	57,391,179
		<b>14,948,034,413</b>	<b>12,659,218,849</b>

\* Subsequently deposited to government exchequer.

	Note	30 June 2016	31 December 2015
<b>Amount in BDT</b>			
<b>15.1 Specific provision for classified loans and advances</b>			
Provision held at the beginning of the period/year		2,699,917,003	1,966,388,319
Less: Fully provided debts written off			(993,710,315)
Add: Recoveries of amounts previously written off		97,612,716	91,978,387
Add: Specific provision for the period/year		502,681,909	1,734,560,613
Less: Provision transferred to general reserve*(note-18)			(99,300,000)
Add: Net charge to profit and loss account		-	-
		<b>3,300,211,628</b>	<b>2,699,917,003</b>

\* As per BRPD Circular No.-04 dated 29 January 2015, surplus provision against restructured large loan transferred to general reserve.

#### 15.1.1 Specific provision required for classified loans and advances

Status of loans and advances	Base for provision	Rate(%)	Required provision at 30 June 2016	Required provision at 31 December 2015
Sub-standard	705,493,197	20.00%	141,098,639	92,470,898
Sub-standard- Short term agri. credit	20,021,177	5.00%	1,001,059	482,816
Doubtful	1,083,970,141	50.00%	541,985,071	328,947,540
Doubtful- Short term agri. credit	1,272,897	5.00%	63,645	13,656
Bad/loss	2,616,063,214	100.00%	2,616,063,214	2,275,949,875
	<b>4,426,820,626</b>		<b>3,300,211,628</b>	<b>2,697,864,785</b>
Specific provision maintained (note-15.1)			3,300,211,628	2,699,917,003
<b>Excess/(short)</b>			-	<b>2,052,218</b>

#### 15.2 General provision for un-classified loans & advances

Provision held at the beginning of the period/year		1,263,200,000	1,058,200,000
Provision made during the period/year		54,020,684	205,000,000
		<b>1,317,220,684</b>	<b>1,263,200,000</b>
<b>Off-shore Banking Unit (OBU)</b>			
Provision held at the beginning of the period/year		19,100,000	18,100,000
Provision made during the period/year		(3,963,732)	1,000,000
		<b>15,136,268</b>	<b>19,100,000</b>
		<b>1,332,356,952</b>	<b>1,282,300,000</b>

#### 15.2.1 General provision required for un-classified loans and advances

Status	Base for provision	Rate (%)	Required provision at 30 June 2016	Required provision at 31 December 2015
<b>General provision-for unclassified</b>				
<b>Standard</b>				
Small and medium enterprise	22,511,760,948	0.25%	56,279,402	44,195,422
House building loan and loan for professional	7,125,285,401	2.00%	142,505,708	75,542,421
Loans to BHs/MBs/SDs share etc	2,181,121,827	2.00%	43,622,437	44,156,555
Consumer finance	3,464,879,856	5.00%	173,243,993	165,933,769
Short term agri. and micro-credit	2,503,014,580	2.50%	62,575,365	54,948,158
Staff loan	1,939,876,786	0.00%	-	-
Other unclassified loan	66,778,736,487	1.00%	667,787,365	724,228,066
	<b>106,504,675,885</b>		<b>1,146,014,270</b>	<b>1,109,004,391</b>
<b>Special Mention Account (SMA)</b>				
Small and medium enterprise	312,448,603	0.25%	781,122	827,578
House building loan and loan for professional	108,621,574	2.00%	2,172,431	1,824,870
Consumer finance	38,698,776	5.00%	1,934,939	1,641,774
Other unclassified loan	10,736,885,607	1.00%	166,317,922	149,593,558
	<b>11,196,654,560</b>		<b>171,206,414</b>	<b>153,887,780</b>

	Note	30 June 2016	31 December 2015	
<b>Amount in BDT</b>				
<b>Off-shore banking unit</b>				
Un-classified loans	1,513,626,799 1.00%	15,136,268	18,966,562	
	<b>1,513,626,799</b>	<b>15,136,268</b>	<b>18,966,562</b>	
		<b>1,332,356,952</b>	<b>1,281,858,733</b>	
<b>General provision maintained (note-15.2)</b>		1,332,356,952	1,282,300,000	
<b>Excess/(short)</b>		-	<b>441,267</b>	
<b>15.2.2</b> As per BRPD Circular No.-04 dated 29 January 2015, 5 (five) loan accounts of 3 (three) clients were restructured in the year 2015. The details of the restructured loans are disclosed in Annexure - J.				
<b>15.3 Provision for off-balance sheet</b>				
Provision held at the beginning of the period/year		478,720,000	478,720,000	
Provision made during the period/year		61,499,892	-	
		<b>540,219,892</b>	<b>478,720,000</b>	
<b>15.3.1 Provision required for off-balance sheet exposure</b>				
<b>Status</b>	<b>Base for provision</b>	<b>Rate (%)</b>	<b>Required provision at 30 June 2016</b>	<b>Required provision at 31 December 2015</b>
Acceptances and endorsements	17,865,901,197	1.00%	178,659,012	142,107,618.00
Letters of guarantee	9,554,723,447	1.00%	95,547,234	97,066,317.00
Irrevocable letters of credit	15,393,596,728	1.00%	153,935,967	148,003,248.00
Bills for collection	11,207,767,788	1.00%	112,077,678	90,613,095.00
<b>Required provision</b>	<b>54,021,989,160</b>		<b>540,219,892</b>	<b>477,790,278</b>
Provision maintained (note-15.3)			540,219,892	478,720,000
<b>Excess/(short)</b>			-	<b>929,722</b>
<b>15.4 Provision for diminution in value of investments</b>				
Provision held at the beginning of the period/year			394,000,000	330,000,000
Provision made during the period/year			156,852,496	64,000,000
			<b>550,852,496</b>	<b>394,000,000</b>
<b>15.5 Provision for nostro account</b>				
Provision held at the beginning of the period/year			9,862,000	9,862,000
Provision made during the period/year			(18,880)	-
			<b>9,843,120</b>	<b>9,862,000</b>
<b>15.6 Provision for other assets</b>				
Provision held at the beginning of the period/year			296,416,223	271,234,653
Less: written off during the period/year			-	(1,000,000)
Provision made during the period/year			11,422,135	26,181,570
			<b>307,838,358</b>	<b>296,416,223</b>
<b>15.6.1 Particulars of required provision for other assets</b>				
<b>Status</b>	<b>Base for provision</b>	<b>Rate (%)</b>	<b>Required provision at 30 June 2016</b>	<b>Required provision at 31 December 2015</b>
Other assets for 6-12 months	27,841,544	50%	13,920,772	15,409,460
Other assets for more than 12 months	271,716,936	100%	271,716,936	258,120,678
Protested bills	22,200,650	100%	22,200,650	21,891,696
<b>Required provision</b>			<b>307,838,358</b>	<b>295,421,834</b>
Provision maintained (note-15.6)			307,838,358	296,416,223
<b>Excess/(Short)</b>			-	<b>994,389</b>
<b>15.7 Provision for taxation</b>				
Balance at 1 January			3,698,795,584	2,748,795,584
Provision made during the period/year			850,000,000	950,000,000
			<b>4,548,795,584</b>	<b>3,698,795,584</b>
Adjustment made during the period/year			-	-
			<b>4,548,795,584</b>	<b>3,698,795,584</b>

	Note	30 June 2016	31 December 2015
<p>The provision for corporate tax has been made as per Income Tax Ordinance 1984 (amended up to Finance Act 2016) and the Bank has made adequate current tax provision in the books of accounts.</p> <p>Assessments for the years 1983 to 2002 and 2005, 2009, 2011 and 2012 have been completed by the Tax Authority and there is no tax liability remained outstanding against those years. The assessment years of 2003, 2004, 2006, 2007, 2008 and 2010 are currently held with the Honorable High Court and for the year 2013, the Bank is also planning to file an appeal before the Honorable High Court. The assessment for the year 2014 has yet to be completed by the Tax Authority.</p> <p>However, full tax provisions have been made in the financial statement for the respective years based on the latest assessment orders made by the Tax Authority. The Return for the year 2015 yet to be submitted by the Bank however the Bank has taken time extension for submission of the same till 13 September 2016.</p>			
<b>15.7.1 Reconciliation of effective tax (Bank only)</b>	% in HY2016 % in Y2015	<b>30 June 2016</b>	<b>31 December 2015</b>
Profit before income tax charged for current period/year		1,268,925,446	1,614,963,534
Income tax as per applicable tax rate	40% 40.00%	507,570,178	645,985,414
<b>Factor affecting the tax charge for current period/year</b>			
Non deductible expenses	28.79% 33.10%	365,298,559	534,546,313
Tax savings from reduced tax rate from dividend	-0.63% -1.99%	(7,981,762)	(32,174,769)
Tax savings from reduced tax rate from capital gain	-1.17% -0.46%	(14,886,974)	(7,366,169)
Adjustment for previous period/years	0.00% -11.83%	-	(190,990,789)
Change in recognised deductible temporary differences	-18.94% -13.75%	(240,368,158)	(222,017,492)
<b>Total income tax expenses</b>	<b>48.04% 45.08%</b>	<b>609,631,842</b>	<b>727,982,508</b>
<b>15.8 Interest suspense account</b>			
Balance at the beginning of the period/year		3,217,989,895	2,673,329,603
Add: Amount transferred to interest suspense account during the period/year		1,117,669,148	1,962,382,331
Less: Amount transferred to interest income account during the period/year		(382,679,600)	(1,257,215,059)
Less: Amount written-off during the period/year		-	(160,506,979)
		<b>3,952,979,443</b>	<b>3,217,989,895</b>
<b>15.a Consolidated other liabilities</b>			
IFIC Bank Limited	14	14,948,034,413	12,659,218,849
IFIC Securities Limited		1,569,587,343	1,349,656,259
IFIC Money Transfer (UK) Limited		22,130,031	16,470,806
		<b>16,539,751,786</b>	<b>14,025,345,914</b>
<b>16 Share Capital</b>			
<b>16.1 Authorized Capital</b>			
2,000,000,000 ordinary shares of Taka 10 each		20,000,000,000	20,000,000,000
<b>16.2 Issued, subscribed and fully paid up capital</b>			
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 right share*		44,000,000	44,000,000
491,012,417 [Up to year 2015: 491,012,417] ordinary shares of Taka 10 each issued for bonus share		4,910,124,170	4,910,124,170
		<b>5,034,124,170</b>	<b>5,034,124,170</b>
*Out of the total issued, subscribed and fully paid-up Capital of the Bank 440,000 ordinary shares of BDT100 each (before splitting) amounting to BDT 44,000,000 was raised through public offering of shares (Rights Issue at par) held in 1989 and subsequent issue of the Right Shares on 30 January 1990.			
<b>16.3 Issued, subscribed and fully paid up Capital-Shareholders' Category</b>			
338,552,111 [Year 2015: 338,552,111] ordinary shares of Taka 10 each fully paid held by the Sponsors, Directors, Institutions, Foreign investors & General Public.		3,385,521,110	3,385,521,110
164,860,306 [Year 2015: 164,860,306] ordinary shares of BDT 10 each fully paid held by the Government of the People's Republic of Bangladesh.		1,648,603,060	1,648,603,060
		<b>5,034,124,170</b>	<b>5,034,124,170</b>

	Note	30 June 2016	31 December 2015
<b>16.4 Solo Capital Adequacy Ratio (BASEL III)</b>			
As per section 13(2) of the Bank Companies Act, 1991(amended upto 2013), BRPD circular no. 18 dated 21 December 2014, Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III) was issued and effective from 1 January 2015. Capital to Risk-weighted Asset Ratio (CRAR) is calculated as follows:			
<b>Common Equity Tier 1 (going-concern capital)</b>			
Paid-up capital		5,034,124,170	5,034,124,170
Statutory reserve	16	4,486,284,969	4,232,499,880
General reserve	17	155,071,397	155,071,397
Retained earnings	21	2,481,319,720	2,075,811,205
		<b>12,156,800,256</b>	<b>11,497,506,652</b>
<b>Regulatory Adjustments:</b>			
Deduction from Tier-1 Capital (95% of deferred tax assets)		1,200,082,533	989,866,207
<b>Total Common Equity Tier 1 Capital</b>		<b>10,956,717,723</b>	<b>10,507,640,445</b>
<b>Tier-2 (Gone-Concern Capital)</b>			
General provision		1,332,356,952	1,258,726,128
Subordinated debt that meet the qualifying criterial for Tier 2 Revaluation Reserves as on 31 December 2014 (50% of Fixed Assets and 10% of Equity Securities)		3,500,000,000	-
		58,445,121	58,445,121
<b>Regulatory Adjustments:</b>			
Revaluation reserve (40% of BDT 58,445,121)		23,378,048	11,689,024
<b>Total Tier-2 Capital</b>		<b>4,867,424,025</b>	<b>1,305,482,225</b>
<b>Total Regulatory Capital</b>		<b>15,824,141,747</b>	<b>11,813,122,670</b>
Total assets including off-balance sheet items		243,375,588,847	226,112,979,165
Total risk-weighted Assets		135,816,400,411	117,314,424,992
Required capital		14,430,492,544	11,731,442,499
<b>Total capital surplus</b>		<b>1,393,649,204</b>	<b>81,680,171</b>
<b>Capital to Risk-weighted Asset Ratio (CRAR):</b>			
Common Equity Tier 1 to RWA		8.07%	8.96%
Tier - 2 Capital to RWA		3.58%	1.11%
Capital to Risk-weighted Asset Ratio (CRAR)		11.65%	10.07%

For details computation of risk-weighted assets please see "Annexure - E"

#### 16.4.a Consolidated Capital Adequacy Ratio (BASEL III)

As per section 13(2) of the Bank Companies Act, 1991(amended upto 2013), BRPD circular no. 18 dated 21 December 2014, Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III) was issued and effective from 1 January 2015. The Capital to Risk-weighted Asset Ratio (CRAR) is calculated as follows:

<b>Common Equity Tier 1 (going-concern capital)</b>			
Paid-up capital		5,034,124,170	5,034,124,170
Statutory reserve	16	4,486,284,969	4,232,499,880
General reserve	17	155,071,397	155,071,397
Retained earnings	22	3,371,972,342	2,817,321,961
		<b>13,047,452,879</b>	<b>12,239,017,408</b>
<b>Regulatory Adjustments:</b>			
Deduction from Tier-1 Capital		1,200,082,533	989,866,207
<b>Total Common Equity Tier 1 Capital</b>		<b>11,847,370,345</b>	<b>11,249,151,201</b>
<b>Tier-2 (Gone-Concern Capital)</b>			
General provision		1,332,356,952	1,282,300,000
Subordinated debt that meet the qualifying criterial for Tier 2 Revaluation Reserves as on 31 December 2014 (50% of Fixed Assets and 10% of Equity Securities)		3,500,000,000	-
		58,445,121	58,445,121

Amount in BDT

Note	30 June 2016	31 December 2015
<b>Regulatory Adjustments:</b>		
Revaluation reserve	23,378,048	11,689,024
<b>Total Tier-2 Capital</b>	<b>4,867,424,025</b>	<b>1,329,056,097</b>
<b>Total Regulatory Capital</b>	<b>16,714,794,370</b>	<b>12,578,207,298</b>
Total assets including off-balance sheet items	246,147,671,477	228,516,420,853
Total risk-weighted Assets	138,488,602,498	122,818,380,420
Required capital	14,714,414,015	12,281,838,042
<b>Total capital surplus</b>	<b>2,000,380,354</b>	<b>296,369,256</b>
<b>Capital to Risk-weighted Asset Ratio (CRAR):</b>		
Common Equity Tier 1 to RWA	8.55%	9.16%
Tier – 2 Capital to RWA	3.51%	1.08%
Capital to Risk-weighted Asset Ratio (CRAR)	12.07%	10.24%

**16.5 Shareholding by category**

Category	30 June 2016			31 December 2015		
	No. of Share	%	Taka	No. of Share	%	Taka
Sponsors	32,642,018	6.48	326,420,180	32,642,018	6.48	326,420,180
Directors	10,071,085	2.00	100,710,850	10,071,085	2.00	100,710,850
Government	164,860,306	32.75	1,648,603,060	164,860,306	32.75	1,648,603,060
Institutions	111,616,033	22.17	1,116,160,330	107,931,225	21.44	1,079,312,250
Foreign investors	2,115,211	0.42	21,152,110	2,148,621	0.43	21,486,210
General investors	182,107,764	36.18	1,821,077,640	185,759,162	36.90	1,857,591,620
<b>Total</b>	<b>503,412,417</b>	<b>100.00</b>	<b>5,034,124,170</b>	<b>503,412,417</b>	<b>100.00</b>	<b>5,034,124,170</b>

**16.6 Distribution of paid up capital**

Holding of share	30 June 2016			31 December 2015		
	No. of holder	Total shares	%	No. of holder	Total shares	%
1 to 500 shares	21,620	2,600,447	0.52	23,850	2,821,887	0.56
501 to 5000 shares	9,170	15,509,568	3.08	9,761	16,465,643	3.27
5,001 to 10,000 shares	1,006	7,238,254	1.44	1,056	7,588,449	1.51
10,001 to 20,000 shares	543	7,570,106	1.5	595	8,389,377	1.67
20,001 to 30,000 shares	187	4,631,067	0.92	190	4,709,901	0.93
30,001 to 40,000 shares	78	2,744,878	0.54	94	3,303,763	0.66
40,001 to 50,000 shares	52	2,403,483	0.48	58	2,654,417	0.53
50,001 to 100,000 shares	126	8,928,074	1.77	126	8,958,052	1.78
100,001 to 1,000,000 shares	154	48,119,327	9.56	159	49,389,929	9.81
More than 1,000,000 shares	62	403,667,213	80.19	60	399,130,999	79.28
<b>Total</b>	<b>32,998</b>	<b>503,412,417</b>	<b>100.00</b>	<b>35,949</b>	<b>503,412,417</b>	<b>100.00</b>

**16.7 Shareholding of Directors as at 30 June 2016**

Sl.	Name of the Directors	Status	Holding %	Closing Position	Opening Position
1	Mr. Salman F Rahman	Chairman	2.00	*10,071,085	10,071,085
2	Mr. Monirul Islam	Independent Director	Nil	Nil	Nil
3	Mr. Anwaruzzaman Chowdhury	Independent Director	Nil	Nil	Nil
4	Mr. Jalal Ahmed **	Govt. nominated Director			
5	Mr. A. R. M. Nazmus Sakib **	Govt. nominated Director	32.75	164,860,306	164,860,306
6	Ms. Quamrun Naher Ahmed**	Govt. nominated Director			
7	Mr. M. Shah Alam Sarwar	Managing Director	Nil	Nil	Nil

\* The ownership of 10,002,532 nos. shares (1.987%) i.e. 807,470 nos. paper shares plus 9,195,062 nos. bonus shares kept in Suspense Account is pending with the Appellate Division of the Supreme Court in Civil Misc. Petition No. 417 of 2009.

\*\* Directors nominated by the Ministry of Finance, Govt. of the People's Republic of Bangladesh against its holding of 32.75% shares in the Bank.

**17 Statutory reserve**

Opening balance on 1 January	4,232,499,880	3,909,507,173
Transferred from profit during the period/year	253,785,089	322,992,707
	<b>4,486,284,969</b>	<b>4,232,499,880</b>

		Amount in BDT	
	Note	30 June 2016	31 December 2015
<b>18 General reserve</b>			
Opening balance on 1 January		155,071,397	55,771,397
Transferred from provision during the period/year*(note -15.1)		-	99,300,000
		<b>155,071,397</b>	<b>155,071,397</b>
* As per BRPD Circular No.-04 dated 29 January 2015, surplus provision against restructured large loan transferred from specific provision.			
<b>19 Revaluation reserve against securities</b>			
HTM securities	19.1	2,074,232	2,074,232
HFT securities	19.2	565,314	39,317,708
		<b>2,639,546</b>	<b>41,391,939</b>
<b>19.1 Revaluation reserve HTM securities</b>			
Opening balance on 1 January		2,074,232	1,444,649
Gain/(loss) from revaluation on investments		-	629,583
		<b>2,074,232</b>	<b>2,074,232</b>
<b>19.2 Revaluation reserve HFT securities</b>			
Opening balance on 1 January		39,317,708	130,890
Gain/(loss) from revaluation on investments		(38,752,394)	39,186,817
		<b>565,314</b>	<b>39,317,708</b>
<b>19.a Consolidated revaluation reserve against securities</b>			
IFIC Bank Limited	19	2,639,546	41,391,939
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		<b>2,639,546</b>	<b>41,391,939</b>
<b>20 Revaluation reserve against fixed assets</b>			
Opening balance on 1 January		115,314,704	115,314,704
Addition during the period/year		-	-
Depreciation charged during the period/year		-	-
		<b>115,314,704</b>	<b>115,314,704</b>
In terms of Bangladesh Accounting Standard (BAS)-16, "Property, Plant & Equipment" and instruction contained in BRPD Circular No. 10 dated 25 November 2002 issued by Bangladesh Bank, gain on revaluation of BDT 115,314,704 has been credited to revaluation reserve account.			
<b>20.a Consolidated foreign currency translation reserve</b>			
IFIC Money Transfer (UK) Ltd.		3,122,594	1,851,880
Investment in joint venture/associate (NBBL)		(38,340,214)	(27,327,489)
Investment in joint venture/associate (OIE LLC)		102,422	125,220
		<b>(35,115,198)</b>	<b>(25,350,388)</b>
<b>21 Surplus in profit and loss account</b>			
Opening balance on 1 January		2,075,811,205	2,168,447,775
Net profit after tax for the period/year		659,293,604	886,981,027
Appropriation made to statutory reserve during the period/year		(253,785,089)	(322,992,707)
Issue of bonus shares		-	(656,624,890)
		<b>2,481,319,720</b>	<b>2,075,811,205</b>
<b>22 Consolidated surplus in profit and loss account</b>			
IFIC Bank Limited	21	2,481,319,720	2,075,811,205
IFIC Securities Limited		190,378,855	202,771,604
IFIC Money Transfer (UK) Limited		(15,418,307)	(15,038,758)
Share of profit of investment in joint venture/associate (NBBL)		637,413,985	477,936,681
Share of profit of investment in joint venture/associate (OIE LLC)		69,706,260	68,380,642
Exchange (gain)/loss on investment in joint venture/associate (NBBL)		8,674,251	7,585,807
Exchange (gain)/loss on investment in joint venture/associate(OIE LLC)		(102,422)	(125,220)
		<b>3,371,972,342</b>	<b>2,817,321,961</b>

		Amount in BDT	
	Note	30 June 2016	31 December 2015
<b>23 Non-controlling interest</b>			
IFIC Securities Limited		7,430	7,521
IFIC Money Transfer (UK) Limited		-	-
		<b>7,430</b>	<b>7,521</b>
<b>24 Contingent liabilities</b>			
Acceptances and endorsements	24.1	17,865,901,197	14,210,761,791
Letters of guarantee	24.2	9,554,723,447	9,706,631,662
Irrevocable Letters of credit	24.3	15,393,596,728	14,800,324,793
Bills for collection	24.4	11,207,767,788	9,061,309,529
Other contingent liabilities		-	-
		<b>54,021,989,160</b>	<b>47,779,027,775</b>
<b>24.1 Acceptances and endorsements</b>			
Back to back bills (local currency)		224,797,895	210,646,535
Back to back bills (foreign currency)		17,641,103,302	14,000,115,256
		<b>17,865,901,197</b>	<b>14,210,761,791</b>
<b>24.2 Letters of guarantee</b>			
Letters of guarantee (local currency)		9,385,417,222	9,119,223,597
Letters of guarantee (foreign currency)		169,306,225	587,408,065
		<b>9,554,723,447</b>	<b>9,706,631,662</b>
Money for which the bank is contingently liable in respect of guarantee issued favoring:			
Directors		-	-
Government		3,840,257,305	3,901,312,619
Banks and other financial institutions		2,909,381,087	2,955,636,627
Others		2,805,085,054	2,849,682,417
		<b>9,554,723,447</b>	<b>9,706,631,662</b>
<b>24.3 Irrevocable letters of credit</b>			
Letter of credit (LC) - cash sight		8,348,848,770	6,976,088,529
Letter of credit (LC) - back to back		6,277,433,195	7,180,355,410
Letter of credit (LC) - cash usance		767,314,763	643,880,854
		<b>15,393,596,728</b>	<b>14,800,324,793</b>
<b>24.4 Bills for collection</b>			
Inland bills collection		60,316,254	53,332,862
Foreign bills collection		19,400,759	21,366
Inland documentary bills for collection		4,735,449,694	3,876,020,605
Foreign documentary bills for collection		6,392,601,081	5,131,934,696
		<b>11,207,767,788</b>	<b>9,061,309,529</b>

**Notes to the Financial Statements**  
as at and for the half year ended 30 June 2016

		Amount in BDT		
		Note	1 January to 30 June 2016	1 January to 30 June 2015
<b>25</b>	<b>Income statement</b>			
	<b>Income</b>			
	Interest, discount and similar income	25.1	7,181,074,967	7,309,921,421
	Dividend income	25.2	39,908,812	126,022,808
	Capital gain Income	25.3	49,623,248	7,250,851
	Fees, commission and brokerage	29.1	369,955,505	352,216,128
	Gains less losses arising from dealing in securities		-	-
	Gains less losses arising from investment securities		-	-
	Gain less losses arising from dealing in foreign currencies	29.2	365,674,737	382,544,910
	Income from non-banking assets		-	-
	Other operating income		304,343,628	262,832,443
	Profit less losses on interest rate change		-	-
			<b>8,310,580,897</b>	<b>8,440,788,562</b>
	<b>Expenses</b>			
	Interest, fee and commission	27	4,126,226,558	4,338,502,794
	Losses on loan and advances	39	-	-
	Administrative expenses	31-34,36-38	1,486,756,672	1,410,468,183
	Other operating expenses	35,40,41	535,947,775	438,098,974
	Depreciation on banking assets		110,229,943	114,275,816
			<b>6,259,160,948</b>	<b>6,301,345,767</b>
			<b>2,051,419,949</b>	<b>2,139,442,795</b>
<b>25.1</b>	<b>Interest, discount and similar income</b>			
	Interest income	26	6,183,111,784	6,219,482,802
	Interest on treasury bills and bonds	28.1	817,932,030	728,866,709
	Interest on debentures		144,000	325,000
	Interest on other bonds		-	20,443,579
	Interest on fixed deposit		179,085,335	315,041,055
	Income on reverse repo		801,818	25,762,276
			<b>7,181,074,967</b>	<b>7,309,921,421</b>
<b>25.2</b>	<b>Dividend income</b>			
	Dividend income - local		39,908,812	42,226,511
	Dividend income - foreign		-	83,796,297
			<b>39,908,812</b>	<b>126,022,808</b>
<b>25.3</b>	<b>Capital Gain income</b>			
	Gain from sale of shares of listed companies		49,623,248	7,250,851
			<b>49,623,248</b>	<b>7,250,851</b>
<b>26</b>	<b>Interest income</b>			
	Term loan-industrial		571,572,524	373,368,848
	Term loan-consumer finance		3,837,913	5,318,832
	Term loan-others		1,123,522,668	1,150,863,730
	House building loan		424,532,373	117,544,555
	Staff house building loan		40,717,047	37,338,371
	Staff loan against PF		728,783	4,258,035

		Amount in BDT	
	Note	1 January to 30 June 2016	1 January to 30 June 2015
Transport loan		53,803,994	55,602,262
Agricultural Loan		71,464,176	66,048,268
Loan general		85,997,325	163,042,998
Secured overdraft		1,241,634,699	1,442,234,225
Over draft-staff salary		4,758,192	4,813,783
Over draft-garments		46,132,265	37,785,271
Cash credit		1,564,008,501	1,688,331,085
Lease finance		40,108,276	46,055,553
Inland documentary bill purchased (IDBP)		81,048,269	103,975,018
Foreign documentary bill purchased (FDBP)		5,788,277	7,375,073
Payment against document (cash)		18,203,366	24,262,929
Payment against document (forced)		30,987,932	58,721,933
Payment against document (EDF)		43,600,242	48,878,257
Payment against document (inland)		10,184,966	22,004,413
Payment against document (others)		57,360,793	12,353,506
Loan against imported merchandise		5,249,524	7,737,949
Loan against trust receipt (LTR)		408,209,536	421,447,138
Export cash credit		4,426,497	2,742,107
Credit card		17,641,644	17,518,953
Money at call on short notice		25,439,875	35,908,653
Balance held outside Bangladesh		41,071,148	49,882,372
Balance held inside Bangladesh		1,411,428	416,887
Demand loan		141,713,317	188,987,684
Others		11,987,146	20,338,575
		<b>6,177,142,696</b>	<b>6,215,157,261</b>
Off-shore banking unit		5,969,088	4,325,541
		<b>6,183,111,784</b>	<b>6,219,482,802</b>
<b>26.a Consolidated interest income</b>			
IFIC Bank Limited	26	6,183,111,784	6,219,482,802
IFIC Securities Limited		121,951,509	101,190,215
IFIC Money Transfer (UK) Limited		-	-
		<b>6,305,063,293</b>	<b>6,320,673,017</b>
Less: Inter -company interest income		69,970,171	75,706,721
		<b>6,235,093,122</b>	<b>6,244,966,296</b>
<b>27 Interest paid on deposits, borrowings etc.</b>			
<b>Interest paid on deposits</b>			
Current deposit		820,993	-
Saving bank deposit		468,895,270	475,749,307
Special notice deposit		295,637,762	366,497,789
Fixed deposit		2,224,328,908	2,364,690,283
Non resident FC deposit		104,171	103,093
Resident FC deposit		21,364	18,070
Pension savings scheme		243,155,144	201,383,504
Monthly income scheme		804,970,060	839,663,373
Foreign currency deposit		178,901	103,692
		<b>4,038,112,573</b>	<b>4,248,209,111</b>

		Amount in BDT	
		1 January to 30 June 2016	1 January to 30 June 2015
		Note	
<b>Interest paid on borrowings</b>			
			27,337,070
			5,394,208
			2,122,500
			43,021,016
			8,215,226
			12,291,396
			2,507,516
			16,461,645
			13,086,946
			5,144,611
			3,054,249
			3,405,207
			30,061,644
			-
			1,543,691
			1,060,854
			185,144
			3,514,745
			<b>88,113,986</b>
			<b>90,293,683</b>
			<b>4,126,226,558</b>
			<b>4,338,502,794</b>
<b>27.a</b>	<b>Consolidated interest paid on deposits, borrowings etc.</b>		
	IFIC Bank Limited	27	4,126,226,558
			4,338,502,794
	IFIC Securities Limited		90,005,790
			94,594,854
	IFIC Money Transfer (UK) Limited		-
			-
			<b>4,216,232,348</b>
			<b>4,433,097,648</b>
	Less: Inter -company interest paid		69,970,171
			75,706,721
			<b>4,146,262,177</b>
			<b>4,357,390,927</b>
<b>28</b>	<b>Investment income</b>		
	<b>Interest income</b>		
	Treasury bills and bonds	28.1	817,932,030
			728,866,709
	Debentures		144,000
			325,000
	Other bonds		-
			20,443,579
	Term placement		179,085,335
			315,041,055
	Reverse repo		801,818
			25,762,276
			<b>997,963,183</b>
			<b>1,090,438,619</b>
	<b>Non interest income</b>		
	Gain from sale of shares of listed companies		49,623,248
			7,250,851
	Dividend income - local		39,908,812
			42,226,511
	Prize bond		5,000
			45,000
	Dividend income - Foreign		-
			83,796,297
			<b>89,537,060</b>
			<b>133,318,659</b>
			<b>1,087,500,243</b>
			<b>1,223,757,278</b>
<b>28.1</b>	<b>Treasury bonds</b>		
	Interest on treasury bonds		835,078,089
			794,255,509
	Less: Holding period interest on HTM securities		17,146,059
			65,388,801
			<b>817,932,030</b>
			<b>728,866,709</b>
<b>28.a</b>	<b>Consolidated investment income</b>		
	IFIC Bank Limited	28	1,087,500,243
			1,223,757,278
	IFIC Securities Limited		7,278,658
			42,900
	IFIC Money Transfer (UK) Limited		-
			-
	<b>Less:</b>		
	Adjustments for investment in joint venture/associate(NBBL)		-
			(83,796,297)
	Adjustments for investment in joint venture/associate(OIE LLC)		-
			-
			<b>1,094,778,901</b>
			<b>1,140,003,881</b>
<b>29</b>	<b>Commission, exchange and brokerage</b>		
	Commission	29.1	369,955,505
			352,216,128
	Exchange gain/(loss)	29.2	365,674,737
			382,544,910
			<b>735,630,242</b>
			<b>734,761,039</b>

		Amount in BDT	
	Note	1 January to 30 June 2016	1 January to 30 June 2015
<b>29.1 Commission</b>			
Bills purchased (Inland)		316,285	372,251
Bills purchased (Foreign)		2,227,406	1,871,995
Remittances (inland)		9,789,893	10,967,558
Remittances (foreign)		3,525,839	2,387,703
Letter of guarantee (LG)-local		58,286,722	44,965,874
Letter of guarantee (LG)-foreign		257,092	1,169,234
Letter of credit (back to back)		61,330,774	63,691,601
Letter of credit (cash)		76,624,376	70,465,027
Letter of credit (others)		4,300,797	3,972,551
Wage earners development bond		-	1,192,213
LDBC		7,177,078	5,679,013
IFDBC		101,047,010	105,154,060
FDBC		3,706,965	6,046,744
FBC (foreign)		126,300	63,100
Online Charge		17,247,515	18,054,598
Add confirmation		9,000,047	4,797,903
Sanchaypatra		2,449,632	321,970
Commission others		12,541,774	11,042,735
		<b>369,955,505</b>	<b>352,216,128</b>
<b>29.2 Exchange gain/(loss)</b>			
Rebate from foreign correspondent		37,592,994	30,438,472
Exchange gain from revaluation of FC		328,081,743	352,106,438
		<b>365,674,737</b>	<b>382,544,910</b>
<b>29.a Consolidated commission, exchange and brokerage</b>			
IFIC Bank Limited	29	735,630,242	734,761,039
IFIC Securities Limited		22,981,490	25,088,095
IFIC Money Transfer (UK) Limited		16,010,448	24,041,738
Exchange (gain)/loss for investment in joint venture/associate(NBBL)		1,088,444	15,184,299
Exchange (gain)/loss for investment in joint venture/associate(OIE LLC)		22,798	33,937
		<b>775,733,422</b>	<b>799,109,107</b>
<b>30 Other operating income</b>			
Locker rent		5,204,275	3,997,780
Godown rent		902,000	706,000
Other rents		2,181,000	2,432,340
Postage charges recovery		14,198,945	13,145,350
Telex charge recovery		11,236,552	10,743,506
SWIFT charges recovery		33,217,122	61,820,640
Godown insurance recovery		249,000	231,000
Stationery expenses recovery		4,244,700	3,588,010
Miscellaneous earning		103,608,456	52,844,900
Loan processing fees and service charges		68,698,108	54,686,619
Visa card fees and commission		17,434,090	18,127,373
Service charge on accounts		40,114,642	35,868,202
Other fees, commission & charges		2,802,394	4,595,723
		<b>304,071,284</b>	<b>262,787,443</b>
Off-shore banking unit		267,344	-
		<b>304,338,628</b>	<b>262,787,443</b>

		Amount in BDT	
	Note	1 January to 30 June 2016	1 January to 30 June 2015
<b>30.a Consolidated other operating income</b>			
IFIC Bank Limited	30	304,338,628	262,787,443
IFIC Securities Limited		64,598	96,012
IFIC Money Transfer (UK) Limited		-	-
		<b>304,403,226</b>	<b>262,883,455</b>
<b>31 Salaries and allowances</b>			
Basic salary		522,199,387	507,600,691
House rent allowance		223,309,524	223,370,119
Conveyance allowance		16,192,249	16,481,530
Medical allowances		44,820,141	44,888,480
Entertainment allowance		33,544,906	34,323,826
Other allowances		12,558,756	12,944,758
Leave encashment		1,551,895	4,696,112
Festival bonus		87,886,634	73,117,688
Provident fund- Bank's contribution		51,406,442	49,965,225
Contribution to gratuity fund		60,000,000	51,500,000
		<b>1,053,469,934</b>	<b>1,018,888,430</b>
Number of employees for the half year 2016 who were paid remuneration less than BDT 36,000 was nil (half year 2015: nil). Total number of employees employed in the Bank at the end of the half year 2016 were 2,468 (half year 2015: 2,496).			
<b>31.a Consolidated salaries and allowances</b>			
IFIC Bank Limited	31	1,053,469,934	1,018,888,430
IFIC Securities Limited		7,449,694	8,309,351
IFIC Money Transfer (UK) Limited		4,455,724	4,503,143
		<b>1,065,375,352</b>	<b>1,031,700,924</b>
<b>32 Rent, taxes, insurance, electricity etc.</b>			
Rent paid		232,218,670	206,374,797
Rates, taxes and utilities		28,387,321	28,108,901
Insurance premium		65,291,742	63,100,915
Electricity & water		37,128,780	28,627,371
		<b>363,026,513</b>	<b>326,211,984</b>
<b>32.a Consolidated rent, taxes, insurance, electricity etc.</b>			
IFIC Bank Limited	32	363,026,513	326,211,984
IFIC Securities Limited		4,606,478	4,172,120
IFIC Money Transfer (UK) Limited		3,277,377	3,191,838
		<b>370,910,368</b>	<b>333,575,942</b>
<b>33 Legal expenses</b>			
Legal expenses		1,220,500	4,448,827
Retainers fees		1,191,000	1,055,000
		<b>2,411,500</b>	<b>5,503,827</b>
<b>33.a Consolidated legal expenses</b>			
IFIC Bank Limited	33	2,411,500	5,503,827
IFIC Securities Limited		45,250	57,500
IFIC Money Transfer (UK) Limited		480,414	634,108
		<b>2,937,164</b>	<b>6,195,435</b>

		Amount in BDT	
	Note	1 January to 30 June 2016	1 January to 30 June 2015
<b>34 Postage, stamp, telecommunication etc.</b>			
Postage expenses		13,081,121	11,915,840
Telephone - office		5,850,280	5,100,903
Telephone - residence		11,769,263	12,047,344
Communication facilities (Reuter, VSAT, Radio etc.)		28,544,061	23,984,857
		<b>59,244,725</b>	<b>53,048,943</b>
<b>34.a Consolidated postage, stamp, telecommunication etc.</b>			
IFIC Bank Limited	34	59,244,725	53,048,943
IFIC Securities Limited		1,876	616
IFIC Money Transfer (UK) Limited		82,627	69,531
		<b>59,329,228</b>	<b>53,119,091</b>
<b>35 Stationery, printing, advertisement etc.</b>			
Printing stationery		10,113,517	11,644,262
Security stationery		7,726,244	7,479,374
Petty stationery		8,410,704	8,223,144
Computer stationery		5,413,014	5,622,752
Advertisement and publicity		51,043,903	52,082,177
		<b>82,707,382</b>	<b>85,051,709</b>
<b>35.a Consolidated stationery, printing, advertisement etc.</b>			
IFIC Bank Limited	35	82,707,382	85,051,709
IFIC Securities Limited		73,105	91,129
IFIC Money Transfer (UK) Limited		47,819	519,038
		<b>82,828,306</b>	<b>85,661,876</b>
<b>36 Managing Director's salary</b>			
Basic salary		5,850,000	4,800,000
House rent allowance		150,000	450,000
House maintenance allowance		-	150,000
Provident fund- Bank's contribution		585,000	480,000
Entertainment allowances		-	150,000
Festival bonus		975,000	-
		<b>7,560,000</b>	<b>6,030,000</b>
<b>37 Directors' fees</b>			
Meeting attendance fees		544,000	385,000
		<b>544,000</b>	<b>385,000</b>
<p>Each Director is paid BDT 8,000 for attending each meeting as per latest BRPD letter no. 11 dated 4 October 2015 and prior to that each director was paid BDT 5,000 as per BRBD circular no. 03 dated 18 January 2010.</p>			
<b>37.a Consolidated Directors' fees</b>			
IFIC Bank Limited	37	544,000	385,000
IFIC Securities Limited		109,250	28,750
IFIC Money Transfer (UK) Limited		-	-
		<b>653,250</b>	<b>413,750</b>
<b>38 Auditors' fees</b>			
Statutory annual audit fees		-	-
Interim audit fees		500,000	400,000
		<b>500,000</b>	<b>400,000</b>

		Amount in BDT	
	Note	1 January to 30 June 2016	1 January to 30 June 2015
<b>38.a Consolidated Auditors' fees</b>			
IFIC Bank Limited	38	500,000	400,000
IFIC Securities Limited		60,000	100,000
IFIC Money Transfer (UK) Limited		133,448.00	146,898
		<b>693,448</b>	<b>646,898</b>
<b>39 Charges on loan loss</b>			
		-	-
<b>40 Depreciation and repair of bank's assets</b>			
<b>Depreciation</b>			
Buildings and premises		14,314,056	14,681,083
Wooden furniture		4,772,783	5,282,425
Steel furniture		1,363,388	1,315,195
Computer equipment		34,317,994	39,118,951
Office equipment		6,487,129	6,387,683
Electrical & gas equipment		16,168,834	15,344,000
Leasehold improvement		11,195,729	10,888,905
Vehicles		4,319,345	515,416
Leased vehicles		3,054,249	1,970,919
Soft furnishing		361,366	479,600
Software		13,875,068	18,291,638
		<b>110,229,943</b>	<b>114,275,816</b>
<b>Repairs and maintenance</b>			
Property maintenance and repairs		51,426,130	40,069,301
Vehicles maintenance and repairs		35,106,089	34,590,918
		<b>86,532,219</b>	<b>74,660,219</b>
		<b>196,762,162</b>	<b>188,936,034</b>
<b>40.a Consolidated depreciation and repair of bank's assets</b>			
IFIC Bank Limited	40	196,762,162	188,936,034
IFIC Securities Limited		548,544	712,613
IFIC Money Transfer (UK) Limited		1,077,149	1,284,986
		<b>198,387,855</b>	<b>190,933,633</b>
<b>41 Other expenses</b>			
Entertainment		13,624,839	12,114,026
Petrol, oil and lubricants		51,829,416	43,903,056
Subscription and donation		6,262,100	8,249,501
Training and internship		11,798,129	14,175,635
Books, newspapers and magazines, etc.		830,780	745,528
Uniforms and liveries		1,236,320	1,366,224
Annual General Meeting		361,782	3,826,370
Business development		11,666,127	11,602,241
Crockeries		341,515	321,625
Corporate Social Responsibility (CSR)		41,173,000	12,017,300
Loss on sales of fixed assets	41.1	1,269,951	638,165
Brokerage		-	838,080
Traveling expenses		80,902,040	65,884,278
Security services		37,858,527	26,434,516
Bank charges and commission		5,326,672	4,214,445
Recovery and sales agent		4,309,574	2,168,287

		Amount in BDT	
		1 January to 30 June 2016	1 January to 30 June 2015
Note			
	Casual and contractual service	67,388,436	62,583,998
	Consultancy fee	681,540	89,146
	Visa card expense	2,208,452	2,455,741
	Risk charges	6,527,789	6,017,600
	Amortization loss HTM securities	6,932,866	-
	Revaluation loss on HFT Securities	-	(8,128,523)
	Miscellaneous	14,178,319	6,869,806
		<b>366,708,174</b>	<b>278,387,046</b>
<b>41.a</b>	<b>Consolidated other expenses</b>		
	IFIC Bank Limited	366,708,174	278,387,046
	IFIC Securities Limited	4,785,637	5,115,683
	IFIC Money Transfer (UK) Limited	6,835,439	9,029,423
		<b>378,329,250</b>	<b>292,532,153</b>
<b>41.1</b>	<b>Gain/ (loss) on sales of fixed assets</b>		
	<b>Cost of fixed assets sold</b>		
	Wooden furniture	1,167,656	1,403,861
	Steel furniture	200,149	633,441
	Computer equipment	139,200	11,157,061
	Office equipment	427,611	2,973,633
	Electrical & gas equipment	1,921,243	5,228,751
	Improve & leasehold premises	3,560,775	834,129
	Vehicles	60,000	-
	Soft furnishing	883,599	56,752
	Software	-	536,250
		<b>8,360,233</b>	<b>22,823,877</b>
	<b>Less : Accumulated depreciation</b>		
	Wooden furniture	843,142	1,110,180
	Steel furniture	134,956	507,582
	Computer equipment	127,786	10,602,245
	Office equipment	422,174	2,793,136
	Electrical & gas equipment	1,144,030	4,263,402
	Improve & leasehold premises	2,400,524	743,363
	Vehicles	51,947	-
	Soft furnishing	813,756	50,767
	Software	-	509,171
		<b>5,938,315</b>	<b>20,579,846</b>
	<b>Written down value</b>	<b>2,421,919</b>	<b>2,244,031</b>
	Sale proceeds of above fixed assets	1,151,968	1,605,866
	<b>Gain / (loss) on sales of fixed assets</b>	<b>1,269,951</b>	<b>638,165</b>
<b>41.b</b>	<b>Details of investment in joint ventures/associates</b>		
i)	<b>Nepal Bangladesh Bank Ltd. (NBBL)</b>		
	Opening balance	1,744,628,768	1,629,195,376
	<b>Add:</b>		
	New investment made during the period	-	-
	Share of post acquisition profit during the period	159,477,304	121,698,479
	<b>Less:</b>		
	Cash dividend received	-	(83,796,297)
	Effect of changes in foreign currency exchange rate	(11,012,725)	(21,508,628)
	<b>Closing balance</b>	<b>1,893,093,347</b>	<b>1,645,588,930</b>

		Amount in BDT	
		1 January to 30 June 2016	1 January to 30 June 2015
		Note	
<b>ii) Oman International Exchange LLC (OIE LLC)</b>			
	Opening balance		86,223,917
	<b>Add:</b>		
	New investment made during the period		-
	Share of post acquisition profit during the period		1,325,618
	<b>Less:</b>		
	Cash dividend received		-
	Effect of changes in foreign currency exchange rate		(22,798)
	<b>Closing balance</b>		<b>87,526,737</b>
	<b>Total share of post acquisition profit during the period</b>		<b>160,802,922</b>
	<b>Total closing balance of investment in joint ventures/associates</b>		<b>1,980,620,084</b>
<b>42 Provision for loans, investments and other assets</b>			
	Specific provision		502,681,909
	General provision		54,020,684
	Provision for off-shore banking unit		(3,963,732)
	Provision for off-balance sheet exposure		61,499,892
	Provision for diminution in value of investments		(10,000,000)
	Provision for diminution in value of investments		156,852,496
	Other provisions	42.1	11,403,255
			<b>782,494,504</b>
			<b>778,720,283</b>
<b>42.1 Other provisions</b>			
	Provision for other assets		11,422,135
	Provision for nostro account		(18,880)
			<b>11,403,255</b>
			<b>22,775,569</b>
<b>42.a Consolidated provision for loans, investments and other assets</b>			
	IFIC Bank Limited	42	782,494,504
	IFIC Securities Limited		42,295,186
	IFIC Money Transfer (UK) Limited		-
			<b>824,789,689</b>
			<b>798,481,465</b>
<b>43 Provision for taxation</b>			
	Current tax		850,000,000
	Deferred tax expense/(income)	43.1	(240,368,158)
			<b>609,631,842</b>
			<b>691,575,702</b>
<b>43.1 Deferred tax expense/(income)</b>			
	Deferred tax on provision for loans and advances (DF & BL)	10.5	(221,280,344)
	Deferred tax on fixed assets	10.5	(19,087,815)
			<b>(240,368,158)</b>
			<b>(208,424,298)</b>
<b>43.a Consolidated provision for current tax</b>			
	IFIC Bank Limited	43	850,000,000
	IFIC Securities Limited		14,688,286
	IFIC Money Transfer (UK) Limited		-
			<b>864,688,286</b>
			<b>904,673,513</b>
<b>43.b Consolidated deferred tax</b>			
	IFIC Bank Limited	43.1	(240,368,158)
	IFIC Securities Limited		-
	IFIC Money Transfer (UK) Limited		-
			<b>(240,368,158)</b>
			<b>(208,424,298)</b>

		Amount in BDT	
	Note	1 January to 30 June 2016	1 January to 30 June 2015
<b>44</b>	<b>Receipts from other operating activities</b>		
	Rent received	8,287,275	7,136,120
	Other receipts	296,056,353	274,530,822
	Capital gain	49,623,248	7,250,851
		<b>353,966,876</b>	<b>288,917,794</b>
<b>44.a</b>	<b>Consolidated cash received from other operating activities</b>		
	IFIC Bank Limited	353,966,876	288,917,794
	IFIC Securities Limited	80,960	138,912
	IFIC Money Transfer (UK) Limited	-	-
		<b>354,047,836</b>	<b>289,056,705</b>
<b>45</b>	<b>Cash paid for other operating activities</b>		
	Postage, stamp, telecommunication etc.	59,244,725	49,447,045
	Rent paid	232,218,670	228,811,194
	Rates, taxes & utilities	28,387,321	28,108,901
	Insurance premium	65,291,742	63,100,915
	Electricity & water	37,128,780	28,627,371
	Traveling expenses	80,902,040	65,884,278
	Auditors' fees	500,000	400,000
	Directors' fees	544,000	385,000
	Legal expenses	2,411,500	5,503,827
	Other expenses	257,744,771	248,411,032
		<b>764,373,549</b>	<b>718,679,563</b>
<b>45.a</b>	<b>Consolidated cash paid for other operating activities</b>		
	IFIC Bank Limited	764,373,549	718,679,563
	IFIC Securities Limited	9,681,596	9,565,798
	IFIC Money Transfer (UK) Limited	10,857,124	13,590,836
		<b>784,912,269</b>	<b>741,836,197</b>
<b>46</b>	<b>Cash and cash equivalents</b>		
	Cash in hand	1,640,659,380	1,915,926,079
	Balance with Bangladesh Bank and its agent Bank (s)	12,079,222,425	9,991,650,725
	Balance with other banks and financial Institutions	10,680,738,738	9,523,964,390
	Money at call and on short notice	600,000,000	1,500,000,000
	Prize Bonds	5,113,700	5,832,900
		<b>25,005,734,243</b>	<b>22,937,374,095</b>
<b>46.a</b>	<b>Consolidated cash and cash equivalents</b>		
	IFIC Bank Limited	25,005,734,243	22,937,374,095
	IFIC Securities Limited	44,442	45,552
	IFIC Money Transfer (UK) Limited	34,059,545	23,993,629
		<b>25,039,838,230</b>	<b>22,961,413,276</b>
<b>47</b>	<b>(Increase)/decrease of other assets</b>		
	Stationery and stamps	25,706,892	22,352,426
	Suspense account	506,727,104	569,828,874
	Advance, deposit and prepayments	646,711,556	1,727,707,937
	Investment in subsidiaries	831,571,940	836,718,380
	Revaluation account FDBP	1,792,520	1,792,520
	Accounts receivable others	8,617,760	5,053,443

		Amount in BDT	
	Note	1 January to 30 June 2016	1 January to 30 June 2015
Off-shore banking unit		71,566,220	104,474,750
<b>Closing other assets</b>		<b>2,092,693,992</b>	<b>3,267,928,332</b>
<b>Opening other assets</b>		<b>2,122,874,625</b>	<b>2,503,696,237</b>
		<b>30,180,633</b>	<b>(764,232,094)</b>
<b>47.a (Increase)/decrease of consolidated other assets</b>			
IFIC Bank Limited	47	30,180,633	(764,232,094)
IFIC Securities Limited		30,995,542	19,655,463
IFIC Money Transfer (UK) Limited		3,371,383	(457,418)
		<b>64,547,558</b>	<b>(745,034,049)</b>
<b>48 Increase/(decrease) of other liabilities</b>			
Withholding Tax payable to government		112,218,945	93,829,751
Withholding VAT payable to government		18,794,706	30,229,170
Excise duty payable to government		7,250,954	24,119,094
Dividend payable		2,814,447	2,814,447
Revaluation of investment abroad		28,184,837	28,184,837
Exporter's cash assistance		54,870	192,980
Oman International Exchange (LLC)		10,072,146	19,486,554
Sale proceeds of PSP & TC		5,963,999	3,653,801
Local commission on export		9,586,281	16,510,909
Recovery on Court Cases		4,346,521	25,953,730
Others		60,868,201	16,528,768
<b>Closing other liabilities</b>		<b>260,155,907</b>	<b>261,504,042</b>
<b>Opening other liabilities</b>		<b>402,743,513</b>	<b>220,134,559</b>
		<b>(142,587,606)</b>	<b>41,369,483</b>
<b>48.a Consolidated increase/(decrease) of other liabilities</b>			
IFIC Bank Limited	48	(142,587,606)	41,369,483
IFIC Securities Limited		219,931,084	184,082,900
IFIC Money Transfer (UK) Limited		5,659,225	8,094,824
		<b>83,002,704</b>	<b>233,547,207</b>
<b>49 Gratuity</b>			
The company has a gratuity scheme which has been approved on October 2007 by the National Board of Revenue as per the provision of first schedule (Part - C) of the Income Tax Ordinance, 1984. Required liability against gratuity has been properly provided in the fund account.			
<b>50 Earnings Per Share (EPS)*</b>			
Net profit after tax		659,293,604	669,146,811
Number of ordinary shares outstanding		503,412,417	503,412,417
<b>Earning Per Share(EPS)</b>		<b>1.31</b>	<b>1.33</b>
<b>50.a Consolidated Earnings Per Share (EPS)</b>			
Net profit after tax attributable to equity holders of the Bank		808,435,469	719,984,814
Number of ordinary shares outstanding		503,412,417	503,412,417
<b>Consolidated Earning Per Share(EPS)</b>		<b>1.61</b>	<b>1.43</b>

\* Previous period's figure has been restated.

		Amount in BDT	
	Note	1 January to 30 June 2016	1 January to 30 June 2015
<b>51</b>	<b>Net Operating Cash Flow per Share</b>		
	Net cash flows from operating activities	2,733,319,885	(2,631,072,807)
	Number of ordinary shares outstanding	503,412,417	503,412,417
	<b>Net Operating Cash Flow per Share</b>	<b>5.43</b>	<b>(5.23)</b>
	* Previous period's/year's figure has been restated.		
<b>51.a</b>	<b>Consolidated Net Operating Cash Flow per Share</b>		
	Consolidated net cash flows from operating activities	2,837,779,914	(2,478,007,726)
	Number of ordinary shares outstanding	503,412,417	503,412,417
	<b>Consolidated Net Operating Cash Flow per Share</b>	<b>5.64</b>	<b>(4.92)</b>
	* Previous period's/year's figure has been restated.		
		<b>30-Jun-16</b>	<b>31-Dec-15</b>
<b>52</b>	<b>Net Asset Value (NAV) per Share</b>		
	Net assets value at the end of the period	12,274,754,506	11,654,213,295
	Number of ordinary shares outstanding	503,412,417	503,412,417
	<b>Net Asset Value (NAV) per Share</b>	<b>24.38</b>	<b>23.15</b>
<b>52.a</b>	<b>Consolidated Net Asset Value (NAV) per Share</b>		
	Net assets value at the end of the period attributable to equity holders of the Bank	13,130,291,930	12,370,373,663
	Number of ordinary shares outstanding	503,412,417	503,412,417
	<b>Consolidated Net Asset Value (NAV) per Share</b>	<b>26.08</b>	<b>24.57</b>

### 53 Events after the reporting period

The Board of Directors in its 673<sup>rd</sup> Meeting held on 27 April 2016 recommended 12% stock dividend for the year ended 31 December 2015 which has been approved by the shareholders in the 39<sup>th</sup> Annual General Meeting of the Bank held on 14 July 2016 and subsequently credited to respective BO Accounts on 20 July 2016.

## Balance with other Banks and Financial Institutions-Outside Bangladesh (Nostro Account)

as at 30 June 2016

Annexure-A

Name of the Bank and Financial Institutions	Account type	Currency type	30 June 2016			31 December 2015		
			FC amount	Conversion rate	Equivalent BDT	FC amount	Conversion rate	Equivalent BDT
J.P. Morgan Chase Bank, New York	CD	USD	3,098,114.38	78.4000	242,892,167	2,334,386.54	78.5003	183,250,044
Citi Bank N.A. New York	CD	USD	4,464,762.44	78.4000	350,037,375	2,335,216.02	78.5003	183,315,158
HSBC Bank , New York	CD		-	-	-	6,399,474.06	78.5003	502,360,634
Standard Chartered Bank, London	CD	USD	153,098.11	78.4000	12,002,892	158,512.77	78.5003	12,443,300
Masreq Bank PSC, New York	CD	USD	2,094,015.13	78.4000	164,170,786	3,684,240.57	78.5003	289,213,990
Mashreq Bank, PSC, Mumbai, India	CD	USD	115,630.93	78.4000	9,065,465	370,168.75	78.5003	29,058,358
Standard Chartered Bank, New York	CD	USD	12,200,574.57	78.4000	956,525,046	734,817.55	78.5003	57,683,398
Wells Fargo Bank, New York	CD	USD	1,086,722.93	78.4000	85,199,078	2,014,574.61	78.5003	158,144,711
Sonali Bank, (UK) Limited	CD	USD	509,658.94	78.4000	39,957,261	174,973.40	78.5003	13,735,464
Standard Chartered Bank, Kolkata	CD	USD	648,531.63	78.4000	50,844,880	592,319.66	78.5003	46,497,271
AB Bank Ltd., Mumbai	CD	USD	841,091.35	78.4000	65,941,562	1,043,174.83	78.5003	81,889,537
NIB Bank Ltd, Karachi, Pakistan	CD	USD	493,781.81	78.4000	38,712,494	399,148.33	78.5003	31,333,264
National Trust Bank Ltd., Colombo	CD	USD	4,273.23	78.4000	335,021	2,119.65	78.5003	166,393
Nepal Bangladesh Bank Ltd., Kathmandu, Nepal	CD	USD	155,490.85	78.4000	12,190,483	148,879.10	78.5003	11,687,054
Sonali Bank, Kolkata	CD	USD	177,424.92	78.4000	13,910,114	201,021.92	78.5003	15,780,281
State Bank of India, Kolkata	CD	0	-	-	-	61,597.97	78.5003	4,835,459
Bank of Bhutan, Phuentosoling	CD	USD	4,075.65	78.4000	319,531	1,075.65	78.5003	84,439
ICIC Bank Ltd.,Kolkata	CD	USD	814,318.03	78.4000	63,842,534	800,980.43	78.5003	62,877,204
Commerz Bank AG, Frankfurt	CD	USD	1,367,584.93	78.4000	107,218,659	865,137.13	78.5003	67,913,524
Habib American Bank, New York	CD	USD	614,166.99	78.4000	48,150,692	871,704.75	78.5003	68,429,084
J.P. Morgan Chase Bank, Sydney	CD	AUD	68,399.55	58.4198	3,995,888	70,113.80	57.2149	4,011,554
Habib Bank AG , Zurich	CD	CHF	(642.07)	80.0245	(51,381)	4,882.43	79.5181	388,242
Commerz Bank AG, Frankfurt	CD	EUR	101,485.76	87.2200	8,851,588	354,138.27	85.8165	30,390,907
J.P. Morgan Chase Bank AG, Frankfurt	CD	EUR	51,865.07	87.2200	4,523,671	66,787.57	85.8165	5,731,476
Sonali Bank UK London	CD	EUR	9,119.17	87.2200	795,374	9,119.17	85.8165	782,575
Standard Chartered Bank, London	CD	GBP	437,824.84	105.2598	46,085,355	79,907.01	116.2864	9,292,099
Sonali Bank(UK)Limited	CD	GBP	14,786.72	105.2598	1,556,447	53,405.67	116.2864	6,210,353
Bank Of Tokyo- Mitsubishi, Tokyo	CD	JPY	1,354,914.00	0.7625	1,033,122	220,885.00	0.6515	143,907
AB Bank Ltd., Mumbai	CD	EUR	9,930.70	87.2200	866,156	67,669.68	85.8165	5,807,175
Habib Bank UK, London	CD	GBP	2,600.00	105.2598	273,675	-	-	-
			<b>30,891,000.56</b>		<b>2,329,245,934</b>	<b>24,120,432.29</b>		<b>1,883,456,854</b>

## Other Investment - Shares and Debt Securities

as at 30 June 2016

Annexure-B

Amount in BDT

Name of the Company	Face value	No. of share	Cost/share	Cost price	Mkt price/share	Market value
<b>Unquoted shares</b>						
Karma Sangsthan Bank	100	200,000	100.00	20,000,000		20,000,000
Central Depository Bangladesh Ltd.	10	2,284,722	10.00	22,847,220		22,847,220
EnergyPack Power Co. Ltd.	10	619,500	41.90	25,960,000	15.48	9,589,860
		<b>3,104,222</b>		<b>68,807,220</b>		<b>52,437,080</b>
<b>Quoted shares</b>						
National Housing Finance & Investment Ltd.	10	4,808,100	8.11	39,010,000	30.00	144,243,000
Power Grid Company Ltd.	10	3,984,250	69.13	275,412,488	58.10	231,484,925
Delta Life Insurance Company Ltd.	10	2,478,100	33.57	83,187,944	95.70	237,154,170
Summit Power Ltd.	10	2,332,265	46.64	108,786,696	33.90	79,063,784
Summit Alliance Port Ltd.	10	282,572	99.79	28,198,825	41.60	11,754,995
British American Tobacco Bangladesh	10	145,550	629.03	91,555,568	2,700.00	392,985,000
Eastland Insurance Company Ltd.	10	195,523	45.73	8,941,428	17.70	3,460,757
TITAS Gas Transmission and Distribution Ltd.	10	6,079,872	76.60	465,701,734	48.30	293,657,818
Beximco Ltd.	10	25,348,713	49.87	1,264,121,634	24.00	608,369,112
Malek Spinning Mills Company Ltd.	10	350	21.95	7,681	16.90	5,915
Unique Hotel and Resorts Ltd.	10	200,000	105.15	21,029,385	46.70	9,340,000
The City Bank Ltd.	10	5,520,349	35.18	194,197,477	24.00	132,488,376
MJL Bangladesh Ltd.	10	92,252	92.99	8,578,577	96.30	8,883,868
Fareast Life Insurance Ltd.	10	910,071	150.13	136,631,812	68.60	62,430,871
Beximco Pharmaceuticals Ltd.	10	424,246	58.03	24,619,620	83.50	35,424,541
Northern General Insurance Company Ltd.	10	271,798	40.29	10,951,563	14.90	4,049,790
Reliance insurance Ltd.	10	215,811	54.10	11,674,463	43.00	9,279,873
		<b>53,289,822</b>		<b>2,772,606,895</b>	<b>3,443</b>	<b>2,264,076,795</b>
<b>Mutual funds</b>						
IFIC Bank 1st Mutual Fund	10	31,912,222	7.83	250,000,000	4.80	153,178,694
ICB Employee 1st Mutual Fund	10	1,339,500	13.43	17,986,473	6.50	8,706,750
		<b>33,251,722</b>		<b>267,986,473</b>		<b>161,885,444</b>
<b>Outside Bangladesh</b>						
Nepal Bangladesh Bank Ltd.		12,433,412	103.38	1,285,345,324	444.60	5,527,908,701
Oman International Exchange LLC		2,948	6,044.94	17,820,477		17,820,477
NIB Bank Ltd, Pakistan		24,578,800	13.55	333,012,688	1.35	33,128,290
		<b>37,015,160</b>		<b>1,636,178,489</b>		<b>5,578,857,468</b>
<b>Total other investment</b>				<b>4,745,579,077</b>		<b>8,637,254,393</b>

**Loans and advances allowed to each customer exceeding 10% of Bank's total capital  
as at 30 June 2016**

Million BDT

Sl.	Name of the Group	Name of Clients	Outstanding as on 30 June 2016			Amount classified
			Funded	Non-funded	Total	
1	Soiltech Group	Soiltech International Ltd.	1,468.60	129.60	1,598.20	-
		Wahidunnabi	44.40	-	44.40	-
		Ace-Swee Hong Joint Venture	130.80	-	130.80	-
		Soiltech International & IJM	55.70	-	55.70	-
		<b>Sub Total:</b>	<b>1,699.50</b>	<b>129.60</b>	<b>1,829.10</b>	-
2	Newage Group	New Age Fashionwear Ltd.	51.10	119.30	170.40	-
		Newage Garments Ltd.	358.70	231.70	590.40	-
		Newage Apparels Ltd.	103.50	938.50	1,042.00	-
		Keilock Newage BD. Ltd.	125.20	332.00	457.20	-
		<b>Sub Total:</b>	<b>638.50</b>	<b>1,621.50</b>	<b>2,260.00</b>	-
3	Islam Garments	Islam Garments Ltd.	973.20	2,012.00	2,985.20	-
		Islam Knit Designs Ltd.	18.40	597.30	615.70	-
		<b>Sub Total:</b>	<b>991.60</b>	<b>2,609.30</b>	<b>3,600.90</b>	-
4	Wisdom	Wisdom Attires Ltd.	1,760.60	429.30	2,189.90	-
		<b>Sub Total:</b>	<b>1,760.60</b>	<b>429.30</b>	<b>2,189.90</b>	-
5		Banglalion Communication Ltd.	1,972.70	-	1,972.70	-
		<b>Sub Total:</b>	<b>1,972.70</b>	<b>-</b>	<b>1,972.70</b>	-
6	Knit Concern	Knit Concern Ltd.	223.00	1,338.10	1,561.10	-
		K.C. Apparels Ltd.	257.90	325.60	583.50	-
		Pack Concern Ltd.	32.70	15.70	48.40	-
		K.C. Lingerie Ltd.	-	107.70	107.70	-
		Zas Concern Ltd.	-	3.20	3.20	-
		<b>Sub Total:</b>	<b>513.60</b>	<b>1,790.30</b>	<b>2,303.90</b>	-
7	Uttara	Uttara Jute Fibres & Inds. Ltd.	1,747.80	37.60	1,785.40	-
		Uttara Traders (PVT.) Ltd.	223.30	80.00	303.30	-
		Uttara Acrylic Mills Ltd	215.10	16.40	231.50	-
		Uttara Spinning Mills Ltd	89.80	22.00	111.80	-
		<b>Sub Total:</b>	<b>2,276.00</b>	<b>156.00</b>	<b>2,432.00</b>	-
8	Cassiopea	Cassiopea Apparels Ltd.	632.40	1,037.00	1,669.40	-
		Cassiopea Fashion Ltd.	60.30	14.20	74.50	-
		Elegant Washing Plant Ltd.	-	10.50	10.50	-
		<b>Sub Total:</b>	<b>692.70</b>	<b>1,061.70</b>	<b>1,754.40</b>	-
9	Silver Line	Silver Line Composite Textile Mill Ltd.	625.70	578.00	1,203.70	-
		Silver Composite Textile Mills Ltd.	1,563.10	920.20	2,483.30	-
		<b>Sub Total:</b>	<b>2,188.80</b>	<b>1,498.20</b>	<b>3,687.00</b>	-
10	IFIC	IFIC Securities Ltd	1,263.60	450.00	1,713.60	-
		<b>Sub Total:</b>	<b>1,263.60</b>	<b>450.00</b>	<b>1,713.60</b>	-
11	Scholasitca	Scholastica Limited	1,774.80	-	1,774.80	-
		<b>Sub Total:</b>	<b>1,774.80</b>	<b>-</b>	<b>1,774.80</b>	-
12	Sikder	Powerpac Mutiara Keraniganj Power Plant Ltd.	1,793.90	-	1,793.90	-
		R & R Holdings	1,687.70	-	1,687.70	-
		<b>Sub Total:</b>	<b>3,481.60</b>	<b>-</b>	<b>3,481.60</b>	-
13	Jamuna	Jamuna Builders Ltd.	1,649.70	-	1,649.70	-
		<b>Sub Total:</b>	<b>1,649.70</b>	<b>-</b>	<b>1,649.70</b>	-
14	ENA	ENA Properties Ltd.	1,446.20	65.90	1,512.10	-
		ENA DDJ Construction Firm	-	544.50	544.50	-
		Northern Power Solutions Ltd.	1,673.80	111.00	1,784.80	-
		<b>Sub Total:</b>	<b>3,120.00</b>	<b>721.40</b>	<b>3,841.40</b>	-
15		Bangladesh Rural Advancement Committee (BRAC)	1,682.80	-	1,682.80	-
		<b>Sub Total:</b>	<b>1,682.80</b>	<b>-</b>	<b>1,682.80</b>	-

Sl.	Name of the Group	Name of Clients	Outstanding as on 30 June 2016			Amount classified
			Funded	Non-funded	Total	
16		SQ Celsius Ltd.	1,658.70	827.80	2,486.50	-
		<b>Sub Total:</b>	<b>1,658.70</b>	<b>827.80</b>	<b>2,486.50</b>	-
17		Pacific Bangladesh Teleco	1,791.70	-	1,791.70	-
		<b>Sub Total:</b>	<b>1,791.70</b>	<b>-</b>	<b>1,791.70</b>	-
18		Dohatec Newmedia	559.60	169.70	729.30	-
		Global Voice Telecom Limited	1,126.20	2,496.10	3,622.30	-
		<b>Sub Total:</b>	<b>1,685.80</b>	<b>2,665.80</b>	<b>4,351.60</b>	-
19		Appollo Ispat Complex Ltd.	1,523.40	121.40	1,644.80	-
		<b>Sub Total:</b>	<b>1,523.40</b>	<b>121.40</b>	<b>1,644.80</b>	-
20		Buyer Media Limited	1,886.80	13.80	1,900.60	-
		<b>Sub Total:</b>	<b>1,886.80</b>	<b>13.80</b>	<b>1,900.60</b>	-
21		Avalon Aviation Ltd.	341.00	-	341.00	-
		Foster Trading International Ltd.	1,320.60	110.00	1,430.60	-
		<b>Sub Total:</b>	<b>1,661.60</b>	<b>110.00</b>	<b>1,771.60</b>	-
22		Prisma Digital Network Ltd.	1,676.20	107.30	1,783.50	-
		<b>Sub Total:</b>	<b>1,676.20</b>	<b>107.30</b>	<b>1,783.50</b>	-
23		Rupayan Housing Estate Ltd.	1,749.00	17.60	1,766.60	-
		<b>Sub Total:</b>	<b>1,749.00</b>	<b>17.60</b>	<b>1,766.60</b>	-
24		Global LPG Ltd.	1,687.90	733.60	2,421.50	-
		<b>Sub Total:</b>	<b>1,687.90</b>	<b>733.60</b>	<b>2,421.50</b>	-
		<b>Grand Total:</b>	<b>41,027.60</b>	<b>15,064.60</b>	<b>56,092.20</b>	-

## Schedule of fixed assets including premises, furniture and fixture

as at 30 June 2016

Annexure - D

Particulars	Cost				Rate %	Depreciation			Written down value as at 30 June 2016	
	Balance as at 1 January 2016	Addition during the period	Disposal during the period	Balance as at 30 June 2016		Balance as at 1 January 2016	Charged during the period	Disposal during the period		Balance as at 30 June 2016
Land	475,118,759	-	-	475,118,759	-	-	-	-	475,118,759	
Buildings and premises	1,337,951,477	-	-	1,337,951,477	2.5	192,827,022	14,314,056	-	207,141,078	1,130,810,400
Wooden furniture	118,694,149	3,847,693	1,167,656	121,374,186	20	73,133,162	4,772,783	843,142	77,062,804	44,311,382
Steel furniture	59,242,462	2,830,582	200,149	61,872,895	10	33,720,678	1,363,388	134,956	34,949,111	26,923,784
Computer equipment	668,481,187	41,431,108	139,200	709,773,095	30	458,926,481	34,317,994	127,786	493,116,689	216,656,406
Office equipment	196,964,697	6,200,700	427,611	202,737,786	20	136,914,295	6,487,129	422,174	142,979,250	59,758,537
Electrical & gas equipment	394,944,685	23,391,578	1,921,243	416,415,019	20	248,261,436	16,168,834	1,144,030	263,286,240	153,128,779
Leasehold improvement	237,653,741	19,723,334	3,560,775	253,816,300	20	135,509,829	11,195,729	2,400,524	144,305,035	109,511,265
Vehicles	115,673,145	-	60,000	115,613,145	20	72,471,645	4,319,345	51,947	76,739,042	38,874,103
Leased vehicles	47,600,000	-	-	47,600,000	-	9,626,762	3,054,249	-	12,681,011	34,918,989
Soft furnishing	12,653,637	433,345	883,599	12,203,383	40	11,050,029	361,366	813,756	10,597,639	1,605,744
<b>Intangible asset:</b>										
Software	293,931,990	1,635,732	-	295,567,722	30	202,696,439	13,875,068	-	216,571,507	78,996,215
	<b>3,958,909,929</b>	<b>99,494,072</b>	<b>8,360,233</b>	<b>4,050,043,767</b>		<b>1,575,137,777</b>	<b>110,229,943</b>	<b>5,938,315</b>	<b>1,679,429,405</b>	<b>2,370,614,363</b>
*Capital work in progress	846,594,774	349,491,067	-	1,196,085,840	-	-	-	-	-	1,196,085,840
<b>Total</b>	<b>4,805,504,702</b>	<b>448,985,139</b>	<b>8,360,233</b>	<b>5,246,129,608</b>		<b>1,575,137,777</b>	<b>110,229,943</b>	<b>5,938,315</b>	<b>1,679,429,405</b>	<b>3,566,700,203</b>

Particulars	Cost				Rate %	Depreciation			Written down value as at 31 December 2015	
	Balance as at 1 January 2015	Addition during the year	Disposal during the year	Balance as at 31 December 2015		Balance as at 1 January 2015	Charged during the year	Disposal during the year		Balance as at 31 December 2015
Land	475,118,759	-	-	475,118,759	-	-	-	-	475,118,759	
Buildings and premises	1,337,951,477	-	-	1,337,951,477	2.5	163,464,856	29,362,166	-	192,827,022	1,145,124,455
Wooden Furniture	113,437,784	8,484,809	3,228,445	118,694,149	20	64,234,923	11,390,252	2,492,013	73,133,162	45,560,986
Steel Furniture	56,029,936	4,027,173	814,647	59,242,462	10	31,504,309	2,835,755	619,385	33,720,678	25,521,783
Computer Equipment	536,742,251	144,354,864	12,615,928	668,481,187	30	381,042,836	89,809,162	11,925,517	458,926,481	209,554,707
Office Equipment	185,752,840	14,943,890	3,732,033	196,964,697	20	125,401,989	15,012,602	3,500,296	136,914,295	60,050,403
Electrical & Gas Equipment	356,015,849	51,438,612	12,509,776	394,944,685	20	221,389,145	36,670,812	9,798,521	248,261,436	146,683,249
Leasehold improvement	215,850,139	24,030,848	2,227,246	237,653,741	20	111,797,341	25,535,978	1,823,490	135,509,829	102,143,913
Vehicles	99,146,620	16,526,525	-	115,673,145	20	61,671,269	10,800,375	-	72,471,644	43,201,501
Leased vehicles	47,600,000	-	-	47,600,000	-	5,516,629	4,110,132	-	9,626,761	37,973,239
Soft Furnishing	12,271,161	469,323	86,847	12,653,637	40	10,060,836	1,069,072	79,878	11,050,030	1,603,607
<b>Intangible asset:</b>										
Software	240,470,209	54,083,031	621,250	293,931,990	30	164,181,673	39,100,951	586,185	202,696,439	91,235,551
	<b>3,676,387,025</b>	<b>318,359,074</b>	<b>35,836,170</b>	<b>3,958,909,929</b>		<b>1,340,265,806</b>	<b>265,697,257</b>	<b>30,825,286</b>	<b>1,575,137,777</b>	<b>2,383,772,152</b>
*Capital work in progress	593,198,539	420,232,987	166,836,752	846,594,774	-	-	-	-	-	846,594,774
<b>Total</b>	<b>4,269,585,564</b>	<b>738,592,061</b>	<b>202,672,922</b>	<b>4,805,504,702</b>		<b>1,340,265,806</b>	<b>265,697,257</b>	<b>30,825,286</b>	<b>1,575,137,777</b>	<b>3,230,366,926</b>

\*Capital work in progress represents the amount paid for procuring material & equipment for under constructed IFIC Bank Tower and upgradation of core banking software-MISYS.

## Computation of Risk Weighted Assets

Solo Basis

as at 30 June 2016

## 1.0 Risk Weighted Assets for Credit Risk Balance Sheet Exposures

BDT in Million

Sl.	Exposure Type	Rating	Risk Weight	Exposure	RWA
1	2	3	4	5	6 = (4x5)
a.	Cash		0	1,640.66	-
b.	Claims on Bangladesh Government (other than PSEs) and Bangladesh Bank		0	25,548.93	-
c.	Claims on other Sovereigns & Central Banks		0.5	-	-
d.	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank		0	-	-
e.	Claims on Multilateral Development Banks (MDBs):			-	-
	i) IBRD, IFC, ADB, AfDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB		0	-	-
	ii) Others MDBs	1	0.20	-	-
		2,3	0.50	-	-
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	0.50	-	-
f.	Claims on Public Sector Entities (other than Government) in Bangladesh	1	0.20	-	-
		2,3	0.50	-	-
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	0.50	20.00	10.00
g.	Claims on Banks and NBFIs			-	-
	i) Maturity over 3 months	1	0.20	2,111.73	422.35
		2,3	0.50	228.37	114.19
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	1.00	88.47	88.47
	ii) Maturity less than 3 months		0.20	12,657.82	2,531.56
h.	Claims on Corporate (excluding equity exposure)	1	0.20	4,967.87	993.57
		2	0.50	11,285.96	5,642.98
		3,4	1.00	7,109.31	7,109.31
		5,6	1.50	-	-
		Unrated	1.25	16,494.30	20,617.88
h(1)	Claims on SME	SME 1	0.20	0.00	0.00
		SME 2	0.40	13.86	5.54
		SME 3	0.60	342.53	205.52
		SME 4	0.80	135.96	108.76
		SME 5	1.20	-	-
		SME 6	1.50	-	-
		Unrated (small enterprise & <BDT	0.75	2,286.55	1,714.91
		Unrated (small enterprise having ≥ BDT 3m & Medium	1.00	10,731.59	10,731.59

Sl.	Exposure Type	Rating	Risk Weight	Exposure	RWA
i.	Claims under Credit Risk Mitigation	PSE		-	-
		Banks & NBFIs		-	-
		Corporate		10,135.56	6,020.63
		Retail		551.33	1.10
		SME		2,473.93	468.27
		Consumer finance		2,097.72	11.58
		Residential property		171.10	55.18
		Commercial real estate		87.11	81.87
j.	Claims categorized as retail portfolio (excluding SME, Consumer Finance and Staff loan) upto 1 crore		0.75	251.47	188.60
k.	Consumer finance		1.00	740.48	740.48
l.	Claims fully secured by residential property		0.50	24,355.59	12,177.79
m.	Claims fully secured by Commercial real estate		1.00	6,274.04	6,274.04
n.	1. Past Due Claims that is past due for 60 days or more (Risk weights are to be assigned net of specific provision):			-	
	i) Where specific provisions are less than 20 percent of the outstanding amount of the past due claim		1.50	6,204.80	9,307.20
	ii) Where specific provisions are no less than 20 percent of the outstanding amount of the past due claim		1.00	3,098.50	3,098.50
	iii) Where specific provisions are more than 50 percent of the outstanding amount of the past due claim		0.50	892.20	446.10
	2. Claims fully secured against residential property that are past due for more than 60 days and/or impaired and specific provision held there-against is less than 20% of outstanding amount		1.00	154.40	154.40
	3. Loans and claims fully secured against residential property that are past due for more than 60 days and/or impaired and specific provision held there-against is no less than 20% of outstanding amount		0.75	11.50	8.63
o.	Capital Market Exposure		1.25	1,263.64	1,579.55
p.	Investment in equity and other regulatory capital instruments issued by other banks and merchant				
	Banks/Brokerage Houses/Exchange Houses which are not listed in the Stock Exchanges (other than those deducted from capital) held in banking book		1.25	898.20	1,122.75
q.	Investments in venture capital		1.50	-	-
r.	Investments in premises, plant and equipment and all other fixed assets		1.00	3,566.70	3,566.70
s.	Claims on all fixed assets under operating lease		1.00	465.24	465.24
t.	All other assets			-	-
	i) Claims on GoB & BB		0.00	2,934.56	-
	ii) Staff loan/Investment		0.20	1,939.88	387.98
	iii) Cash items in Process of Collection		0.20	-	-
	iv) Claims on Off-shore Banking Units (OBU)		1.00	1,578.96	1,578.96
	v) Other assets (net off specific provision, if any)		1.00	2,707.26	2,707.26
<b>Sub-Total</b>				<b>168,518.06</b>	<b>100,739.43</b>

## 2.0 Risk Weighted Amount for Credit Risk Off-Balance Sheet Exposures

BDT in Million

Sl. No.	Exposure Type	BB's Rating Grade*	Risk Weight	Exposure	Risk Weighted Asset
1	2	3	4	5	6 = (4x5)
a)	Claims on Bangladesh Government and Bangladesh Bank		0		
b)	Claims on other Sovereigns & Central Banks*				
c)	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank		0		
d)	Claims on Multilateral Development Banks (MDBs):				
	i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB		0		
	ii) Others MDBs	1	0.20		
		2,3	0.50		
		4,5	1.00		
		6	1.50		
		Unrated	0.50		
e)	Claims on Public Sector Entities (other than Government) in Bangladesh	1	0.20		
		2,3	0.50		
		4,5	1.00		
		6	1.50		
		Unrated	0.50		
f)	Claims on Banks & NBFIs				
	i) Maturity over 3 months	1	0.20		
		2,3	0.50		
		4,5	1.00		
		6	1.50		
		Unrated	0.50		
	ii) Maturity less than 3 months		0.20		
g)	Claims on Corporate (excluding equity exposure)	1	0.20	2,032.05	406.41
		2	0.50	4,817.75	2,408.87
		3,4	1.00	1,948.62	1,948.62
		5,6	1.50	-	-
		Unrated	1.25	7,836.36	9,795.45
h)	Claims under retail exposure		0.75	94.08	70.56
h(1)		1	0.20	0.03	0.01
		2	0.40	399.07	159.63
		3	0.60	18.85	11.31
		4	0.80	1.64	1.31
		5	1.20	-	-
		6	1.50	-	-
	Claims under SME Credit Rating-wise exposure	Unrated (small enterprise & <BDT 3.00m)	0.75	66.86	50.15
		Unrated (small enterprise having ≥ BDT 3.00m & Medium enterprise)	1.00	2,010.78	2,010.78
i)	Consumer Loan		1.00		
j)	Claims fully secured by residential property		0.50		
k.)	Claims fully secured by commercial real estate		1.00		
l)	Investments in venture capital		1.50		
m)	All other assets		1.00		
<b>Sub-Total</b>				<b>19,226.09</b>	<b>16,863.09</b>

### 3.0 Capital Charge for Market Risk (Balance Sheet Exposures)

Sl. No.	Market Risk	Capital Charge	Risk Weight	Risk Weighted Asset
a	Interest Rate Related Instruments	10.50	10.00	104.98
b	Equities	608.12	10.00	6,081.19
c	Foreign Exchange Position	94.96	10.00	949.56
d	Commodities	-	10.00	-
<b>Sub-Total</b>		<b>713.57</b>		<b>7,135.72</b>

### 4.0 Capital Charge for Operational Risk (Basic Indicator Approach)

Sl. No.	Operational Risk	Capital Charge	Risk Weight	Risk Weighted Asset
a	Gross Income	1,107.82	10.00	11,078.16
<b>Sub-Total</b>		<b>1,107.82</b>	<b>10.00</b>	<b>11,078.16</b>
<b>Grand Total Risk Weighted Assets</b>				<b>135,816.40</b>

## Related party disclosures

Annexure -F

Name of Directors and their interest in different entities as at 30 June 2016

Sl No.	Name	Status with the Bank	Status with interested entities	Name of the firms/companies in which they have interest
1	Mr. Salman F Rahman	Chairman	Chairman	GMG Airlines Limited
			Chairman	Abahani Limited
			Vice Chairman	Bangladesh Export Import Co. Ltd.
			Vice Chairman	Beximco Pharmaceuticals Ltd.
			Vice Chairman	Beximco Synthetics Ltd.
			Vice Chairman	Shinepukur Ceramics Ltd.
			Vice Chairman	Independent Television Ltd.
			Vice Chairman	Beximco Holdings Ltd.
			Vice Chairman	Beximco Computers Ltd.
			Vice Chairman	Beximco Engineering Ltd.
			Vice Chairman	Beximco Media Ltd.
			Vice Chairman	Beximco Pharma Center for Bio & Industrial Research Ltd.
			Vice Chairman	Beximco Fashions Ltd.
			Vice Chairman	Beximco Property Development and Management Ltd.
			Vice Chairman	RR Washing Ltd.
			Vice Chairman	International Knitwear and Apparels Ltd.
			Vice Chairman	Crescent Fashion and Design Ltd.
			Vice Chairman	Esses Fashions Ltd.
			Vice Chairman	Crescent Accessories Ltd.
			Vice Chairman	Sonali Ansh Limited
Vice Chairman	Esses Exporters Ltd.			
Vice Chairman	Beximco Power Company Ltd.			
Shareholder	Beximco Communications Ltd.			
Shareholder	I & I Services Ltd.			
Shareholder	Beximco Petroleum Limited			
2	Mr. Monirul Islam	Independent Director	Chairman (Nominated by IFIC Bank Ltd.)	IFIC Securities Ltd.
			Director (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Director (Nominated by IFIC Bank Ltd.)	Nepal Bangladesh Bank Ltd., Nepal
			Chairman	Monir Associates Ltd.
			Managing Director	Aaron Label Ltd.
			Managing Director	Cosmo Sizing & Weaving Mills Ltd.
3	Mr. Anwaruzzaman Chowdhury	Independent Director	Director (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Director (Nominated by IFIC Bank Ltd.)	IFIC Securities Ltd.
			Chairman	Weavers Community Trust
			Chairman	Kipling
			General Secretary	Tower Hamlet Homeless Family Campaign
Youth & Community Worker	Sabuj Sathi			
4	Mr. Jalal Ahmed	Govt. nominated Director	Chairman (Nominated by IFIC Bank Ltd.)	Nepal Bangladesh Bank Ltd., Nepal
			Chairman (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Director (Nominated by IFIC Bank Ltd.)	IFIC Securities Ltd.
			Additional Secretary	Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.
			Director	Bangladesh Telecommunication Co. Ltd.
			Director	Bangladesh Services Ltd.
			Director	British American Tobacco Bangladesh Co. Ltd.
			Director	Bangladesh Submarine Cable Co. Ltd.

5	Mr. A. R. M. Nazmus Sakib**	Govt. nominated Director	Director (Nominated by IFIC Bank Ltd.)	Oman International Exchange LLC
			Director (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Additional Secretary	Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.
6	Ms. Quamrun Nahar Ahmed	Govt. nominated Director	Additional Secretary	Bank and Financial Institutions Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.
7	Mr. M. Shah Alam Sarwar	Managing Director	Director (Nominated by Govt. of Bangladesh)	Grameen Bank
			Director (Nominated by IFIC Bank Ltd.)	Nepal Bangladesh Bank Ltd., Nepal
			Director (Nominated by IFIC Bank Ltd.)	Oman International Exchange LLC
			Director (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Director (Nominated by IFIC Bank Ltd.)	IFIC Securities Ltd.

#### Related party transactions

- i) Significant contracts with the Bank wherein Directors have interest during the year is nil.
- ii) Share issued to Directors and Executive without consideration or exercisable at a discount is nil.
- iii) The details of the related party transactions are as follows:

Amount in BDT

Name of the Party	Relationship	Nature of Facilities	31-Dec-15	Transactions		30-Jun-16
				Debit	Credit	
IFIC Securities Limited	Subsidiary	Loan	1,295,368,172	-	31,602,120	1,263,766,052
		Current & SND Account	6,464,715	-	73,355,054	79,819,769
		BO Account	1,438,193	8,023,100	-	9,461,293

- iv) Lending policies in respect of related party

The Bank approved loans to related parties in compliance with BRPD circular no. 04 dated 23 February 2014 and as per requirement of section 27(1) of Bank Company Act 1991 as amended.

- v) Business other than banking business with any related concern of the Directors as per section 18(2) of Bank Companies Act 1991

Bank has executed maintenance agreement with Beximco Computers Limited for maintenance of different application software and back up link data centre, for which paid BDT 25,000 and Bangladesh Export Import Co. Limited for Broadband Internet Service paid BDT 6,34,800 from 1 January to 30 June 2016.

- vi) Investment in the securities of Director and their related concern

Investee Entity	Related Director	Relation with the Bank	Relation with Investee Entity	Investment at Cost (BDT)
Beximco Ltd	Mr. Salman F Rahman	Chairman	Vice Chairman	1,264,121,634
Beximco Pharmaceuticals Ltd,	Mr. Salman F Rahman	Chairman	Vice Chairman	24,619,620

## Disclosure on Audit Committee of the Bank

Annexure -G

### a) Particulars of members of the Audit Committee

Sl.	Name	Status with the Bank	Status	Educational Qualification
1	Mr. Monirul Islam	Independent Director	Chairman	B. A (Hons), M. A.
2	Mr. Anwaruzzaman Chowdhury	Independent Director	Member	MBA
3	Mr. Jalal Ahmed	Director	Member	B. S. S (Hons), M. S. S. in Public Administration

### b) Particulars of meetings held by the Audit Committee during the period from 01 January to 30 June 2016

Sl.	Meeting No	Meeting held on
1	97th Audit Committee Meeting	12.01.2016
2	98th Audit Committee Meeting	25.02.2016
3	99th Audit Committee Meeting	03.04.2016
4	100th Audit Committee Meeting	27.04.2016
5	101st Audit Committee Meeting	10.05.2016
6	102nd Audit Committee Meeting	19.06.2016

### Evaluation of the Audit Committee regarding strengthening of Internal Control System

The Internal Control & Compliance Division (ICCD) of the Bank reviews the Internal Control System of the Bank and ensures that internal controls are considered properly managed and supervised throughout all Divisions and Branches of the Bank.

As per guideline of Bangladesh Bank, the Audit committee, in the meetings held during the half year ended 30 June 2016, with various issues/reports/findings on financial reporting process, the system of internal control, the audit process, and the process for monitoring compliance with laws and regulations and its own code of business conduct – submitted by ICCD, have reviewed and evaluated.

The Committee has considered and reviewed various reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of Bangladesh Bank and other regulatory authorities.

During discussion on some memo(s) and Compliance Report, the Committee has advised Management to devise a system for arresting occurrence of the irregularities on recurring basis and ICCD of the Bank has also been advised to take necessary steps for rectification of all irregularities as mentioned in the memo(s)/reports at the earliest. The Committee has also advised the Head of ICC to formulate matrix/format to monitor status of compliance on regular basis and devise some innovative tools/system for reducing number of irregularities in the Branches as well as enabling them to monitor up-to-date status of compliance.

All Audited/Un-audited yearly/quarterly Financial Statements submitted during half year ended 30 June 2016 have been explained and endorsed to the Audit Committee whether the statements reflect the complete and concrete information and whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank.

The Committee has submitted compliance report to the Board on quarterly basis during half year ended 30 June 2016 regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.

**Financial highlights of the Bank  
as at and for the year ended 30 June 2016**

Amount in BDT

Sl.	Particulars	June 2016	Dec 2015
1	Paid up capital	5,034,124,170	5,034,124,170
2	Total capital	15,824,141,747	11,813,122,670
3	Capital surplus	1,393,649,204	81,680,171
4	Total assets	189,353,599,687	178,333,951,390
5	Total deposits	153,584,566,933	146,819,705,532
6	Total loan & advances	129,356,565,436	123,268,667,873
7	Total contingent liabilities & commitments	54,021,989,160	47,779,027,775
8	Credit deposit ratio	84.22%	83.96%
9	Percentage of classified loan against total loans & advances	7.84%	6.46%
10	Profit after tax & provision	659,293,604	886,981,027
11	Amount of classified loans	10,141,608,181	7,962,051,830
12	Provision kept against classified loans	3,300,211,628	2,699,917,003
13	Provision surplus/deficit	-	4,417,597
14	Cost of fund	5.28%	6.16%
15	Interest earning assets	159,476,947,951	151,498,806,527
16	Non-interest earning assets	29,876,651,736	26,835,144,863
17	Return on Investment (ROI)	7.37%	6.48%
18	Return on Assets (ROA)	0.72%	0.53%
19	Income from investment	1,087,500,243	2,375,204,608
20	Earnings per share	1.31	1.76
21	Net income per share	1.31	1.76
22	Net Asset Value (NAV)	12,274,754,506	11,654,213,295
23	Net Asset Value (NAV) per share	24.38	23.15
24	Net Operating Cash Flow Per Share (NOCFPS)	5.43	(3.42)
25	Price earning ratio (Times)	12.14	12.03

## Consolidated Segment Reporting

for the half year ended 30 June 2016

## Annexure-I

### A. Segmental operating profit and loss

BDT in Million

Particulars	Corporate	Retail	SME/Agri and Green	Treasury and Money Market Operations	IFICSL	Others	Consolidated
Interest income	4,126.94	804.15	1,137.94	67.92	51.98	46.15	6,235.09
Interest expense	2,658.62	539.72	799.59	88.11	20.04	40.19	4,146.26
<b>Net interest income</b>	<b>1,468.32</b>	<b>264.43</b>	<b>338.36</b>	<b>(20.19)</b>	<b>31.95</b>	<b>5.97</b>	<b>2,088.83</b>
Income from Investment	-	-	-	1,087.50	7.28	-	1,094.78
Commission, exchange, brokerage, etc.	200.39	54.42	74.02	353.10	24.07	69.73	775.73
Other operating income	136.95	30.43	45.65	57.82	0.06	33.48	304.40
<b>Total operating income</b>	<b>1,805.66</b>	<b>349.28</b>	<b>458.03</b>	<b>1,478.24</b>	<b>63.36</b>	<b>109.18</b>	<b>4,263.75</b>
Operating expenses	1,051.51	248.35	296.61	499.30	17.68	53.55	2,167.00
<b>Operating profit/(loss)</b>	<b>754.15</b>	<b>100.93</b>	<b>161.42</b>	<b>978.93</b>	<b>45.68</b>	<b>55.64</b>	<b>2,096.74</b>

There are 8 (eight) operating segments including subsidiaries as on 30 June 2016. Out of 8 (eight) operating segments only 5 (five) are reportable as per latest evaluation in accordance with BFRS 8: Operating segments. Hence other non-reportable segments have been shown under 'Others'.

### B. Segmental assets and liabilities

The necessary information regarding assets and liabilities of operating segments (excluding subsidiaries) are not separable and individually identifiable and so the assets and liabilities of the respective segments have not been presented here.

**Disclosure of Restructured Loan**

for the as at/for the half year ended 30 June 2016

BDT in Million

Sl. No.	Name of the Borrower	Type of Loan	Date of restructure	Down Payment		Due Date of 1st Installment	Outstanding Amount			Total Provision		Present Status
				Required	Realized		At the time of taking NOC from BB	New/Fresh Disbursement amount after NOC	Outstanding as at 30 June 2016	Required	Maintained	
1	Power Pac - Mutiara KPP Plant Ltd.	TL (O)	07.12.2015	16.90	16.90	07.03.2017	1,546.10	Nil	1,793.90	35.88	35.88	SMA(RST)
2	M/s R&R Holdings	TL (O)-1	07.12.2015	8.20	8.20	07.03.2017	746.00	Nil	871.45	17.43	17.43	SMA(RST)
3	M/s R&R Holdings	TL (O)-2	07.12.2015	7.70	7.70	07.03.2017	702.00	Nil	816.21	16.32	16.32	SMA(RST)
4	Jamuna Builders Ltd.	TL (I)-1	14.12.2015	14.20	14.30	21.07.2016	1,546.20	Nil	1,635.95	32.72	32.72	SMA(RST)
5	Jamuna Builders Ltd.	TL (O)-2	14.12.2015	0.10	0.10	21.07.2016	13.00	Nil	13.80	0.28	0.28	SMA(RST)
<b>Total</b>				<b>47.10</b>	<b>47.20</b>		<b>4,553.30</b>		<b>5,131.31</b>	<b>102.63</b>	<b>102.63</b>	

## INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Off-shore Banking Unit

Balance Sheet

as at 30 June 2016

Particulars	Note	30 June 2016		31 December 2015	
		USD	Taka	USD	Taka
<b>PROPERTY AND ASSETS</b>					
<b>Cash</b>		-	-	-	-
Cash in hand (including foreign currency)		-	-	-	-
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currency)		-	-	-	-
<b>Balance with other banks and financial institutions</b>		-	-	-	-
In Bangladesh		-	-	-	-
Outside Bangladesh		-	-	-	-
<b>Money at call and on short notice</b>		-	-	-	-
<b>Investments</b>		-	-	-	-
Government securities		-	-	-	-
Other investments		-	-	-	-
<b>Loans and advances</b>	3	19,306,464	1,513,626,799	24,161,133	1,896,656,202
Loans, cash credits, overdrafts etc.	3.1	8,371,019	656,287,919	9,469,692	743,373,693
Bills purchased and discounted	3.2	10,935,445	857,338,880	14,691,441	1,153,282,509
<b>Fixed assets including premises, furniture and fixtures</b>		-	-	-	-
<b>Other assets</b>	4	912,834	71,566,220	1,856,442	145,731,263
<b>Non banking assets</b>		-	-	-	-
<b>Total assets</b>		20,219,299	1,585,193,019	26,017,575	2,042,387,464
<b>LIABILITIES AND CAPITAL</b>					
<b>Liabilities</b>					
<b>Borrowing from other banks, financial Institutions and agents</b>	5	20,139,752	1,578,956,587	25,386,327	1,992,834,279
<b>Deposit and other accounts</b>		-	-	-	-
Current deposits and other accounts		-	-	-	-
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Fixed Deposits		-	-	-	-
Bearer Certificate of Deposit		-	-	-	-
Other Deposits		-	-	-	-
<b>Other liabilities</b>	6	-	-	524,561	41,178,214
<b>Total liabilities</b>		20,139,752	1,578,956,587	25,910,888	2,034,012,493
<b>Capital / Shareholders' equity</b>					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
General Reserve		-	-	-	-
Revaluation reserve against securities		-	-	-	-
Revaluation reserve against fixed assets		-	-	-	-
Reserve against non banking assets		-	-	-	-
Foreign currency translation gain/(loss)		-	-	-	-
Surplus in profit and loss account	7	79,546	6,236,432	106,687	8,374,971
<b>Total shareholders' equity</b>		79,546	6,236,432	106,687	8,374,971
<b>Total liabilities and shareholders' equity</b>		20,219,299	1,585,193,019	26,017,575	2,042,387,464

**OFF BALANCE SHEET ITEMS**

<b>Contingent liabilities</b>	-	-	-	-
Acceptances and endorsements	-	-	-	-
Letters of guarantee	-	-	-	-
Irrevocable letters of credit	-	-	-	-
Bills for collection	-	-	-	-
Other contingent liabilities	-	-	-	-
<b>Other Commitments</b>				
Documents 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	-	-	-	-
<b>Total off-Balance Sheet exposures including contingent liabilities</b>	-	-	-	-

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

**INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED**

Off-shore Banking Unit

Profit and Loss Account

for the half year ended 30 June 2016

Particulars	Note	30 June 2016		30 June 2015	
		USD	Taka	USD	Taka
Interest income	8	588,704	46,154,418	623,488	48,507,416
Interest paid on deposits, borrowings etc.	9	512,568	40,185,330	567,890	44,181,875
<b>Net interest income</b>		<b>76,136</b>	<b>5,969,088</b>	<b>55,598</b>	<b>4,325,541</b>
Investment Income		-	-	-	-
Commission, exchange and brokerage		-	-	-	-
Other operating income		3,410	267,344	-	-
<b>Total operating income</b>		<b>79,546</b>	<b>6,236,432</b>	<b>55,598</b>	<b>4,325,541</b>
Salaries and allowances		-	-	-	-
Rent, taxes, insurance, electricity etc.		-	-	-	-
Legal expenses		-	-	-	-
Postage, stamp, telecommunication etc.		-	-	-	-
Stationery, printing, advertisement etc		-	-	-	-
Managing Director's salary		-	-	-	-
Directors' fees		-	-	-	-
Auditors' fee		-	-	-	-
Charges on loan loss		-	-	-	-
Depreciation and repair of bank's assets		-	-	-	-
Other expenses		-	-	-	-
<b>Total operating expenses</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit/(Loss) before provision</b>		<b>79,546</b>	<b>6,236,432</b>	<b>55,598</b>	<b>4,325,541</b>
<b>Provision for loans, investments and other assets</b>					
Specific Provision		-	-	-	-
General Provision		-	-	-	-
Provision for off-balance sheet exposures		-	-	-	-
Provision for diminution in value of investments		-	-	-	-
Provision for other assets		-	-	-	-
<b>Total provision</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit/(Loss) before taxes</b>		<b>79,546</b>	<b>6,236,432</b>	<b>55,598</b>	<b>4,325,541</b>

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

**INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED**  
**Off-shore Banking Unit**  
**Cash Flow Statement**  
**for the half year ended 30 June 2016**

	Note	30 June 2016		30 June 2015	
		USD	Taka	USD	Taka
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Interest received in cash		588,704	46,154,418	623,488	48,507,416
Interest payments		(512,568)	(40,185,330)	(567,890)	(44,181,875)
Dividend received		-	-	-	-
Fees and commission received in cash		-	-	-	-
Recovery of loans and advances in cash previously written-off		-	-	-	-
Cash paid to employees		-	-	-	-
Income tax paid		-	-	-	-
Cash received from other operating activities		3,410	267,344	-	-
Cash paid for other operating activities		(106,687)	(8,374,971)	(240,653)	(18,758,773)
<b>Cash flows before charges in operating assets and liabilities</b>		<b>(27,141)</b>	<b>(2,138,539)</b>	<b>(185,055)</b>	<b>(14,433,232)</b>
<b>Increase / Decrease in operating assets and liabilities</b>					
Loans and advances to customers		4,854,669	383,029,403	1,349,877	108,402,879
Other assets		943,608	74,165,043	(481,210)	(37,309,532)
Borrowing from banks		(5,246,575)	(413,877,692)	(213,233)	(19,994,318)
Deposits from other banks		-	-	-	-
Deposit from customers		-	-	-	-
Other Liabilities		(524,561)	(41,178,214)	(470,379)	(36,665,797)
		<b>27,141</b>	<b>2,138,539</b>	<b>185,055</b>	<b>14,433,232</b>
<b>Net cash from operating activities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sale of securities		-	-	-	-
Cash payments for purchase of securities		-	-	-	-
Purchase/ Sale of property, Plant & equipment of fixed assets		-	-	-	-
Sales of fixed assets		-	-	-	-
<b>Net cash from investing activities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Received from issue of loan, capital and debts security		-	-	-	-
<b>Net Cash from Financing activities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalent</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Opening cash and cash equivalent</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing cash and cash equivalent</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

## **Off-Shore Banking Unit**

### **Notes to the Financial Statements for the half year ended 30 June 2016**

#### **1.1 Status of the unit**

Off-shore Banking Units of IFIC Bank Limited, governed under the rules and guidelines of Bangladesh Bank. The Bank obtained the Off-shore Banking Unit permission from Bangladesh Bank vide letter no. BRPD (P-3) 744 (104)/2009-4233 dated 17 November 2009. The Bank commenced the operation of its Off-shore Banking Unit from May 06, 2010. Presently the Bank has 1 (one) unit in Dhaka.

##### **1.1.1 Principal activities**

The principal activities of the unit is to provide all kinds of commercial banking services to its customers through its off-shore Banking Units in Bangladesh.

#### **1.2 Significant accounting policies and basis of preparation of financial statements**

##### **1.2.1 Basis of accounting**

The Off-shore Banking Unit maintain its accounting records in USD from which accounts are prepared according to the Bank Companies Act 1991, Bangladesh Accounting Standards and other applicable directives issued by Bangladesh Bank.

##### **1.2.2 Use of estimates and judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

##### **1.2.3 Foreign currency transaction**

###### **a) Foreign currencies transaction and translation to presentation currency**

Foreign currency transactions are converted into equivalent USD using the ruling exchange rates on the dates of respective transactions as per BAS-21 "The Effects of Changes in Foreign Exchange Rates". Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day. Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1 = Taka 78.4000 (closing weighted average rate as at 30 June 2016) which is the presentation currency for OBU.

###### **(b) Commitments**

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities / commitments for letter of credit and letter of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance date.

###### **(c) Transaction gains and losses**

The resulting exchange transaction gains and losses are included in the profit and loss account, except those arising on the translation of net investment in foreign subsidiary.

##### **1.2.4 Cash flow statement**

Cash flow statement has been prepared in accordance with the Bangladesh Accounting Standard-7 "Cash Flow Statement" under direct method as recommended in the BRPD Circular No. 14, dated June 25, 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

##### **1.2.5 Reporting period**

These financial statements cover from 1 January to 30 June 2016.

#### **1.3 Assets and basis of their valuation**

##### **1.3.1 Cash and cash equivalents**

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the unit management for its short-term commitments.

### 1.3.2 Loans and advances / investments

- (a) Loans and advances of Off-shore Banking Units are stated in the balance sheet on gross basis.
- (b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

## 1.4 Basis for valuation of liabilities and provisions

### 1.4.1 Provision for liabilities

A provision is recognized in the balance sheet when the unit has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the BAS-37 "Provisions, Contingent Liabilities and Contingent Assets".

### 1.4.2 Provision for loans and advances & tax

Provision for loans and advances & tax have been considered in the separate financial statements of the Bank which also includes OBU and have not been shown in the financial statements of OBU.

## 1.5 Revenue recognition

### 1.5.1 Interest income

In terms of the provisions of the BAS-18 "Revenue", the interest income is recognized on accrual basis.

### 1.5.2 Fees and commission income

Fees and commission income arises on services provided by the units are recognized on a cash receipt basis.

Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

### 1.5.3 Interest paid and other expenses

In terms of the provisions of the BAS - 1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

## 2 General

- (a) These financial statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.

Particulars	Note	30 June 2016		31 December 2015	
		USD	Taka	USD	Taka
<b>3 Loans and advances</b>					
<b>3.1 Loans, cash credits, overdrafts etc</b>					
Term loan		8,371,019	656,287,919	9,469,692	743,373,693
		<b>8,371,019</b>	<b>656,287,919</b>	<b>9,469,692</b>	<b>743,373,693</b>
<b>3.2 Bills purchased and discounted</b>	<b>5</b>				
Inside Bangladesh		10,935,445	857,338,880	14,691,441	1,153,282,509
Outside Bangladesh		-	-	-	-
		<b>10,935,445</b>	<b>857,338,880</b>	<b>14,691,441</b>	<b>1,153,282,509</b>
		<b>19,306,464</b>	<b>1,513,626,799</b>	<b>24,161,133</b>	<b>1,896,656,202</b>
<b>3.3 Geographical location-wise loans and advances</b>					
Dhaka		19,306,464	1,513,626,799	24,161,133	1,896,656,202
Chittagong Division		-	-	-	-
Sylhet		-	-	-	-
Rajshahi Division		-	-	-	-
Khulna		-	-	-	-
Barisal		-	-	-	-
		<b>19,306,464</b>	<b>1,513,626,799</b>	<b>24,161,133</b>	<b>1,896,656,202</b>
<b>3.4 Classification of loans and advances</b>					
<b>Unclassified :</b>					
(i) Standard		19,306,464	1,513,626,799	24,161,133	1,896,656,202
(ii) Special mention account		-	-	-	-
<b>Classified :</b>					
(i) Substandard		-	-	-	-
(ii) Doubtful		-	-	-	-
(iii) Bad / Loss		-	-	-	-
		<b>19,306,464</b>	<b>1,513,626,799</b>	<b>24,161,133</b>	<b>1,896,656,202</b>

<b>4 Other assets</b>					
Interest receivable on Term loan	838,889	65,768,860	639,180	50,175,787	
Interest receivable on Bills discount	73,946	5,797,360	1,217,263	95,555,475	
	<b>912,834</b>	<b>71,566,220</b>	<b>1,856,442</b>	<b>145,731,263</b>	
<b>5 Borrowing from other banks, financial Institutions and its agents</b>					
<b>In Bangladesh:</b>					
IFIC Bank Limited	20,139,752	1,578,956,587	25,386,327	1,992,834,279	
Bangladesh Bank	-	-	-	-	
	<b>20,139,752</b>	<b>1,578,956,587</b>	<b>25,386,327</b>	<b>1,992,834,279</b>	
<b>Outside Bangladesh</b>	-	-	-	-	
	<b>20,139,752</b>	<b>1,578,956,587</b>	<b>25,386,327</b>	<b>1,992,834,279</b>	
<b>6 Other liabilities</b>					
Interest on bills discounted	-	-	-	-	
Due to Head Office	-	-	524,561	41,178,214	
	-	-	<b>524,561</b>	<b>41,178,214</b>	
<b>7 Surplus in profit and loss account</b>					
Opening balance	106,687	8,374,971	240,653	18,758,773	
Less: Adjustment/ payment for the year	(106,687)	(8,374,971)	(240,653)	(18,758,773)	
Add: Addition during the year	79,546	6,236,432	106,687	8,374,971	
	<b>79,546</b>	<b>6,236,432</b>	<b>106,687</b>	<b>8,374,971</b>	

Particulars	Note	30 June 2016		30 June 2015	
		USD	Taka	USD	Taka
<b>8 Interest income</b>					
Term Loan		230,872	18,100,368	214,545	16,691,658
LTR loan		-	-	-	-
Bills discount		357,832	28,054,050	408,942	31,815,757
Others		-	-	-	-
<b>Interest on loans and advances</b>		<b>588,704</b>	<b>46,154,418</b>	<b>623,488</b>	<b>48,507,416</b>
Interest on balance with other banks and financial		-	-	-	-
Interest received from foreign banks		-	-	-	-
		-	-	-	-
<b>Total Interest income</b>		<b>588,704</b>	<b>46,154,418</b>	<b>623,488</b>	<b>48,507,416</b>
<b>9 Interest paid on deposits, borrowings etc.</b>					
Interest paid on IFIC Bank Limited		512,568	40,185,330	567,890	44,181,875
Interest paid on Bangladesh Bank		-	-	-	-
		<b>512,568</b>	<b>40,185,330</b>	<b>567,890</b>	<b>44,181,875</b>

**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF  
IFIC SECURITIES LIMITED**

We have audited the accompanying financial statements of IFIC Securities Limited which comprise the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, and other applicable laws and regulations and for such internal control as management determines is necessary to enable the presentation of financial statements that are free from material misstatements, whether due to fraud or error;

**Auditors' responsibility**

Our responsibility is to express an 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 comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our Opinion, the financial statements present fairly, in all material respects, the financial position of IFIC Securities Ltd. as at 30 June 2016, and its profit or loss and other comprehensive income and its cash flows for the period in accordance with Bangladesh Financial reporting Standards (BFRSs).

### **We also report that:**

- (a) 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;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- (c) the company's statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- (d) the expenditure incurred was for the purpose of the company's business.

Dated, Dhaka  
27 July 2016

Sd/-  
**M. J. ABEDIN & CO**  
**Chartered Accountants**

**IFIC Securities Limited**  
**Statement of Financial Position**  
As at June 30, 2016

	Notes	30-Jun-16	31-Dec-15
<b>Amount in Taka</b>			
<b>ASSETS:</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipments	4.00	5,172,856	5,665,189
Intangible Assets	5.00	345,045	405,935
Deferred Tax	6.00	83,084	83,084
Investments	7.00	89,003,312	89,321,750
		<b>94,604,297</b>	<b>95,475,958</b>
<b>Current Assets</b>			
Margin Loan to Clients	8.00	3,906,202,585	3,694,754,440
Accounts Receivable (DSE)		122,688	41,643,178
Dividend Receivable		47,190	163,725
Advance Deposits and Prepayments	9.00	147,532,879	136,891,896
Cash & Cash Equivalents	10.00	79,864,211	6,464,811
		<b>4,133,769,552</b>	<b>3,879,918,050</b>
<b>TOTAL</b>		<b>4,228,373,849</b>	<b>3,975,394,008</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Shareholders Equity</b>			
Share Capital	11.01	800,000,000	800,000,000
Retained Earnings	12.00	190,380,284	202,773,124
		<b>990,380,284</b>	<b>1,002,773,124</b>
<b>Current Liabilities</b>			
Provision for Income Tax	13.00	149,871,544	135,183,258
Clients Payable	14.00	58,947,228	34,940,489
DSE Payable		1,171,509	56,327
General Provision	15.00	137,926,155	95,630,969
Bank Loan	16.00	1,609,458,993	1,588,024,135
Other Liabilities	17.00	1,280,618,136	1,118,785,705
		<b>3,237,993,565</b>	<b>2,972,620,884</b>
<b>TOTAL</b>		<b>4,228,373,849</b>	<b>3,975,394,008</b>

The annexed notes from an integral part of these financial statements.

Sd/-	Sd/-	Sd/-
<b>Chief Executive Officer</b> (Current Charge)	<b>Director</b>	<b>Director</b>

Signed as per our annexed report of same date

Dated : Dhaka  
27 July 2016

Sd/-  
**M J Abedin & Co.**  
**Chartered Accountants**

**IFIC Securities Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
For the period from January 01 to June 30, 2016

		Amount in Taka			
	Notes	1st Jan to Jun 30, 2016	1st Jan to Jun 30, 2015	1st April to June 30, 2016	1st April to June 30, 2015
<b>Income:</b>					
Operating Income	18.00	144,932,999	126,278,310	81,692,838	63,783,078
Non-Operating Income	19.00	7,343,256	138,912	7,304,775	72,206
		<b>152,276,255</b>	<b>126,417,221</b>	<b>88,997,613</b>	<b>63,855,284</b>
<b>Expenses:</b>					
Operating Expenses	20.00	2,850,901	3,310,992	969,169	2,268,246
Office & Administrative Expenses	21.00	13,469,658	13,956,606	6,956,308	7,173,678
Financial Expenses	22.00	91,365,064	95,915,018	35,528,634	49,428,407
		<b>107,685,623</b>	<b>113,182,616</b>	<b>43,454,111</b>	<b>58,870,331</b>
<b>Profit/(Loss) before Provisions and Tax</b>		<b>44,590,632</b>	<b>13,234,605</b>	<b>45,543,502</b>	<b>4,984,953</b>
Less: Provision	23.00	42,295,186	19,761,182	42,103,229	(10,634,839)
<b>Profit After Provision</b>		<b>2,295,447</b>	<b>(6,526,577)</b>	<b>3,440,273</b>	<b>15,619,792</b>
Less: Income Tax	13.00	14,688,286	4,673,513	11,904,114	1,846,157
		<b>14,688,286</b>	<b>4,673,513</b>	<b>11,904,114</b>	<b>1,846,157</b>
<b>Net Profit/(Loss) After Tax</b>		<b>(12,392,840)</b>	<b>(11,200,090)</b>	<b>(8,463,840)</b>	<b>13,773,635</b>

The annexed notes from an integral part of these financial statements.

Sd/-	Sd/-	Sd/-
_____ Chief Executive Officer (Current Charge)	_____ Director	_____ Director

Signed as per our annexed report of same date

Dated : Dhaka  
27 July 2016

Sd/-  
M J Abedin & Co.  
Chartered Accountants

**IFIC Securities Limited**  
**Statement of Changes in Equity**  
**For the period from January 01 to June 30, 2016**

	<b>Amount in Taka</b>		
<b>Particulars</b>	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Opening Balance as on 01.01.2016</b>	800,000,000	202,773,124	<b>1,002,773,124</b>
Profit/(Loss) during the period	-	(12,392,840)	<b>(12,392,840)</b>
<b>Balance as on June 30, 2016</b>	<b>800,000,000</b>	<b>190,380,284</b>	<b>990,380,284</b>

**Statement of Changes in Equity**  
**For the Year Ended December 31, 2015**

	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Opening Balance as on 01.01.2015</b>	800,000,000	192,731,674	<b>992,731,674</b>
Profit/(Loss) during the period		10,041,450	<b>10,041,450</b>
<b>Balance as on December 31, 2015</b>	<b>800,000,000</b>	<b>202,773,124</b>	<b>1,002,773,124</b>

The annexed notes from an integral part of these financial statements.

Sd/-	Sd/-	Sd/-
<b>Chief Executive Officer</b>	<b>Director</b>	<b>Director</b>

Signed as per our annexed report of same date

Dated : Dhaka  
27 July 2016

Sd/-  
**M J Abedin & Co.**  
**Chartered Accountants**

**IFIC Securities Limited**  
**Statement of Cash Flows**  
For the period from January 01 to June 30, 2016

	Notes	Amount in Taka	
		30-Jun-16	31-Dec-15
<b>A. Cash flows from Operating Activities:</b>			
<b>Net profit before tax</b>		<b>44,590,632</b>	<b>46,003,617</b>
<b>Add: Non Cash Transaction</b>			
Sundry Payable		58,664	(21,335)
Liabilities for Expenses		1,419,803	1,051,682
Unrealized Interest Income	17.03	160,353,964	301,732,246
Amortization of Intangible Assets	Annx- A.2	60,890	173,972
Depreciation	Annex- A.1	502,934	1,285,745
		<b>162,396,255</b>	<b>304,222,309</b>
Increase/(Decrease) in Clients Payable		24,006,739	(174,469,911)
Increase/(Decrease) in Payable to IPO App		-	(90,000)
Increase/(Decrease) in Dividend Receivable		116,533	207,925
Increase/(Decrease) in DSE Payable		1,115,182	9,340
(Increase)/Decrease in Accounts Receivable (DSE)		41,520,490	18,366,281
(Increase)/Decrease Advance Deposit and Prepayments		(10,640,983)	(6,942,872)
<b>Net cash flows from operating activities</b>		<b>263,104,848</b>	<b>187,306,689</b>
<b>B. Cash flows from Investing Activities:</b>			
Investments in Securities		318,438	2,988
Purchase of Property, Plant and Equipments	Annex- A.1	(10,600)	(419,690)
Loan to Clients		(211,448,145)	(357,757,798)
<b>Net Cash flows from Investing Activities</b>		<b>(211,140,307)</b>	<b>(358,174,502)</b>
<b>C. Cash flows from Financing Activities:</b>			
Loan from Dhaka Bank Limited		42,078,047	(39,888,340)
Loan from IFIC Bank Limited		(31,617,121)	95,634,893
Loan from Prime bank Limited		10,973,932	29,383,160
<b>Net cash flows from Financing Activities</b>		<b>21,434,858</b>	<b>85,129,713</b>
<b>D. Net increase in Cash and Cash Equivalents (A+B+C)</b>		<b>73,399,400</b>	<b>(85,738,100)</b>
<b>E. Opening Cash and Cash Equivalents</b>		<b>6,464,811</b>	<b>92,202,910</b>
<b>F. Closing Cash and Cash Equivalents (D+E)</b>	10.00	<b>79,864,211</b>	<b>6,464,811</b>

The annexed notes from an integral part of these financial statements.

Sd/-	Sd/-	Sd/-
Chief Executive Officer (Current Charge)	Director	Director

Signed as per our annexed report of same date

Dated : Dhaka  
27 July 2016

SD/-  
**M J Abedin & Co.**  
Chartered Accountants

**IFIC Securities Limited**  
**Notes to the Financial Statements**  
**For the period from January 01 to June 30, 2016**

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**SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:**

**1.0 Status of the reporting entity**

**1.1 Corporate history:**

IFIC Securities Limited was incorporated in Bangladesh and registered with Joint Stock Companies and Firms vide its registration number C-87904/10 on November 02, 2010 as a public limited company with an Authorized Capital of BDT 3,000,000,000 divided into 300,000,000 ordinary shares of BDT10 each. The registered office of the company is located at BDBL Bhaban (10<sup>th</sup> Floor) 8 Rajuk Avenue, Dhaka-1000.

**1.2 Nature of business:**

The principal objectives of the company for which it was established are to carry on the business of stock brokers, dealers in relation to shares and securities dealing and other services as mentioned in the Memorandum and Articles of Association of the Company.

**2.0 Basis of preparation:**

**2.1 Statement of compliance:**

The financial statements of IFIC Securities Limited have been prepared in accordance with the Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), Companies Act 1994 and other applicable laws in Bangladesh.

**2.2 Measurement bases used in preparing the financial statements:**

The elements of financial statements have been measured on "Historical Cost" basis, which is one of the most commonly adopted base provided in "the framework for the preparation and presentation of financial statements" issued by the International Accounting Standard Committee (IASC).

**2.3 Use of estimates and judgments:**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

# **IFIC Securities Limited**

## **Notes to the Financial Statements**

**For the period from January 01 to June 30, 2016**

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### **2.4 Accounting convention and basis:**

These Financial Statements have been prepared under the Historical Cost Convention and Going Concern basis in accordance with applicable International Accounting Standards in Bangladesh which does not vary from the requirements of the Companies Act 1994, and other laws and rules applicable in Bangladesh.

### **2.5 Functional and presentational currency and level of precision:**

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

### **2.6 Reporting period:**

The financial period of the company covers six months from 1 January 2016 to 30 June 2016.

### **2.7 Components of the financial statements:**

According to the International Accounting Standard (IAS) 1 as adopted by ICAB as BAS-1 "Presentation of Financial Statements" the complete set of financial statements includes the following components:

- i) Statement of Financial Position
- ii) Statement of Profit or Loss and Other Comprehensive Income
- iii) Statement of Changes in Equity
- iv) Statement of Cash Flows
- v) Notes to the Financial Statements

### **3.0 Principal accounting policies:**

The accounting policies set out below have been applied in preparations of these financial statements

#### **3.1 Property, plant and equipment**

##### **3.1.1 Recognition and measurement:**

Items of Property, Plant and Equipment (PPE) are initially measured at cost. After initial recognition, an item of PPE is carried at cost less accumulated depreciation and impairment losses in compliance with the requirements of BAS-16: Property, Plant and Equipment.

##### **3.1.2 Disposal of fixed assets:**

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the Comprehensive Income, which is determined with reference to the net book value of the assets and net sales proceeds.

## IFIC Securities Limited

### Notes to the Financial Statements

For the period from January 01 to June 30, 2016

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#### 3.1.3 Depreciation on fixed assets:

Depreciation is recognized in the Comprehensive Income on a written down value basis over the estimated useful life of each property, plant and equipment in accordance with the provisions of BAS 16: Property, Plant and Equipment.

Rate of depreciation on Property, Plant and Equipment considering the useful life of assets are as follows:

Sl no	Particulars of assets	Rate
1	Furniture & Fixture	10.00%
2	Electric Goods	20.00%
3	Computer & Equipments	30.00%
4	Office Renovation	20.00%
5	Other Assets	40.00%

#### 3.2 Accounts receivables

Accounts Receivables are consider good and realizable. No provision or allowance to be made during the year.

#### 3.3 Advance, deposits and prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as PPE or inventory etc. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to profit and loss account.

#### 3.4 Cash and cash equivalents:

Cash and Cash equivalents include cash in hand and with banks on current and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

#### 3.5 Other current assets:

Other current assets have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the balance sheet.

#### 3.6 Other corporate debt, accounts payable, trade and other liabilities:

Liabilities are carried at the anticipated settlement amount in respect of goods and services received, whether or not billed by the supplier.

## **IFIC Securities Limited**

### **Notes to the Financial Statements**

**For the period from January 01 to June 30, 2016**

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#### **3.7 Income Tax & Deferred Tax :**

The company has to pay income tax on its total turnover as tax deducted at source and provision has been made accordingly as per Income Tax Ordinance 1984 under section 53BBB.

As per provision of BAS # 12 : Income tax and Deferred Tax liabilities shall be measured and shall be reflected the tax consequence of the entity at the balance sheet date.

The entity did not recognize and deferred tax during the period as there would have arisen Deferred tax income it deferred tax was recognized due to deductible temporary difference at the period end date.

#### **3.8 Provisions:**

Provision is recognized on the balance sheet date if, as a result of past events, the company has a presents legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### **3.9 Revenue recognition:**

Commissions are realized income whenever the commission amount transferred from clients account to Company's account and satisfying all the conditions for revenue recognition as provided in BAS-18 "Revenue".

#### **3.10 Cash flow statement:**

Statement of Cash Flows is prepared in accordance with BAS-7 "Cash Flow Statement". The cash flow from the operating activities has been presented under indirect Method and considering the provisions of Paragraph 19(2) of BAS-7 which provides that "Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method".

#### **3.11 Responsibility for preparation and presentation of financial statements:**

The Management is responsible for the preparation and presentation of Financial Statements under section 183 of the Companies Act, 1994 and as per the Provision of "The Framework for the preparation and presentation of Financial Statements" issued by the International Accounting Standard Board (IASB) as adopted by the Institute of The Chartered Accountants of Bangladesh (ICAB).

#### **3.12 Risk and uncertainties for the use of estimates in preparing financial statements:**

Preparation of Financial Statements in conformity with the Bangladesh Accounting Standards requires management to make estimates and assumption that effect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statement and revenues and expenses during the period reported. Actual result could differ from those estimates. Estimates are used for accounting of certain items such as depreciation and amortization, taxes, reserves and contingencies.

#### **3.13 Comparative amounts:**

Certain comparative amounts have been re-classified & rearranged to confirm with the current year's presentation.

**IFIC Securities Limited**  
**Notes to the Financial Statements**  
**For the period from January 01 to June 30, 2016**

	<b>Amount in Taka</b>	
	<b>30-Jun-16</b>	<b>31-Dec-15</b>
<b>4.00 Property, Plant &amp; Equipment</b>		
Furniture and Fixture	2,386,195	2,511,784
Electric Goods	903,803	1,004,226
Computer and Equipments	963,497	1,122,925
Office Renovation	885,212	983,569
Other Assets	34,149	42,686
	<b>5,172,856</b>	<b>5,665,189</b>
Details please refer to Annexure -A-1		
<b>5.00 Intangible Asset</b>	<b>345,045</b>	<b>405,935</b>
Details please refer to Annexure -A-2		
<b>6.00 Deferred Tax Assets</b>		
Carrying amount of fixed assets	-	6,071,123
Tax base value	-	6,308,505
<b>Taxable temporary difference</b>	-	<b>237,382</b>
<b>Tax rate</b>	-	35%
Closing deferred tax assets/(liabilities)	-	83,084
Opening deferred tax assets/(liabilities)	83,084	(49,961)
Deferred tax income/(expense)	<u>                    </u>	<u><b>133,045</b></u>
<b>7.00 Investments</b>		
Membership with DSE *	74,989,000	74,989,000
Investment in Shares	14,014,312	14,332,750
	<b>89,003,312</b>	<b>89,321,750</b>
<b>Investment in Shares are detail in Annexure - B</b>		
<p>* This represents our original Investment cost for DSE membership in exchange of which shares at a face value of BDT 10 each have been allotted in favour of the Company in October 2013 for DSE. As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange Ltd. (DSE) allotted total 72,15,106 ordinary Shares at face value of BDT 10 each against the membership of DSE. Out of the above DSE transferred 2,886,042 shares directly to the credit of the Beneficiary Owner's account of the Company. The rest shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act. 2013. As there is no active market for shares DSE, we have shown the value at original cost of our Investment.</p>		
<b>8.00 Margin Loan to Clients</b>	<b>3,906,202,585</b>	<b>3,694,754,440</b>

**IFIC Securities Limited**  
**Notes to the Financial Statements**  
For the period from January 01 to June 30, 2016

	Amount in Taka	
	30-Jun-16	31-Dec-15
<b>9.00 Advance Deposit and Prepayments</b>		
Advance Income Tax	144,457,096	133,978,956
Advance For Nikunjo	850,000	850,000
Pre-Paid LFA	124,900	-
Advance Bank Guarantee Commission	2,100,883	1,995,083
Pre-Paid Rent	-	67,857
	<b>147,532,879</b>	<b>136,891,896</b>

**10.00 Cash and Cash Equivalents**

Cash in Hand	44,441	30,095
<b>Cash at Bank</b>		
IFIC Bank Ltd. Motijheel Br. A/C-365185-001	79,770,152	5,757,653
IFIC Bank Ltd. Motijheel Br. A/C-354511-001	-	642,063
IFIC Bank Ltd. Motijheel Br. SND	49,617	34,999
Dhaka Bank Ltd. Foreign Ex. Br. A/C-2031.10.11050	1	1
<b>Sub-Total</b>	<b>79,819,770</b>	<b>6,434,716</b>
<b>Total</b>	<b>79,864,211</b>	<b>6,464,811</b>

**11.00 Share Capital**

<b>Authorized Capital</b>		
30,00,00,000 Ordinary Shares of Tk 10/- each	3,000,000,000	3,000,000,000

**11.01 Issued, Subscribed & Paid-up Capital**

80,000,000 Ordinary Share of Tk 10/- each	800,000,000	800,000,000
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**11.02 Shareholding Position**

Shareholder	No. of Shares		Face value	Amount in Taka	
	Y2016	Y2015		Y2015	Y2016
IFIC Bank Limited	79,999,400	79,999,400	10	799,994,000	799,994,000
Mr. M. Shah Alam Sarwa	100	100	10	1,000	1,000
Mr. S.M. Abdul Hamid	100	100	10	1,000	1,000
Mr. M.M Haikal Hashmi	100	100	10	1,000	1,000
Mr. Shah Md. Moinuddin	100	100	10	1,000	1,000
Mr. Fariduddin Al Mahm	100	100	10	1,000	1,000
Mr. Ashim Chowdhury	100	100	10	1,000	1,000
	<b>80,000,000</b>	<b>80,000,000</b>		<b>800,000,000</b>	<b>800,000,000</b>

**12.00 Retained Earnings**

Opening balance	202,773,124	192,731,674
Add: Profit during the year	(12,392,840)	10,041,450
	<b>190,380,284</b>	<b>202,773,124</b>

**IFIC Securities Limited**  
**Notes to the Financial Statements**  
**For the period from January 01 to June 30, 2016**

	<b>Amount in Taka</b>	
	<b>30-Jun-16</b>	<b>31-Dec-15</b>
<b>13.00 Provision for Income Tax</b>		
Opening Balance	135,183,258	118,927,354
Add: Provision for the year	14,688,286	16,255,904
	<b>149,871,544</b>	<b>135,183,258</b>
<b>14.00 Clients Payable</b>		
Payable to IFIC Bank Ltd	9,461,293	1,438,193
Others Client Payble	49,485,935	33,502,296
	<b>58,947,228</b>	<b>34,940,489</b>
<b>15.00 General Provision</b>		
Provision For Investment	6,884,350	6,884,350
Provision For Margin (Note-15.01)	131,041,805	88,746,619
	<b>137,926,155</b>	<b>95,630,969</b>
<b>15.01 Provision For Margin Loan</b>		
Opening balance	88,746,619	73,071,661
Add: Provision for the Period	42,295,186	15,674,958
	<b>131,041,805</b>	<b>88,746,619</b>
<b>16.00 Bank Loan</b>		
Loan from IFIC Bank Ltd, Motijheel Branch	1,263,766,052	1,295,383,173
Loan from Dhaka Bank Ltd, Foreign Ex. Branch	148,960,892	106,882,845
Loan from Prime Bank Ltd, SBC Tower Branch	196,732,049	185,758,117
	<b>1,609,458,993</b>	<b>1,588,024,135</b>
<b>17.00 Other Liabilities</b>		
Sundry Payable Note-17.01	198,165	139,501
Liabilities for Expenses Note-17.02	5,078,965	3,659,162
Unrealized Interest Incom Note-17.03	1,275,341,006	1,114,987,042
	<b>1,280,618,136</b>	<b>1,118,785,705</b>
<b>17.01 Sundry Payable</b>		
VAT Payables	69,903	78,768
Tax Payable	128,262	60,733
	<b>198,165</b>	<b>139,501</b>

**IFIC Securities Limited**  
**Notes to the Financial Statements**  
**For the period from January 01 to June 30, 2016**

	<b>Amount in Taka</b>	
	<b>30-Jun-16</b>	<b>31-Dec-15</b>
<b>17.02 Liabilities for Expenses</b>		
Mobile/ Telephone Allowance	2,875	2,875
Office Rent	3,550,685	1,768,651
Electricity	15,850	15,850
CDBL	660,893	491,570
Audit & Professional Fees	160,000	200,000
Printing & Stationery	19,500	19,500
Insurance	8,846	8,846
Incentive Bonus	660,316	1,151,870
	<b>5,078,965</b>	<b>3,659,162</b>
<b>17.03 Unrealized Interest Income</b>		
Opening balance	<b>1,114,987,042</b>	813,254,797
Add: During the year	160,353,964	366,722,787
Less :Dividend Income	-	(8,600,614)
Less :Interest Realized	-	(56,389,927)
	<b>1,275,341,006</b>	<b>1,114,987,042</b>

**IFIC Securities Limited**  
**Notes to the Financial Statements**  
**For the period from January 01 to June 30, 2016**

	<b>Amount in Taka</b>	
	<b>30-Jun-16</b>	<b>31-Dec-15</b>
<b>18.00 Operating Income</b>		
Brokerage Commission	22,981,490	53,819,485
Interest on Margin Loan	121,951,509	221,311,218
	<b>144,932,999</b>	<b>275,130,703</b>
<b>19.00 Non-Operating Income:</b>		
Documentations Charge	4,500	25,500
Account Opening Fee	12,500	129,400
Interest on SND	16,242	35,727
Miscellaneous	22,331	2,215,805
IPO Income	9,025	14,804
Dividend Income	7,262,296	206,625
Capital Gain (Realized)	16,362	(1,048)
	<b>7,343,256</b>	<b>2,626,813</b>
<b>20.00 Operating Expenses</b>		
Laga	1,500,901	3,471,846
CDBL	1,350,000	3,990,000
	<b>2,850,901</b>	<b>7,461,846</b>
<b>21.00 Office &amp; Administrative Expenses</b>		
Salary and Allowances      Note-21.01	7,426,514	16,330,982
Director's Remuneration	109,250	86,250
Entertainment	150,360	256,777
Conveyance	23,180	44,185
Printing Stationery	73,105	156,587
DSE	36,131	60,905
Office Rent	4,258,354	8,127,429
Electricity	39,634	78,948
Regulatory	78,680	132,153
Repair and Maintenance	45,610	119,820
Audit Fee	60,000	262,500
Legal and Professional Fee	45,250	237,188
WASA	18,000	36,000
Newspaper	7,476	15,508
Cleaner's	15,800	24,610
Water	26,390	47,915
Software Maintenance	109,725	219,450
Connectivity	264,100	576,800
Depreciation	502,934	1,285,746
Amortization	60,890	173,972
Cookeries	2,400	3,510
Security Guard	101,430	202,860
Gas & Fuel	500	4,975
Postage & Courier	1,876	1,141
Beautification Exp.	7,500	18,000
Washing Expenses	4,570	9,040
	<b>13,469,658</b>	<b>28,513,251</b>

**IFIC Securities Limited**  
**Notes to the Financial Statements**  
**For the period from January 01 to June 30, 2016**

	<b>Amount in Taka</b>	
	<b>30-Jun-16</b>	<b>31-Dec-15</b>
<b>21.01 Salary and Allowances</b>		
Salary & Benefit	5,771,022	12,517,058
Car Maintenance	169,448	383,340
Fuel Allowance	218,120	451,440
Utility	147,000	319,000
Office Attendant Allow	9,670	9,630
Insurance Vehicle	12,945	36,824
Bonus	586,009	1,239,390
Leave Fare Assistance	369,500	1,030,800
Casual Worker Wages	54,600	123,000
Diploma Honarium	-	30,000
Telephone and Mobile Bill	88,200	190,500
	<b>7,426,514</b>	<b>16,330,982</b>
<b>22.00 Financial Expenses</b>		
Bank Charges	65,074	177,260
Bank Guarantee Charge	1,294,200	2,588,400
Interest on Bank Loan	90,005,790	193,013,142
	<b>91,365,064</b>	<b>195,778,802</b>
<b>23.00 Provisions</b>		
Provision for Investment	-	4,164,349
Provision for Margin Loan to Clients	42,295,186	15,674,958
	<b>42,295,186</b>	<b>19,839,307</b>
<b>24.00 Contingent Liabilities</b>		
Bank Guarantee for DSE Member Margin	100,000,000	100,000,000
Total	<b>100,000,000</b>	<b>100,000,000</b>

**IFIC Securities Limited**  
**Schedule of Fixed Assets**

Annexure-A -1  
Amount in Taka

Particulars	Cost				Rates	Depreciation			Written Down Value
	Opening	Addition	Disposal	Closing Balances		Opening Balances	For the Year	Closing Balances	
Furniture and Fixture	4,245,462	-	-	4,245,462	10%	1,733,678	125,589	1,859,267	2,386,195
Electric Goods	3,037,561	-	-	3,037,561	20%	2,033,336	100,423	2,133,758	903,803
Computer and Equipments	4,191,786	10,600	-	4,202,386	30%	3,068,861	170,029	3,238,890	963,497
Office Renovation	2,108,129	-	-	2,108,129	20%	1,124,560	98,357	1,222,917	885,212
Other Assets	336,183	-	-	336,183	40%	293,498	8,537	302,035	34,149
<b>Total</b>	<b>13,919,122</b>	<b>10,600</b>	<b>-</b>	<b>13,929,722</b>		<b>8,253,933</b>	<b>502,934</b>	<b>8,756,868</b>	<b>5,172,856</b>

Schedule of Intangible Assets

Annexure-A -2  
Amount in Taka

Particulars	Cost				Rates	Depreciation			Written Down Value
	Opening	Addition	Disposal	Closing Balances		Opening Balances	For the Year	Closing Balances	
Windows License	108,090	-	-	108,090	30%	69,345	5,812	75,156	32,934
Sign up DSE	87,000	-	-	87,000	30%	65,173	3,274	68,447	18,553
Software Development	698,600	-	-	698,600	30%	364,526	50,111	414,637	283,963
Scan Entry Virus	45,000	-	-	45,000	30%	33,710	1,693	35,404	9,596
<b>Total</b>	<b>938,690</b>	<b>-</b>	<b>-</b>	<b>938,690</b>		<b>532,755</b>	<b>60,890</b>	<b>593,645</b>	<b>345,045</b>

**IFIC Securities Limited**  
Statement of Investment in Shares

Annexure-B  
Amount in Taka

SL. No.	Name of the company	Opening Balances			Bonus	Buy during the Year			Sale during The Year			Closing Balance			Market Units Cost on 31.03.2016	Market Value	Provision
		No. of Shares	Unit Cost	Total Cost		No. of Shares	Unit Cost	Total Cost	No. of Shares	Unit Cost	Total Cost	No. of Shares	Unit Cost	Total Cost			
1	Titas Gas	93,750	79.05	7,410,660	-	-	-	-	-	-	-	93,750	79.05	7,410,660	43.80	4,106,250	3,304,410
2	Power grid	15,400	58.97	908,140	-	-	-	-	5,400	58.97	318,438	10,000	58.97	589,702	55.20	552,000	37,702
3	Northern Ins	81,312	45.59	3,706,950	9,757	-	-	-	-	-	-	91,069	40.70	3,706,950	16.10	1,466,211	2,240,739
4	Eastland Ins	47,190	48.89	2,307,000	4,719	-	-	-	-	-	-	51,909	44.44	2,307,000	21.00	1,090,089	1,216,911
<b>Total</b>				<b>14,332,750</b>										<b>14,014,312</b>		<b>7,214,550</b>	<b>6,799,762</b>

IFIC securities Ltd  
Required provision for negative equity

Asset Value	Margin Loan	Negative Equity	Suspense amount	Base for provision	provision Rate	Required provision	Held By Bank	Shortfall
1,715,980,522	3,646,530,552	1,930,550,030	1,275,341,006.16	655,209,024	20%	131,041,805	88,746,619	42,295,186

**IFIC Securities Limited**  
**Related Party Disclosures**  
**For the period from January 01 to June 30 2016**

Name of the Company	Total Transactions during the year		Relationship with the Company	Nature of Transaction	Balance as on 30.06.2016	Balance as on 31.12.2015
	(TK)					
	Debit	Credit				
IFIC Bank Limited	45,200,000	45,478,782	Holding Company	Trading Account, Code#1111	669,680.19	390,898.17
	-	346,800		Provident Fund	-	-
	1,401,641,898	106,258,725		Loan from Motijheel Branch	-	1,295,383,172
	828,109,230	754,096,730		Current Account Motijheel Branch 365185	79,770,153	5,757,653
	48,450,365	1,312,858,480		Current Account Motijheel Branch 354511	(1,263,766,052)	642,062.91
	-	-		Rent Paid	-	-

**Report of the Independent Auditors to the Members of  
IFIC MONEY TRANSFER (UK) LIMITED**

We have audited the financial statements of IFIC MONEY TRANSFER (UK) LIMITED for the period ended 30 June 2016 on pages four to eight. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in note nine to the financial statements.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Sd/-

**Tofail Ahmed (Senior Statutory Auditor)**

for and on behalf of Ahmed & Co

Ferrari House ( 2nd Floor ) 102 College Road

Harrow

Middlesex

HA1 1ES

Date: 22 July 2016

**IFIC Money Transfer (UK) Limited**  
Profit & Loss Account  
For the half year ended 30 June 2015

	Note	Figs in UK Pound Sterling			
		H1 Y2016	H1 Y2015	Q2 Y2016	Q2 Y2015
Turnover	11	143,970	196,396	88,440	93,919
Administrative expenses	12	96,122	96,557	54,168	50,383
<b>Operating profit</b>		<b>47,848</b>	<b>99,839</b>	<b>34,272</b>	<b>43,536</b>
Interest payable and similar charges	13	51,261	61,750	22,215	32,315
<b>Profit before taxation</b>		<b>(3,413)</b>	<b>38,089</b>	<b>12,057</b>	<b>11,221</b>
Tax on loss on ordinary activities	3	-	-	-	-
<b>Profit/(loss) after taxation</b>		<b>(3,413)</b>	<b>38,089</b>	<b>12,057</b>	<b>11,221</b>

The notes form part of these financial statements

**IFIC Money Transfer (UK) Limited**  
 Balance Sheet  
 as at 30 June 2016

Figs in UK Pound Sterling

	Note	30-Jun-16	31-Dec-15
Tangible fixed assets	4	64,103	72,605
Debtors	5	5,750	5,750
Cash at Bank and in hand		323,576	249,885
<b>Current Assets</b>		<b>329,326</b>	<b>255,635</b>
Creditors	6	210,242	141,640
<b>Net Current Assets</b>		<b>119,084</b>	<b>113,995</b>
<b>Total Assets less current liabilities</b>		<b>183,187</b>	<b>186,600</b>
<b>Capital and Reserves</b>			
Called up share capital	7	300,000	300,000
Profit and loss account	8	(116,813)	(113,400)
<b>Shareholders' Funds</b>		<b>183,187</b>	<b>186,600</b>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 22 July 2016 and were signed on its behalf by:

Sd/-  
 .....  
 Jalal Ahmed - Chairman

The notes form part of these financial statements

## IFIC MONEEY TRANSFER (UK) LIMITED

### Notes to the Financial Statements

As at and for the period ended 30 June 2016

#### 1. Accounting policy

##### Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

##### Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

##### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Category	Rate	Base
Short leasehold	10%	on cost
Plant and machinery	15%	on cost
Computer equipment	33%	on cost

#### 2. Operating (loss)/profit

The operating loss (2015 - operating profit) is stated after charging:

	30-Jun-16	31-Dec-15
Depreciation - owned assets	8,502	16,939
Auditors' remuneration	1,200	3,600
Directors' remuneration and other benefits etc	-	-

#### 3. Taxation

No liability to UK Corporation Tax arose on ordinary activities for the year period ended 30 June 2016 or for the corresponding period of year ended 31 December 2015

#### 4. Tangible Fixed Assets

	Figs in UK Pound Sterling			
	Short leasehold	Plant and machinery	Computer equipment	Totals
<b>Cost</b>				
At 1 January 2016				
and 30 June 2016	75,006	59,518	4,051	138,575
<b>Depreciation</b>				
At 1 January 2016	28,750	33,711	3,509	65,970
Charge for period	3,750	4,480	272	8,502
At 30 June 2016	32,500	38,191	3,781	74,472
<b>Net book value</b>				
At 30 June 2016	42,506	21,327	270	64,103
At 31 December 2015	46,256	25,807	542	72,605

Figs in UK Pound Sterling

	30-Jun-16	31-Dec-15
<b>5. Debtors</b>		
Other debtors	5,750	5,750
<b>6. Creditors</b>		
Trade creditors	202,932	133,428
Taxation and social security	3,110	2,812
Other creditors	4,200	5,400
	<b>210,242</b>	<b>141,640</b>
<b>7. Called up Share Capital</b>		
Allotted, issued and fully paid:		
<u>Number</u> <u>Class</u> <u>Face Value</u>		
300,000    Ordinary    £1	300,000	300,000
<b>8. Reserves</b>		
Balance as at 1 January	(113,400)	(163,569)
Profit during the period/year	(3,413)	50,169
	<b>(116,813)</b>	<b>(113,400)</b>
<b>9. APB Ethical Standard - Provisions available for Small Entities</b>		
In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements		
<b>10. Ultimate Controlling Party</b>		
The company is fully owned and controlled by IFIC Bank Limited, a company incorporated in Bangladesh.		
	<b>H1 Y2016</b>	<b>H1 Y2015</b>
<b>11. Turnover</b>		
Commission	143,970	196,396

## 12. Administrative expenses

<b>Establishment costs</b>	<b>H1 Y2016</b>	<b>H1 Y2015</b>
Rent	20,500	17,900
Rates and water	7,993	7,294
Insurance	102	-
Light and heat	876	880
	<b>29,471</b>	<b>26,074</b>
<b>Overhead costs</b>		
Wages	40,067	36,786
Social security	2,180	2,218
Telephone	743	568
Printing, postage & stationery	430	4,240
Travelling	12	755
Subscription	-	194
IT costs	2,569	2,700
Repair and renewals	1,184	2,106
Cleaning	210	286
Sundry expenses	325	1,279
Accountancy	2,400	2,400
Legal fees	-	-
Compliance costs	600	2,280
Other professional fees	1,320	500
Auditors' remuneration	1,200	1,200
	<b>53,240</b>	<b>57,512</b>
<b>Selling and marketing costs</b>		
Advertising	2,298	4,580
Promotion and exhibitions	2,611	-
	<b>4,909</b>	<b>4,580</b>
<b>Depreciation</b>		
Short leasehold	3,750	3,750
Plant and machinery	4,480	4,464
Computer equipment	272	177
	<b>8,502</b>	<b>8,391</b>
	<b>96,122</b>	<b>96,557</b>
<b>13. Interest payable and similar charges</b>		
Bank charges	50,736	61,750
Credit card	525	-
	<b>51,261</b>	<b>61,750</b>

## Credit Rating Report (Surveillance)

### International Finance Investment & Commerce Bank Limited

#### Ratings

Long Term	: AA <sub>2</sub>
Short Term	: ST-2
Outlook	: Stable

**Date of Rating:** 23 June 2016

**Validity** : 30 June 2017

#### Last Ratings

Date of Ratings	Long Term	Short Term	Outlook
09 July 2015	AA <sub>2</sub>	ST-2	Positive

**Rating Based on:** Audited financial statements up to 31 December 2015, and other relevant quantitative as well as qualitative information up to the date of rating declaration.

**Methodology:** CRAB's Bank Rating Methodology ([www.crab.com.bd](http://www.crab.com.bd))

#### Analysts:

**Mohammed Nazrul Islam Bhuiyan**

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**Shahtaj Noor**

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#### Key Performance Indicator of the Bank

##### Year Ended December 31

Mil. BDT	2015	2014
Loans	123,268.7	102,282.1
Deposit	146,819.7	129,745.8
Gross NPL	7,962.1	5,061.1

#### Figures in %

NIM	3.1	3.2
ROAA (after tax)	0.5	1.1
RWCAR	10.07	10.14
Gross NPL Ratio	6.5	4.9
Cost to Income Ratio	54.6	58.2

#### ■ PROFILE

International Finance Investment & Commerce Bank Limited (hereinafter referred to as 'IFIC' or 'the Bank') was established in 1976 at the instance of the govt. as a joint venture finance company named "International Finance and Investment Company Limited". In 1983 this finance company was converted into a commercial bank under the name "International Finance Investment and Commerce Bank Limited".

The Bank went into IPO in 1986. The paid up capital of the Bank reached BDT 5,034.1 million against authorized capital of BDT 20,000.0 million at the end of December 2015. Bangladesh Government holds 32.75% of the Bank. The Bank offers all kinds of banking and investment services for retail and corporate customers through its network of 129 branches. The Bank has two subsidiaries

named IFIC Securities Limited and IFIC Money Transfer (UK) Limited.

#### ■ RATIONALE

Credit Rating Agency of Bangladesh Limited (CRAB) has affirmed **AA<sub>2</sub>** (Pronounced Double A two) rating in the long term and **ST-2** rating in the short term to the IFIC Bank Limited based on audited financials up to 31<sup>st</sup> December 2015 and other relevant information.

The rating reflects the Bank's strength in earning generation, large branch network, and substantial shareholding of the government (32.75%) shares as well as large asset portfolio. On the other hand, principal concerns of the Bank are increased high fresh NPL and marginal risk weighted capital adequacy.

Net interest income remained the dominating revenue sources having 46.6% of total operating income in 2015 followed by investment income (29.6% of total); commission/fees Income (17.6% of total) and other operating income (6.2% of total). Net interest income of the Bank increased by 10.5% and stood at BDT 3,746.2 million in 2015. On the other hand, investment income slightly reduced (by 0.1%) in 2015 and reached BDT 2,375.2 million. Commission, exchange & brokerage income of the Bank grew by 6.5% in 2015 and reached BDT 1,414.2 million. As an overall effect, total operating income increased by 5.8% in 2015 and reached BDT 8,037.0 million.

Net interest margin of the Bank remained stable in 2015. Both ROAA and ROAE decreased to 0.5% and 7.7% respectively in 2015. Net profit margin also decreased by 9.3 percent points in 2015 due to substantial increase of provision expense. Return on average risk weighted assets was 0.8% in 2015. Cost to income ratio of the Bank decreased by 3.6% but still higher than the PCB industry average.

The Bank's asset quality deteriorated during the last couple of years. Gross NPL (in absolute amount) increased by 57.3% in 2015 and reached BDT 7,962.1 million resulted from increased fresh NPL. The impact of high growth in fresh NPL (7.3% of total loans) was partly offset by rescheduling of loans as well as from substantial growth of loans & advances. The Bank had written off loan amounting BDT 1,224.0 million in 2015. As an overall effect, gross NPL ratio of the Bank was 6.5% at the end of 2015. In 2015, net NPL of the Bank was 19.5% of Tier I capital (2014: 4.3%).

The Bank was marginally capitalized in respect of risk weighted capital adequacy ratio with 10.07% (tier I ratio of 8.96%). Core capital to total exposure (on and off balance sheet) of the Bank was 4.65% at the end of 2015 (2014: 4.75%). Risk weighted asset of the Bank grew by 5.1% in 2015 and reached BDT 117,314.4 million mainly resulted from growth of credit risk due to the 20.5% growth of loans & advances. At the end of Mar'16, RWCAR stood at 10.02% which may increase further as the Bank has issued tier-II bond amounting BDT 3,500.0 million. Moreover, the Bank is going to raise paid up capital through issuance of Rights Share subject to approval of Regulatory Authorities which will increase the capital as well as RWCAR in near future.

The asset liability maturity of the Bank shows that the Bank possessed positive net liquidity gap for all maturity buckets except 1–5 years bucket. The Bank's liquid asset to deposit & borrowings was 26.7% in 2015 (2014: 30.4%).

Total off balance sheet portfolio was 26.8% of total asset of the Bank in 2015. In 2015, off balance sheet portfolio was dominated by letter of credit (8.3% of total) followed by acceptances and endorsements (8.0% of total), letter of guarantee (5.4% of total) and bills for collection (5.1% of total). Total off balance sheet exposures of the Bank was 4.0 times of its total capital by the end of December 2015 (2014: 4.2 times).

## ■ **MACROECONOMIC SCENARIO<sup>1</sup>**

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Bangladesh economy experienced severe disruption in production, transport and service delivery during the third quarter of FY15 due to prolonged political turmoil. However, the fourth quarter was remarkably stable as were the first two. GDP growth of Bangladesh increased to 6.5 percent in FY15, from 6.1 percent in FY14. GDP growth in last six years was on average 6.2 percent. This was better than average growth in Pakistan (3.9), Indonesia (5.6) and Vietnam (5.9) but well behind average growth in India (7.3) and Sri Lanka (7.1).

GDP growth was driven by rise in industrial growth from 8.2 percent in FY14 to 9.6 percent in FY15. Although export growth (in US\$) declined to 3.4 percent, remittance growth recovered to 7.7 percent. Industrial growth was mainly driven by manufacturing which achieved a significantly higher growth of 10.3 percent in FY15 despite the severe disruption of the supply chain during the political turmoil. On the expenditure side, the private investment rate (as percent of GDP) has stagnated since FY12.

Overall consumer inflation decreased to 6.4 percent in FY15 from 7.3 percent the previous year, driven by decrease in food inflation. Non-food inflation increased due to supply disruptions caused by the political unrest in the first quarter of 2015. The gap between rural and urban food inflation narrowed. Prudent aggregate demand management helped limit inflation volatility while declining international commodity prices contributed to reducing inflation.

According to the Export Promotion Bureau (EPB), export earnings (f.o.b.) increased by 3.3 percent to USD 30.77 billion in FY15 compared to USD 29.77 billion in FY14. Apparels (woven garments and knitwear products) continued to occupy an overwhelming share of the export basket in FY15 followed by jute goods and frozen fish. Overall export of woven garments (5.0 percent), knitwear products (3.1 percent), jute goods (8.4 percent) increased in FY15 compared to FY14; while export of raw jute (-11.7 percent), leather (-21.4 percent), and frozen shrimp and fish (-7.7 percent) decreased. Import payments (according to customs data) increased by 11.3 percent to USD 45.19 billion in FY15 from USD 40.62 billion in FY14.

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<sup>1</sup> Source: Bangladesh Bank Publications, Quarterly Economic Update by ADB, Bangladesh Economic Update by World Bank– Oct'15

Disbursement of industrial term loans during FY15 increased by 29.23 percent to BDT 597.84 billion (FY14: BDT 423.11 billion). Large scale industries received major portion of disbursement (76.65% of Total). However disbursement of small scale and cottage industries experienced 20.46 percent growth and reached BDT 46.25 billion. On the Other hand, recovery of industrial term loans recorded 12.06 percent growth.

## ■ **MONETARY & FINANCIAL DEVELOPMENT<sup>1</sup>**

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Bangladesh Bank succeeded in keeping the FY15 broad money (M2) and reserve money growth in line with the target rates. Broad money growth slowed to 12.4 while reserve money growth slowed to 14.3 percent over its stock at end-June 2014. Policy rates were not changed during 2015 despite pressures from stakeholders. However, recently Bangladesh Bank has lowered both repo and reverse repo rates by 50 basis points to reach 6.75 percent and 4.75 percent respectively. In light of persisting significant liquidity in the banking system that led to T-bills were in high demand, which resulted in declining interest rates on instruments of all maturities as well as bank deposits and advance.

Advance-deposit ratio (ADR) in the banking sector remained far below the approved ceiling as well as its average value for the last eight years. AD ratio was 71.0% at the end of December 2015. Monthly weighted average call money rate dropped to 3.69 percent in December 2015 from 8.57 percent in January 2015 reflected ample liquidity in the banking system. The exchange rate remained stable between BDT 77 and BDT 78 per US dollar in recent months. The difference between the unofficial market rate and the inter-bank rate has remained very small, indicating a very stable foreign exchange market. The Bangladesh Bank (BB) remained active on the buying side of the foreign exchange market to prevent any significant nominal exchange rate appreciation. BB interventions perpetuated foreign exchange reserve build up, exceeding \$27.49 billion by end-December 2015, which is equivalent to over six months of imports.

Total deposit liabilities of the scheduled banks increased by 12.56% during 2015 and reached BDT 7939.82 billion at the end of December 2015. More than 70% of the total deposit shared by private sector banks (PCB) followed by state owned banks (SCB) and foreign banks (FCB). Total credits of the scheduled banks experienced a moderate growth of 12.66% at the end of December 2015. Economic purposes classifications of private sector credit show that major portion of bank advances belonged to trade financing at the end of 2015 followed by advances to industry sector and working capital financing.

The interest rate spread of the banking system dropped to 4.81% in December 2015 from 5.06% in January 2015. The weighted average lending rate dropped to 11.18% at the end of December 2015 from 12.32% at the end of January 2015. The weighted average deposit rate also declined to 6.34%, from 7.26% in the same period.

Gross non-performing loan (NPL) ratio remained almost stable to 8.79 percent at the end of December 2015 (Dec 2014: 9.69). Gross NPL of the banking sector remained high mainly because of asset quality deterioration of Specialized Banks (SB) as well as State Owned Commercial Banks (SCB). Gross NPL ratio of SCBs reduced marginally to 21.46% at the end of December 2015 from 22.23 % in December 2014. Gross NPL ratio of private commercial banks (PCBs) also witnessed a marginal reduction to 4.86% at the end of December 2015 (Dec 2014: 4.98%). Foreign commercial banks' (FCB) asset quality deteriorated marginally as gross NPL ratio increased to 7.77% at the end of December 2015 (Dec 2014: 7.3%). However, net NPL ratio of the Banking Industry was 2.26% at the end of December 2015.

The risk weighted capital adequacy ratio (RWCAR) for all banks decreased to 10.84 percent at the end of December 2015 from 11.35 percent at the end of December 2014 due partly to increase in NPLs. However at the end of December 2015, RWCAR of PCBs was 12.38%, FCBs was 25.6% and SCBs was 6.35%.

Provision maintenance ratio at the end of December 2015 for PCBs was 100.48%, FCBs was 102.48% and SCBs was 67.45%. Sluggish profitability in the banking sector also continued in 2015 due to lower income from investment as well as increase in non-performing loans. At the end of 2015, return on assets (ROA) of the FCBs was 3.05% (2014: 3.38%) and PCBs was 0.89% (2014: 0.99%).

Corporate lending culture is mostly collateral-driven in Bangladesh. Hence, declining property prices are not helping. Non-performing loan situation is unlikely to improve much if general business conditions do not improve particularly in sectors like commodity trading, ship breaking and building etc.

## ■ INDUSTRY OUTLOOK

The near term political outlook is stable as is the outlook for international commodity prices. Growth in FY16 is projected to be sustained at 6.5 percent, driven by stronger consumption and export growth. Prolonged slower growth in advanced and emerging markets may have an adverse impact on garment exports, thus widening the trade deficit. However, the relatively low-income elasticity of demand for garment exports and Bangladesh's significant cost competitiveness would act as mitigating factors. Bangladesh is not at significant risk from contagion related to recent turmoil in international financial markets or slower growth in China.

The monetary stance in the second half of FY16 will focus on stabilizing inflation at moderate level. Inflation is expected to land in 6.07 percent in June 2016 from 6.20 percent in December 2015. Private sector credit is projected to grow at 14.8 percent in June 2016 from 13.8 percent in December 2015. Public sector credit is expected to grow at 18.7 percent from a negative number of 1.7 percent in December 2015.

## ■ CORPORATE PROFILE

International Finance Investment & Commerce Bank Limited was established in 1976 at the instance of the govt. as a joint venture finance company named "International Finance and Investment Company Limited". In 1983 this finance company was converted into a commercial bank under the Companies Act 1913 (now 1994) under the name "International Finance Investment and Commerce Bank Limited".

The Bank went into IPO in 1986. The paid up capital of the Bank reached BDT 5,034.1 million against authorized capital of BDT 20,000.0 million at the end of December 2015. The Government of the People's Republic of Bangladesh holds 32.75% of the Bank. Directors and Sponsors hold 8.48% share and the remaining 58.77% share held by the institutions and general public. The Bank offers all kinds of banking and investment services for retail and corporate customers through its network of 129 branches. The Bank has an Off-shore Banking Unit (OBU) located at Dhaka and also two subsidiaries namely IFIC Securities Limited and IFIC Money Transfer (UK) Limited. Moreover, the Bank has investment in two joint venture/associate companies in abroad namely Nepal Bangladesh Bank Limited, Nepal and Oman International Exchange LLC, Oman. The Bank has also investment in another company in abroad namely BIB Bank Limited, Pakistan.

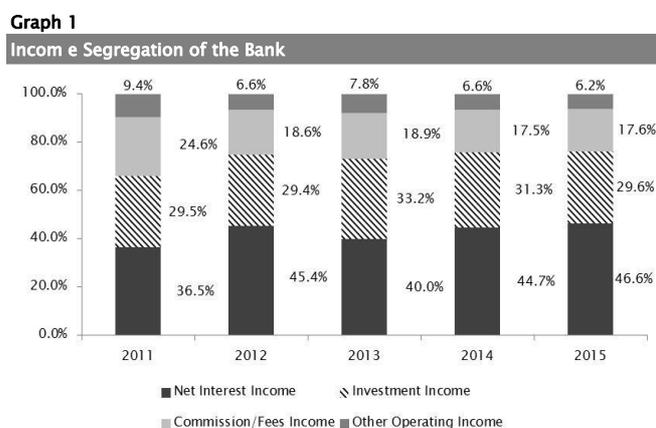
## 4.0 OPERATIONAL PERFORMANCE

*(All the comparisons are based on data of 2014 unless specifically mentioned.)*

### 4.1 Earnings & Volatility

Revenue mix of the Bank was dominated by net interest income (on an average 42.6% for the last five years) followed by investment income (on an average 30.6% for the last five years). Contribution of net interest income showed increasing trend since 2013 resulted from increased loan portfolio whereas contribution of investment income decreased gradually.

In 2015, total operating income of the Bank was dominated by net interest income (46.6% of total) followed by investment income (29.6% of total); commission/fees income (17.6% of total) and other operating income (6.2% of total).



Loan portfolio increased by 20.5% but interest income of the Bank grew only by 6.7% in 2015 resulted from reduced interest on loans as well as increased NPL. On the other hand, the Bank's interest expense increased by 5.2% mainly resulted from the increase of deposit (13.2%). Therefore, net interest income of the Bank increased by 10.5% in 2015 and stood at BDT 3,746.2 million.

**Table 1**

Key Performance Indicator of the Bank						
(Mil. BDT)	Year Ended December 31					
	2015		2014		2013	
	Amount	Growth (%)	Amount	Growth (%)	Amount	Growth (%)
Interest Income	12,653.0	6.7	11,858.4	6.7	11,111.3	6.4
Interest Expense	8,906.8	5.2	8,466.6	(0.4)	8,499.3	11.3
Net Interest Income	3,746.2	10.5	3,391.7	29.9	2,612.0	(6.9)
Investment Income	2,375.2	(0.1)	2,377.5	9.6	2,168.4	19.5
Commission, Exchange & Brokerage	1,414.2	6.5	1,328.0	7.5	1,235.5	7.4
Other Operating Income	501.4	0.6	498.3	(1.9)	507.9	24.4
<b>Total Operating Income</b>	<b>8,037.0</b>	<b>5.8</b>	<b>7,595.5</b>	<b>16.4</b>	<b>6,523.8</b>	<b>5.6</b>
Total Operating Expense	4,391.3	(0.7)	4,422.7	23.7	3,575.9	16.6
<b>Pre Provision Profit</b>	<b>3,645.7</b>	<b>14.9</b>	<b>3,172.8</b>	<b>7.6</b>	<b>2,947.9</b>	<b>(5.2)</b>
Provision	2,030.7	309.7	495.7	106.4	240.2	(86.0)
<b>Profit Before Taxes</b>	<b>1,615.0</b>	<b>(39.7)</b>	<b>2,677.1</b>	<b>(1.1)</b>	<b>2,707.7</b>	<b>94.8</b>
Provision for tax	728.0	(35.7)	1,132.4	(16.9)	1,362.2	378.1
<b>Profit After Tax</b>	<b>887.0</b>	<b>(42.6)</b>	<b>1,544.7</b>	<b>14.8</b>	<b>1,345.5</b>	<b>21.7</b>

Investment income of the Bank slightly reduced (by 0.1%) in 2015 and reached BDT 2,375.2 million. Commission, exchange & brokerage income of the Bank grew by 6.5% in 2015 and reached BDT 1,414.2 million. Major drivers of commission, exchange & brokerage income were remittances, LC, letter of guarantee etc. Other operating income of the Bank increased to BDT 501.4 million in 2015 from BDT 498.3 million in 2014 contributed mainly by loan processing fees and service charges on accounts. As an overall effect, total operating income increased by 5.8% in 2015 and reached BDT 8,037.0 million.

**Table 2**

Efficiency Ratios of the Bank					
Particulars	Year Ended December 31				
	2015	2014	2013	2012	2011
Cost to Income Ratio <sup>2</sup> (%)	54.6	58.2	54.8	49.7	51.4
Staff Cost to Income Ratio (%)	27.6	32.4	29.1	28.8	28.4

Total operating expense of the Bank decreased by 0.7% in 2015 and reached BDT 4,391.3 million. Around 50.6% of operating expenses comprised of personnel expenses and the rest are overhead expenses. The Bank's personnel expenses decreased by 9.8%, whereas other operating expenses increased by 10.7%. Therefore, cost to income ratio of the Bank decreased by 3.6 percentage points to 54.6% in 2015 which is still higher than the PCB industry average. Staff cost to income ratio of the Bank also decreased by 4.8 percentage points in 2015.

Profit before provision of the Bank increased by 14.9% in 2015 and stood at BDT 3,645.7 million. The Bank's provision expense increased substantially by 309.7% in 2015 resulted from increased specific provision due to deterioration of asset quality. Tax expense was BDT 728.0 million in 2015. Profit after tax decreased by 42.6% in 2015 and reached BDT 887.0 million.

<sup>2</sup> Excluding interest expense

## 4.2 Profitability

Table 3

Profitability Ratios of the Bank					
Particulars	Year Ended December 31				
	2015	2014	2013	2012	2011
Net Interest Margin	3.1	3.2	2.9	3.7	3.4
Return on Average Asset (after tax)	0.5	1.1	1.1	1.1	0.9
Return on Average Equity (after tax)	8.0	15.7	16.0	15.4	12.1
Return on Risk Weighted Asset	0.8	1.5	1.6	1.4	1.0
Asset Utilization	4.8	5.3	5.3	6.0	6.9
Net Profit Margin	11.0	20.3	20.6	17.9	13.4
Leverage Ratio (times)	15.0	14.6	14.6	14.4	13.0

Net interest margin of the Bank remained stable in 2015. Both ROAA and ROAE decreased to 0.5% and 7.7% respectively in 2015. Due to substantial increase of provision expense, net profit margin decreased by 9.3 percentage points. Profitability of the Bank is low in respect of risk return perspective having a return of 0.8% on risk weighted assets in 2015. In 2015, average asset of the Bank was 15.0 times of average equity.

## 4.3 Asset Evaluation

Table 4

Asset Composition of the Bank						
(Mil. BDT)	Year Ended December 31					
	2015			2014		
	Amount	%	Growth (%)	Amount	%	Growth (%)
Money at Call	-	-	(100.0)	1,450.0	0.9	-
Cash in hand and with BB	11,861.4	6.7	14.1	10,398.8	6.7	7.4
Balance with other Bank & FI's	5,710.5	3.2	(52.6)	12,042.8	7.7	20.1
Investment	28,497.9	16.0	24.7	22,845.3	14.6	7.9
Loans and advances	123,268.7	69.1	20.5	102,282.1	65.4	21.6
Fixed Assets	3,230.4	1.8	10.3	2,929.3	1.9	22.9
Other Assets	5,391.7	3.0	34.2	4,016.8	2.6	(6.8)
Non-Banking Assets	373.5	0.2	-	373.5	0.2	-
<b>Total</b>	<b>178,334.0</b>	<b>100.0</b>	<b>14.1</b>	<b>156,338.6</b>	<b>100.0</b>	<b>18.4</b>

In 2015, the Bank's total asset grew by 14.1% and reached BDT 178,334.0 million. In 2015, the Bank's asset composition was strongly dominated by loans & advances (69.1% of total assets) followed by investment (16.0% of total assets), cash in hand & with Bangladesh Bank (6.7% of total assets), balance with other banks and FIs (3.2% of total assets). On an average, loans and advances dominated the asset structure by 67.2% of total for the last five years. Other assets of the Bank were BDT 5,391.7 million at the end of 2015 major portion of which includes advance, deposit & prepayment; accrued interest on investment & other income, deferred tax assets, investment in subsidiaries etc. The Bank's Risk weighted asset to total asset was 65.8% in 2015 (2014: 71.4%).

## 4.4 Investment

Table 5

Investment Portfolio of Bank				
(Mil. BDT)	Year Ended December 31			
	2015		2014	
	Amount	% of Total	Amount	% of Total
<b>Government Securities &amp; Bonds</b>	<b>23,596.9</b>	<b>82.8</b>	<b>17,217.3</b>	<b>75.4</b>
<b>Others</b>	<b>4,901.0</b>	<b>17.2</b>	<b>5,628.0</b>	<b>24.6</b>
<i>Quoted Shares</i>	<i>2,926.5</i>	<i>10.3</i>	<i>3,068.3</i>	<i>13.4</i>
<i>Unquoted Shares</i>	<i>68.8</i>	<i>0.2</i>	<i>68.8</i>	<i>0.3</i>
<i>Mutual Funds</i>	<i>268.0</i>	<i>0.9</i>	<i>268.0</i>	<i>1.2</i>
<i>In Share (Outside of Bangladesh)</i>	<i>1,637.7</i>	<i>5.7</i>	<i>1,642.8</i>	<i>7.2</i>
<i>Others</i>	<i>-</i>	<i>-</i>	<i>580.0</i>	<i>2.5</i>
<b>Total</b>	<b>28,497.9</b>	<b>100.0</b>	<b>22,845.3</b>	<b>100.0</b>

The Bank's investment portfolio increased by 24.7% in 2015 and reached BDT 28,497.9 million. In 2015, the Bank's investment portfolio was dominated by high quality liquid asset (like Government Securities) followed by quoted shares. In 2015, 82.8% of total investment was in Government securities (BDT 23,596.9 million). The purpose of the investment in government security was mainly to meet regulatory requirement as well as remain liquid. IFIC Bank held BDT 2,926.5 million investments in quoted shares of 18 different companies including bank, financial institutions and insurance companies. The market value of the quoted share was BDT 2,544.4 million against the cost price of BDT 2,926.5 million as of 31 December 2015. The Bank maintained BDT 394.0 million provisions for these diminishing values of investment. The Bank realized capital gain of BDT 24.6 million from sale of shares of listed companies in 2015. Under the unquoted category, the Company holds shares of Karma Sangsthan Bank, Central depository Bangladesh Limited and Energy Pack Power Company Ltd. The cost price of unquoted shares was BDT 68.8 million as of 31 December 2015. The investment yield of the Bank decreased to 9.3% in 2015 from 10.8% in 2014.

#### 4.5 Credit Risk

CRAB reviews the fundamentals of managing credit risk including qualitative and quantitative analysis as a part of credit risk evaluation. Qualitative evaluation includes credit policy, credit approval and monitoring. CRAB also addresses intrinsic risk, concentration risk as well as large loan exposures.

#### 4.6 Credit Approval Process

The Bank has its structured and established process for approving new credits as well as enhancement of existing credits. Board of Directors is the supreme authority to approve all sorts of credit policies and maximum lendable credit facility as per Bangladesh Bank's directives. Management can approve credit facility up to certain limit for speedy disposal of client's proposal as per delegation allowed by the Board. Credit proposals are generally initiated by the relationship manager of Branch. After detailed analysis of the proposal and documentation, branch forward the proposals to head office. In head office, corporate banking division thoroughly scrutinizes the proposals from the business point of view and then further reviews by the credit risk management division from the risk point of view and processes the proposals for approval.

#### 4.7 Credit Quality

The Bank's asset quality deteriorated significantly during the last couple of years. Gross NPL (in absolute amount) increased by 57.3% in 2015 and reached BDT 7,962.1 million resulted from increased fresh NPL. The impact of high growth in fresh NPL (7.3% of total loans) was partly offset by rescheduling of loans as well as from substantial growth of loans & advances. The Bank had rescheduled loans amounting BDT 3,470.0 million (2.8% of total loans) in 2015. Recovery of bad loans was good in 2015 (BDT 1,394.6 million). The Bank had written off loan amounting BDT 1,224.0 million in 2015. As an overall effect, gross NPL ratio of the Bank was 6.5% at the end of 2015. In 2015, net NPL of the Bank was 19.5% of Tier I capital (2014: 4.3%).

**Table 6**

#### NPL Movement of the Bank

Mil. BDT	Year Ended December 31					
	2015		2014		2013	
Particulars	Amount	% of Total Loans	Amount	% of Total Loans	Amount	% of Total Loans
Opening balance of NPL	5,061.1	4.1	3,168.1	3.1	4,095.5	4.9
Add: Fresh NPL Generation	9,008.6	7.3	4,525.5	4.4	3,940.6	4.7
Less: Cash Recovery	1,394.6	1.1	876.9	0.9	1,200.3	1.4
Less: Rescheduling	3,470.0	2.8	1,464.4	1.4	2,339.2	2.8
Less: Write off	1,224.0	1.0	289.2	0.3	1,316.0	1.6
Less: Waiver	19.0	0.02	2.2	0.002	12.6	0.01
<b>Closing Balance of NPL</b>	<b>7,962.1</b>	<b>6.5</b>	<b>5,061.1</b>	<b>4.9</b>	<b>3,168.1</b>	<b>3.8</b>

Out of total NPL, 68.7% belonged to bad & loss category followed by doubtful category (16.1%) and sub-standard category (15.2%). SMA to total loans and advances of the Bank was high at 8.0% at the end of 2015 which may further increase NPL. Gross NPL to total equity and loan loss reserve increased to 49.4% in 2015 from 35.8% in 2014.

In 2015, the Bank's provision requirement for classified loans and advances was BDT 2,697.9 million against which the Bank kept BDT 2,699.9 million as specific provision. In addition, the Bank maintained BDT 1,761.0 million as general provision against unclassified loans and advances as well as off balance sheet exposures. There was an excess provision of BDT 3.4 million at the end of 2015. Gross NPL coverage ratio of the Bank was 56.0% in 2015 (2014: 69.6%).

**Table 7**

<b>Loan Loss Provision of the Bank</b>						
<b>Mil. BDT</b>	<b>2015</b>		<b>2014</b>		<b>2013</b>	
<b>Particulars</b>	<b>Amount</b>	<b>% of Total Loans (%)</b>	<b>Amount</b>	<b>% of Total Loans (%)</b>	<b>Amount</b>	<b>% of Total Loans (%)</b>
General Provision Held <sup>3</sup>	1,761.0	1.4	1,555.0	1.5	1,241.0	1.5
Specific Provision Held	2,699.9	2.2	1,966.4	1.9	1,620.1	1.9
<b>Total Provision Held</b>	<b>4,460.9</b>	<b>3.6</b>	<b>3,521.4</b>	<b>3.4</b>	<b>2,861.1</b>	<b>3.4</b>
Required Provision	4,457.5	3.6	3,412.9	3.3	2,488.6	3.0
<b>Provision surplus</b>	<b>3.4</b>	<b>0.003</b>	<b>108.5</b>	<b>0.1</b>	<b>372.5</b>	<b>0.4</b>

CRAB looks at pre-provision profit (PPP) to net loans for assessing the Bank's ability to survive against unfavorable circumstances in future. The Bank's PPP to net loan ratio in 2015 was 3.1% (2014: 3.2%). Pre-provision profit to net loans of the Bank indicates that 3.1% of currently performing loans can be written off without charging on reserves and equity.

#### 4.8 Loan Portfolio Analysis

The Bank's loans and advances portfolio grew by 20.5% and reached BDT 123,268.7 million in 2015. Product wise concentration shows that, term loan dominated the loan portfolio in 2015 having 39.5% of total followed by cash credit (22.1% of total) and overdraft (20.6% of total). On the other hand, sectors wise concentration distribution shows that loans and advances portfolio was dominated by readymade garments sector financing (14.4% of total) followed by real estate industry financing (12.0% of total at the end of 2015). Sector wise NPL rate depicts that ship breaking industry financing experienced highest NPL rate with 44.4% in 2015.

**Table 8**

<b>Concentration of Loans and Advances</b>				
<b>(Mil. BDT)</b>	<b>For the period ended December 2015</b>			
<b>Particulars</b>	<b>Amount (A)</b>	<b>% of Total Loans</b>	<b>Sector wise NPL (B)</b>	<b>Sector wise NPL Rate</b>
Agriculture	1,488.9	1.2%	27.4	1.8%
Readymade Garments	17,745.3	14.4%	476.1	2.7%
Textile	5,534.6	4.5%	285.4	5.2%
Ship Building	622.3	0.5%	-	0.0%
Ship Breaking	1,668.3	1.4%	740.0	44.4%
Other Manufacturing Industry	13,947.8	11.3%	90.7	0.7%
Fuel & Energy	4,540.7	3.7%	-	0.0%
Construction	3,027.7	2.5%	148.9	4.9%
Real Estate - Commercial	10,460.4	8.5%	848.5	8.1%
Real Estate - Residential	4,295.4	3.5%	41.2	1.0%
Capital Market Institutions	1,638.0	1.3%	-	0.0%
Non-Bank Financial Institutions	0.9	0.0%	-	0.0%
Transport, Storage & Communication	5,875.8	4.8%	793.3	13.5%
Trade Service	6,597.8	5.4%	583.2	8.8%
Consumer Credit	8,109.4	6.6%	165.8	2.0%
SME & Others	37,715.4	30.6%	3,761.6	10.0%
<b>Total</b>	<b>123,268.7</b>	<b>100.0</b>	<b>7,962.1</b>	<b>6.5</b>

<sup>3</sup> Including off balance sheet exposure

#### 4.9 Large Loan Exposure

As of 31 December 2015, the Bank's top 50 loan exposures (both funded & non-funded) amounted to BDT 67,521.5 million against approved facilities of BDT 77,639.5 million. The Bank has relatively higher credit concentrations in terms of top loan exposure. The Bank's top 50 funded loans and advances in 2015 held 54.8% of total loan portfolio and 6.4 times of core capital of the Bank. Among those 50 loans, all were reported as unclassified at the end of 2015. The Bank had sanctioned 29 large loans amounting BDT 60,163.2 million each above 10% of the total capital of the Bank in 2015.

#### 4.10 Capital Adequacy

Table 9

Capital Structure of the Bank						
Mil. BDT	2015		2014		2013	
Particulars	Amount	% of RWA	Amount	% of RWA	Amount	% of RWA
Tier 1 Capital	10,507.6	9.0	9,695.0	8.7	8,324.1	9.0
Tier 2 Capital	1,305.5	1.1	1,613.5	1.4	1,306.7	1.4
<b>Total Capital</b>	<b>11,813.1</b>	<b>10.1</b>	<b>11,308.4</b>	<b>10.1</b>	<b>9,630.8</b>	<b>10.4</b>
Required Capital	11,731.4	10.0	11,157.4	10.0	9,291.5	10.0
<b>Capital Surplus/ (shortfall)</b>	<b>81.7</b>	<b>0.1</b>	<b>151.1</b>	<b>0.1</b>	<b>339.3</b>	<b>0.4</b>

At the end of 2015, total capital of the Bank was BDT 11,813.1 million (2014: BDT 11,308.4 million). The Bank's equity to total deposit & borrowing was 7.6% in 2015 (2014: 7.9%). The Bank was marginally capitalized in respect of risk weighted capital adequacy ratio with 10.1% against regulatory requirement of 10.0% under Basel III at the end of 2015. The Bank conducted stress testing based on "simple Sensitivity and Scenario Analysis". Stress test revealed that the Bank's capital adequacy ratio may be affected if there is significant increase in NPLs due to default of top large loan borrowers.

Table 10

RWA Distribution of the Bank						
Mil. BDT	2015		2014		2013	
Particulars	Amount	% of Total	Amount	% of Total	Amount	% of Total
Credit Risk	100,698.1	85.8	95,081.0	85.2	77,860.2	83.8
Market Risk	5,404.1	4.6	6,329.0	5.7	6,534.0	7.0
Operational Risk	11,212.3	9.6	10,164.0	9.1	8,521.2	9.2
<b>Total Risk Weighted Asset</b>	<b>117,314.4</b>	<b>100.0</b>	<b>111,574.0</b>	<b>100.0</b>	<b>92,915.4</b>	<b>100.0</b>

Risk weighted asset of the Bank grew by 5.1% in 2015 and reached BDT 117,314.4 million mainly resulted from growth of credit risk due to the 20.5% growth of loans & advances. The Bank's risk weighted asset composition under credit risk was dominated by corporate loans & advances. The risk weighted asset of the rated clients was BDT 32,596.7 million as of 31 December 2015 against actual exposure of BDT 39,717.6 million. It is observed that 68.8% funded exposure of the rated clients is single A (Bangladesh Bank Rating Grade 2) and above categories. The details of the rated clients are given in the Annexure 2 (Table 2.1).

#### 4.11 Funding and Liquidity

Table 11

Funding Mix of the Bank						
Year Ended December 31						
(Mil. BDT)	2015			2014		
Particulars	Amount	%	Growth (%)	Amount	%	Growth (%)
Current deposit	17,411.5	11.9	12.6	15,464.8	11.9	15.8
Bills payable	1,473.6	1.0	(21.4)	1,875.0	1.4	19.1
Savings Deposit	24,496.1	16.7	33.4	18,366.5	14.2	32.2
Term Deposit/Fixed deposit	103,438.5	70.5	10.0	94,039.6	72.5	15.2
<b>Total Deposit &amp; Borrowing</b>	<b>146,819.7</b>	<b>100.0</b>	<b>13.2</b>	<b>129,745.8</b>	<b>100.0</b>	<b>17.5</b>

Total deposit of the Bank grew by 13.2% in 2015 and reached BDT 146,819.7 million. In 2015, the Bank's total deposit was dominated by term deposit (70.5% of total) followed by savings deposit (16.7% of total) and current deposit (11.9% of total). The average cost of deposit & borrowing was 6.6% in 2015 (2014: 7.3%). However, the Bank's low cost deposit base was low (on an average 26.4% for the last five years) compared to its large network of branches.

**Table 12**

Month wise Call Market Operation of the Bank												
(Mil. BDT)												
--For the Year 2015--												
Particulars	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Call Lending (Monthly Average)	1,614.2	648.6	69.0	506.7	293.6	815.7	1,056.8	1,942.6	11.7	59.4	202.7	252.6
Avg. Interest Rate (%)	8.1	7.9	8.0	7.4	6.8	5.1	5.1	5.0	5.1	4.8	3.5	2.4
Call Borrowing (Monthly Average)	-	41.8	320.0	1.3	251.6	-	-	-	615.7	136.1	320.0	425.5
Avg. Interest Rate (%)	-	7.0	7.3	7.0	5.6	-	-	-	5.0	5.1	3.1	3.6
<b>Net Lending/(Borrowing)</b>	<b>1,614.2</b>	<b>606.8</b>	<b>(251.0)</b>	<b>505.3</b>	<b>41.9</b>	<b>815.7</b>	<b>1,056.8</b>	<b>1,942.6</b>	<b>(604.0)</b>	<b>(76.8)</b>	<b>(117.3)</b>	<b>(172.9)</b>

The Bank actively participated in call money market and was the net lender throughout the year 2015 except in the month of March, September, October, November and December mainly to take arbitrage advantage of lower interest rate. Average lending rate was 5.8% against average borrowing rate was 5.5% in 2015. The Bank earned BDT 64.3 million as interest from call market operation whereas interest expense was BDT 24.8 million for the same period. Loans and advances to deposit ratio of the Bank was 82.5% at the end of 2015 with a monthly average of 79.4%.

**Table 13**

Liquidity Profile of the Bank						
(Mil. BDT)						
--For the Year 2015--						
Particulars	Up to 1 Month	1-3 Months	3-12 Months	1-5 years	Above 5 years	Total
Assets	40,072.6	31,710.0	40,124.1	37,340.2	29,087.1	178,334.0
Liabilities	25,880.0	29,727.4	39,174.0	45,876.2	26,022.2	166,679.7
Net Liquidity Gap	14,192.6	1,982.6	950.1	(8,536.0)	3,064.9	11,654.2
Cumulative Liquidity Gap	14,192.6	16,175.2	17,125.3	8,589.3	11,654.2	23,308.4
Gap as % of Liability (%)	54.8	6.7	2.4	(18.6)	11.8	7.0

The asset liability maturity of the Bank shows that the Bank possessed positive net liquidity gap for all maturity buckets except 1-5 years bucket. The Bank's liquid asset to deposit & borrowings was 26.7% in 2015 (2014: 30.4%).

#### 4.12 Interest Rate Risk

The following exhibit shows the maturity wise interest sensitive asset and liabilities and thereby the exposures to interest rate risk of the Bank. The Bank had asset sensitive positions in all maturity buckets up to 12 months except 1-3 months maturity bucket. Gap indicates that the Bank will be benefited on increasing interest rates and will suffer on decreasing interest rate scenario marginally. For 1 percentage point interest rate increase the Bank will gain BDT 18.3 million and will lose the same amount for 1 percentage point interest rate decrease.

**Table 14**

Interest Rate Risk Exposure of the Bank				
(Mil. BDT)				
--For the Year 2015--				
Particulars	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months
Interest Sensitive Assets	39,157.3	26,270.3	12,622.7	25,245.4
Interest Sensitive Liabilities	25,494.8	39,647.5	10,793.7	21,587.5
Gap	13,662.5	(13,377.2)	1,828.9	3,657.9
Cumulative Earning impact (1% point int. rate increase)	11.4	(22.3)	4.6	18.3
Cumulative Earning impact (1% point int. rate decrease)	(11.4)	22.3	(4.6)	(18.3)

#### 4.13 Foreign Exchange Risk

As a commercial bank, the Bank is exposed to potential changes in earnings arising due to changes in market price of currency and the position in the currency that is held during the changes. In addition to Bangladesh Bank guide line, the Bank has also developed and follow different strategies to handle foreign exchange risk by setting limits on net open positions by currencies, mismatch limits by currencies and time buckets of forward foreign exchange transactions, over-all gross limit for FWD transaction, maximum loss limit per day, per month and value at risk limits.

**Table 15**

Foreign Currency Exposure of the Bank				
(Mil. BDT)	--As of December 31, 2015--			
Particulars	Assets	Liabilities	Overall Net Positions	Overall Net Position*/Core Capital (%)
USD	1,131.29	1,112.12	19.16	0.18
EURO	4.73	5.10	(0.37)	0.00
AUD	0.40	0.00	0.40	0.00
CAD	0.00	0.00	0.00	0.00
GBP	5.88	6.07	(0.20)	0.00
CHF	0.04	0.07	(0.03)	0.00
JPY	0.02	0.00	0.02	0.00

\* Considering absolute value

As of 31<sup>st</sup> December 2015, the Bank possessed sum of overall net positions in different currencies resulted in net liability position of BDT 18.99 million which was 0.2% of core capital of the Bank. The Bank's overall net open position was dominated by US Dollar being 0.2% of core capital. Foreign currency dealing profit of the Bank was BDT 735.9 million in 2015 (2014: BDT 645.6 million).

#### 4.14 Off Balance Sheet Exposures

**Table 16**

Off Balance Sheet Exposure of the Bank				
--Year Ended December 31--				
Mil. BDT	2015		2014	
Particulars	Amount	% of Total Assets	Amount	% of Total Assets
Acceptances and endorsements	14,210.8	8.0	17,819.0	11.4
Letter of guarantee	9,706.6	5.4	6,644.8	4.3
Letter of credit	14,800.3	8.3	14,473.7	9.3
Bills for Collection	9,061.3	5.1	8,886.9	5.7
<b>Total</b>	<b>47,779.0</b>	<b>26.8</b>	<b>47,824.4</b>	<b>30.6</b>

The Bank's total off balance sheet portfolio decreased by 0.1% in 2015 and reached BDT 47,779.0million. Total off balance sheet portfolio was 26.8% of total asset of the Bank in 2015. In 2015, off balance sheet portfolio was dominated by letter of credit (8.3% of total) followed by acceptances and endorsements (8.0% of total), letter of guarantee (5.4% of total) and bills for collection (5.1% of total). Total off balance sheet exposures of the Bank was 4.0 times of its total capital by the end of December 2015 (2014: 4.2 times).

#### 4.15 Market Share and Growth

**Table 17**

Market Share					
Year Ended December 31					
%	2015	2014	2013	2012	2011
Loans & Advances (%)	2.0	1.9	1.8	1.8	1.7
Deposits (%)	1.8	1.8	1.8	1.7	1.6

In 2015 the Bank's market share in terms of loans & advances was 2.0% which was 1.9% in 2014. The Bank's market share in terms of deposits was 1.8% in 2015.

## 5.0 BRANCH NETWORK

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Presently the Bank has 129 branches across the country. Of the total branches, 96 branches were located in urban areas and 26 in rural areas. Out of the total, 01 branch was functioning as offshore banking unit. 29 of the total branches were loss incurring as of December 2015. Currently the Bank has 59 own and more than 2 000 no. of ATMs are shared with Q-cash network.

## 6.0 MANAGEMENT

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### 6.1 Senior Management

Presently, the Management team of IFIC is headed by Managing Director Mr. M Shah A Sarwar. Mr. Sarwar joined IFIC Bank as Managing Director in December 2012. He has more than 31 years of banking experience. Prior to joining as Managing Director, he was the Managing Director & CEO of Trust Bank Ltd. The Managing Director, Deputy Managing Directors and Head of Divisions are responsible for achieving business goals and overseeing the day to day operation. The Managing Director is assisted by a Senior Management Group consisting of Deputy Managing Directors and Head of Divisions who supervise operation of various divisions centrally and co-ordinates operation of branches.

#### **6.1.1 Management Committee (MANCOM):**

The Management Committee of IFIC comprises of 16 members holding key positions in the Management of the Bank. The Committee is headed by the CEO & Managing Director. The Committee sits at least once in every month to review and evaluate strategic operational issues of the Bank, identify specific problems which need to be immediately attended. Generally, the MANCOM is concerned with major decision-making in the Bank, planning and framing of policy guidelines.

**6.1.2 Asset Liability Committee (ALCO):** Asset Liability Committee comprising of 10 (ten) members of the Senior Executives is headed by the CEO & Managing Director to look into all operational functions and Risk Management of the Bank. The VP & Head of Treasury acts as the Member Secretary of the Committee. To address all the risk elements of the balance sheet, monthly ALCO meetings were conducted. In 2015, 12 ALCO meeting were held.

### 6.2 Human Resource Management

The HR division of the Bank comprises of 19 members and is headed by a senior level executive of the Bank. By the end of 2015, total human resource of the Bank was 2,489 (2014: 2,527). During 2015, 115 employees retired or left the organization, while 68 new employees joined. The Bank has defined HR policies including recruitment, training & development, promotion, leave, transfer, and disciplinary action policy. Usually internal recruitment procedures are considered to fill up the mid and top management positions, while entry-level positions are filled through competitive recruitment tests.

The Bank organizes both internal and external training programs to enhance the skills and knowledge of its employees. The Bank provides in-house training, both on the job and off the job through the Bank's Training Academy. In 2015, 1,866 were trained in different courses. Main training activities consist of in-depth foundation programs for entry level Management Trainees. Specialized training programs in the areas like general banking, advance, foreign exchange, marketing and accounts etc. are also organized by the Academy depending on requirement. In addition to conducting courses internally, the training academy also selects candidates for nomination to various courses conducted by distinguished training organizations in the country including Bangladesh Bank Training Academy and Bangladesh Institute of Bank Management as well as in abroad.

### 6.3 Automation Status

The IT division of the Bank comprises of 49 members which comprises system analyst, engineer, network administrator, programmer etc. The division is headed by a senior official of the Bank. The Bank uses Misys Banking Solution as the platform for financial and management reporting. Real time online banking system is supported by optic fiber connectivity. The Bank also uses other software for management information, regulatory requirement, activity monitoring and other operational processing. The Bank has launched Debit Card, Credit Card and Prepaid Card. The Bank has also developed and implemented loan origination software to facilitate online loan proposal processing for consumer finance products. The Bank continuously updates these reporting systems to comply with enhancing reporting requirements. The Bank's 'Disaster Recovery Site' is situated at Uttara.

## **7.0 CORPORATE GOVERNANCE**

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To assess Bank's corporate governance practices CRAB evaluates the quality of financial reporting and disclosures, strength of internal control system and internal audit function; induction of professionally competent, independent non-executive directors on corporate Board, formation of audit committee; delegation of power to executives and staff; protection of shareholders' right etc. The Bank has addressed most of the issues of corporate governance for strengthening organizational strength. The Bank has set up Executive Committee and Audit Committee in this regard. The Bank has appointed an independent director which is required by SEC. IFIC Bank has complied with all conditions applicable to them imposed by the Bangladesh Securities & Exchange Commission as of December 2015.

### **7.1 Financial Reporting and Disclosures**

The financial statement of the Bank was audited by reputed chartered accountants firm M. J. Abedin & Co. According to them the financial statements of the Bank were prepared and presented in accordance with Bangladesh Financial Reporting Standards, the Bank Companies Act 1991, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. According to the auditor the financial statements gave a true and fair view of the state of the Bank as at December 31, 2015.

### **7.2 Board of Directors**

IFICs' Board is comprised of 07 members. The Board is headed by Mr. Salman F Rahman as Chairman. The Board of Directors is responsible for the strategic planning and overall policy guidelines of the Bank. During 2015, the Board conducted 27 meetings. The Board formed 2 (two) Committees, namely Executive Committee and Audit Committee.

#### **7.2.1 Executive Committee**

Presently, the Executive Committee of the Board has 3 (three) members. Mr. A. R.M. Nazmus Sakib is the Chairman of the committee. The Executive Committee reviews all the proposals for loans and advances that do not fall within the discretion of the Managing Director. It is also responsible for administration, investment aspect, expansion of business, property purchase of the Bank, rescheduling of the loans etc. The Board confirms the decision of all Executive Committee meetings and assesses the operational results. In 2015, the committee held only 01 meeting.

#### **7.2.2 Audit Committee**

There is an Audit Committee in the Board to oversee compliance of major regulatory and operational issues. The Audit Committee consists of 3 (three) members including one independent director and company secretary. During 2015, 10 (ten) meetings were held. The Committee is headed by Mr. Monirul Islam as Chairman.

### **7.3 Corporate Social Responsibility**

In 2015, the Bank spends BDT 38.0 million for conducting CSR activities. Presently, the Bank CSR activities are conducted in the area of disaster relief, education, environment, health, sports, agriculture, art & culture ect. In 2015, the Bank's major portion of CSR contribution was in health (65.7%) followed by disaster relief (29.9%) and social development (4.4%).

## **8. SUBSIDIARIES**

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### **8.1 IFIC Securities Limited**

IFIC Securities Limited was incorporated in November 2010 as a public limited company to carry out the business of stock brokers/stock dealers and other related business in connection with the dealing of listed securities. The principal activity of the Company includes issue management, portfolio management, underwriting and corporate advisory etc. Capital of the Company was BDT 800.0 million at the end of 2015. As of 31<sup>st</sup> December 2015, the Company had BDT 3,694.8 million margin loans outstanding with clients. The Company has loans amounting BDT 1,295.4 million from IFIC bank and BDT 292.6 million from other banks. Profit after tax of the Company was BDT 10.0 million in 2015 (2014: 22.6 million)

### **8.2 IFIC Money Transfer (UK) Limited**

IFIC Money Transfer (UK) Limited was incorporated on September 2010 and commenced its operation from August 2011. Principal activity of the Company is money service business including international money transfers. Net profit of the Company was GBP 50,169.0 in 2015 (2014: GBP 10,063.0).

**ANNEXURE 1: CORPORATE INFORMATION**

**Table 1.1**

<b>Composition of the Shareholding</b>						
<b>Category</b>	<b>31 December 2015</b>			<b>31 December 2014</b>		
	<b>No. of Shares held</b>	<b>Value (Mil. BDT)</b>	<b>%</b>	<b>No. of Shares held</b>	<b>Value (Mil. BDT)</b>	<b>%</b>
Sponsors	32,642,018	326.4	6.48	28,384,369	283.8	6.48
Directors	10,071,085	100.7	2.00	21,144,946	211.4	4.83
Government	164,860,306	1,648.6	32.75	143,356,788	1,433.6	32.75
Foreign Investors	2,148,621	21.5	0.43	1,862,135	18.6	0.43
Institutions	107,931,225	1,079.3	21.44	85,229,919	852.3	19.47
General Investors	185,759,162	1,857.6	36.90	157,771,771	1,577.7	36.04
<b>Total</b>	<b>503,412,417</b>	<b>5,034.1</b>	<b>100.0</b>	<b>437,749,928</b>	<b>4,377.5</b>	<b>100.0</b>

**Table 1.2**

<b>Board of Directors and Shareholding position as on 31 December 2015</b>		
<b>Name of Director</b>	<b>Position</b>	<b>% of Share as on 31 Dec 2015</b>
Mr. Salman F Rahman	Chairman	2.00*
Mr. Monirul Islam	Independent Director	-
Mr. Anwaruzzaman Chowdhury	Independent Director	-
Mr. Jalal Ahmed**	Government Nominated Director	-
Mr. A. R. M. Nazmus Sakib**	Government Nominated Director	32.75
Mr. Arijit Chowdhury**	Government Nominated Director	-
M. Shah Alam Sarwar	Managing Director & CEO	-

\* The ownership of 10,002,532 nos. shares (1.987%) i.e. 807,470 nos. paper shares plus 1,195,062 nos. bonus shares kept in Suspense Account is pending with the Appellate Division of the Supreme Court in Civil Misc. Petition No. 417 of 2009.

\*\* Directors nominated by the Ministry of Finance, Government of People's Republic of Bangladesh against its holding 32.75% shares in the Bank. However, Mr. Arijit Chowdhury was withdrawn from the Board of the Bank on 06 January 2016.

**ANNEXURE 2: RATING HISTORY OF IFIC BANK LIMITED**

<b>Date of Rating</b>	<b>Long Term</b>	<b>Short Term</b>	<b>Outlook</b>
09 July 2015	AA <sub>2</sub>	ST-2	Positive
30 June 2014	AA <sub>2</sub>	ST-2	Stable
30 June 2013	AA <sub>2</sub>	ST-2	Stable

Table 2.1

Details of Rated Corporate Clients of the Bank (Risk Weighted Assets for Credit Risk Balance Sheet Exposures)						
--At the end of 31 December--						
Mil. BDT	2015			2014		
BB Rating Grade	Loan Outstanding	RWA	BB Rating Grade	Loan Outstanding	RWA	
1	4,761.8	952.4	1	4,657.5	931.5	
2	13,335.0	6,667.5	2	13,626.0	6,813.0	
3,4	8,196.9	8,196.9	3,4	8,727.5	8,727.5	
5,6	-	-	5,6	-	-	
Unrated	13,424.0	16,780.0	Unrated	12,420.7	15,525.9	
<b>Total</b>	<b>39,717.6</b>	<b>32,596.7</b>	<b>Total</b>	<b>39,431.8</b>	<b>31,998.0</b>	

Table 2.2

Month wise Loans to Deposit Ratio of the Bank (Mil.BDT)												
--For the Year 2015--												
Particulars	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Loans	99,519	98,869	103,130	102,836	105,503	109,505	109,469	108,722	110,332	110,674	112,554	121,372
Deposit	130,369	125,019	126,946	129,963	130,421	133,966	136,242	139,263	142,464	140,676	144,702	147,118
<b>Loans to Deposit</b>	<b>76.3</b>	<b>79.1</b>	<b>81.2</b>	<b>79.1</b>	<b>80.9</b>	<b>81.7</b>	<b>80.3</b>	<b>78.1</b>	<b>77.4</b>	<b>78.7</b>	<b>77.8</b>	<b>82.5</b>

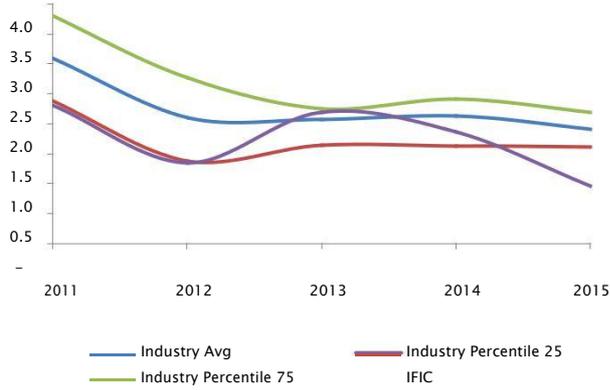
Table 2.3

Structural Liquidity Profile of the Bank (Mil. BDT)					
--As of December 31, 2015--					
Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years
Net Mismatch	1,613.0	(1,678.3)	669.8	(4,520.0)	4,065.4
Cumulative Net Mismatch	1,613.0	(65.3)	604.4	(3,915.6)	149.8

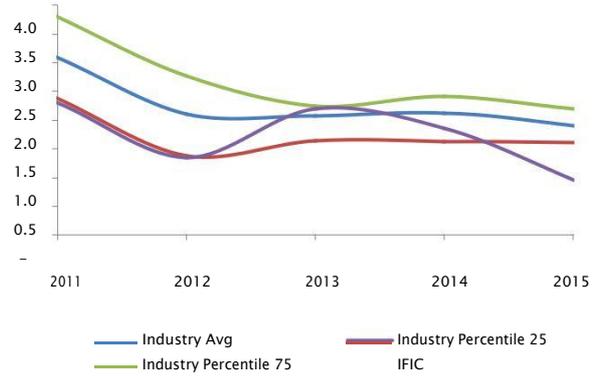
Table 2.4

Cost of Funding			
--For the Year Ended 31 December--			
(%)	2015	2014	2013
Yield	10.5	11.7	13.1
Cost of Deposit	6.6	7.3	8.7
Cost of Fund	5.4	6.1	7.1
Spread	5.3	5.9	6.1

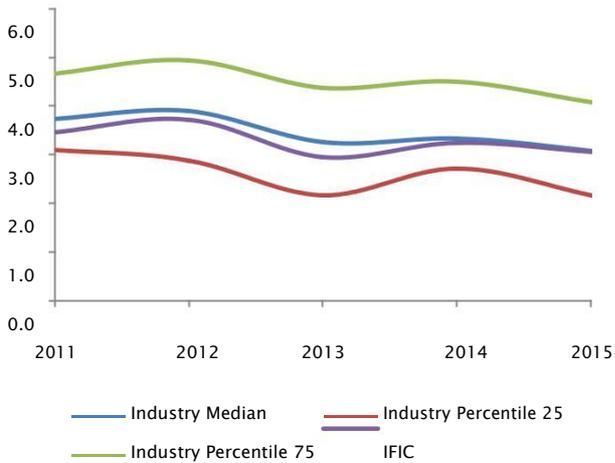
Graph 1



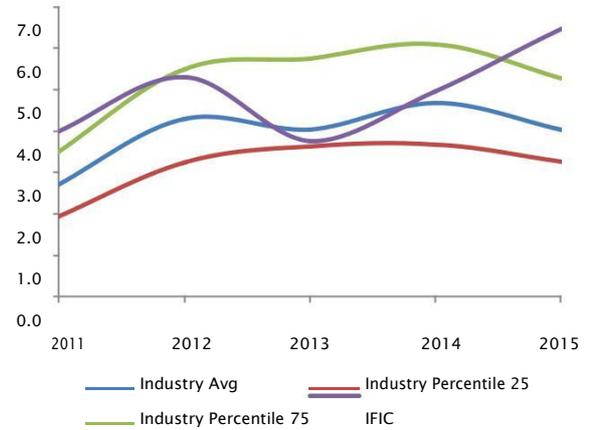
Graph 4



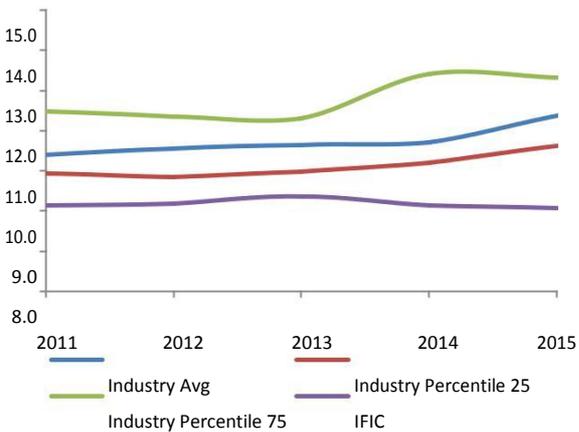
Graph 2



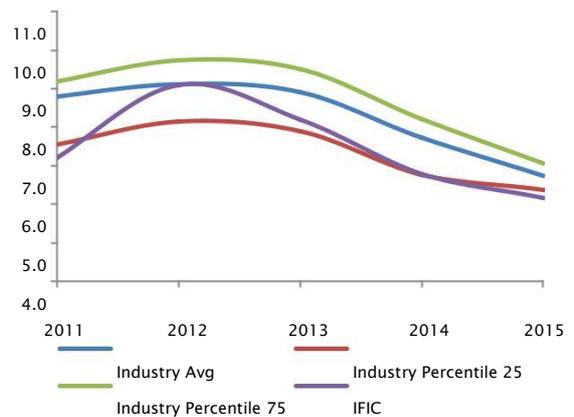
Graph 5



Graph 3



Graph 6



**Definition & Formula**

1. Loans and advances include Loans, Cash Credit, Overdrafts, Bill purchased and discounted unless mentioned otherwise.
2. Deposits include Deposits & other accounts and bills payables unless mentioned otherwise.
3. Average Assets, Average investment assets, Average Earning Assets and Average equity are calculated on the basis of opening and year end balances.
4. Interest Earning Assets include total loans & advances, money at call & short notice, balance with other banks & FIs.
5. Net Loans & Advances has been calculated by deducting Specific Provision and Interest Suspense Accounts from Gross Loans & Advances.
6. Net Interest Margin = Net interest income / Average Interest Earning Assets.
7. Net Profit Margin = Net Profit after Tax / Operating Income
8. Asset Utilization = Operating Income / Average Assets
9. Leverage Multiplier = Average assets / Average Equity
10. Yield on Average Investment = Income from Investment / Average Investment Assets

**Assumptions for Interest Risk Exposure**

1. Assets and liabilities are re-priced on the first day of the re-pricing interval and, therefore, that interest rate change affects the whole period.
2. Assets and liabilities are rolled over into the same types of instruments with the same maturities.

## CRAB RATING SCALES AND DEFINITIONS – LONG TERM: BANKS

RATING	DEFINITION
<b>AAA</b> Triple A (Extremely Strong Capacity & Highest Quality)	Commercial Banks rated 'AAA' have extremely strong capacity to meet their financial commitments. 'AAA' is the highest issuer credit rating assigned by CRAB. AAA is judged to be of the highest quality, with minimal credit risk.
<b>AA<sub>1</sub>, AA<sub>2</sub>, AA<sub>3</sub>*</b> Double A (Very Strong Capacity & Very High Quality)	Commercial Banks rated 'AA' have very strong capacity to meet their financial commitments. They differ from the highest-rated Commercial Banks only to a small degree. AA is judged to be of very high quality and is subject to very low credit risk.
<b>A<sub>1</sub>, A<sub>2</sub>, A<sub>3</sub></b> Single A (Strong Capacity & High Quality)	Commercial Banks rated 'A' have strong capacity to meet their financial commitments but are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than Commercial Banks in higher-rated categories. A is judged to be of high quality and are subject to low credit risk.
<b>BBB<sub>1</sub>, BBB<sub>2</sub>, BBB<sub>3</sub></b> Triple B (Adequate Capacity & Medium Quality)	Commercial Banks rated 'BBB' have adequate capacity to meet their financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the Commercial Banks to meet their financial commitments. BBB is subject to moderate credit risk.
<b>BB<sub>1</sub>, BB<sub>2</sub>, BB<sub>3</sub></b> Double B (Inadequate Capacity & Substantial Credit Risk)	Commercial Banks rated 'BB' are less vulnerable in the near term than other lower-rated Commercial Banks. However, they faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions, which may lead to the Commercial Bank's inadequate capacity to meet their financial commitments. BB is judged to have speculative elements and is subject to substantial credit risk.
<b>B<sub>1</sub>, B<sub>2</sub>, B<sub>3</sub></b> Single B (Weak Capacity & High Credit Risk)	Commercial Banks rated 'B' are more vulnerable than the Commercial Banks rated 'BB', but the Commercial Banks currently have the capacity to meet their financial commitments. Adverse business, financial, or economic conditions are likely to impair the Banks' capacity or willingness to meet their financial commitments. B is considered speculative and weak capacity and is subject to high credit risk.
<b>CCC<sub>1</sub>, CCC<sub>2</sub>, CCC<sub>3</sub></b> Triple C (Very Weak Capacity & Very High Credit Risk)	Commercial Banks rated 'CCC' are currently vulnerable, and are dependent on favorable business, financial, and economic conditions to meet their financial commitments. CCC is judged to be of very weak standing and is subject to very high credit risk.
<b>CC</b> Double C (Extremely Weak Capacity & Extremely High Credit Risk)	Commercial Banks rated 'CC' are currently highly vulnerable. CC is highly speculative and is likely in, or very near, default, with some prospect of recovery of principal and interest.
<b>C</b> Single C (Near to Default)	A 'C' rating is assigned to Banks that are currently highly vulnerable to non-payment of obligations, or in the verge of default or faced with insolvency petition or bankruptcy petition or similar actions, but have not yet experienced a payment default with external support.
<b>D</b> (Default)	'D' is in default. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

**\*Note:** CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

## CREDIT RATING SCALES AND DEFINITIONS – SHORTTERM: BANKS

RATING	DEFINITION
ST-1 Highest Grade	Commercial Banks rated in this category are considered to have the highest capacity for timely repayment of obligations. Commercial Banks rated in this category are characterized with excellent position in terms of liquidity, internal fund generation, and access to alternative sources of funds.
ST-2 High Grade	Commercial Banks rated in this category are considered to have strong capacity for timely repayment. Commercial Banks rated in this category are characterized with commendable position in terms of liquidity, internal fund generation, and access to alternative sources of funds.
ST-3 Average Grade	Commercial Banks rated in this category are considered to average capacity for timely repayment of obligations, although such capacity may impair by adverse changes in business, economic, or financial conditions. Commercial Banks rated in this category are characterized with satisfactory level of liquidity, internal fund generation, and access to alternative sources of funds.
ST-4 Below Average Grade	Commercial Banks rated in this category are considered to have below average capacity for timely repayment of obligations. Such capacity is highly susceptible to adverse changes in business, economic, or financial conditions than for obligations in higher categories. Commercial Banks rated in this category are characterized with average liquidity, internal fund generation, and access to alternative sources of funds.
ST-5 Inadequate Grade	Commercial Banks rated in this category are considered to have inadequate capacity for timely repayment of obligations susceptible to adverse changes in business, economic, or financial conditions. Commercial Banks rated in this category are characterized with risky position in terms of liquidity, internal fund generation, and access to alternative sources of funds.
ST-6 Lowest Grade	Commercial Banks rated in this category are considered to have obligations which have a high risk of default or which are currently in default. Commercial Banks rated in this category are characterized with risky position in terms of liquidity, internal fund generation, and access to alternative sources of funds.

The Rating Committee of CRAB is the final authority to award a rating. The Rating Committee of CRAB is comprised of external independence persons who are not members of the Board of the Company and they ensure the independence of rating.

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## IFIC BANK LIMITED

Head Office: IFIC Tower, 61, Purana Paltan, G.P.O. Box: 2229, Dhaka-1000, Bangladesh  
Tel: 9563020, I-Phone PABX: 09666716250 Fax: 880-2- 9554102, Swift: IFIC BD DH

Folio/BO Account No :  
Name :  
Address :

### LETTER OF OFFER FOR RIGHTS ISSUE

Dear Shareholder (s)

We are pleased to inform you that the Board of Directors in its 676<sup>th</sup> meeting held on 20 June 2016 recommended to issue Rights Shares at **1(R) : 1** i.e. 1 (one) Rights Share for 1 (one) share held at a price of BDT 10.00 (at par) per share after considering the 12.00% Stock Dividend for the year 2015. The Board's recommendation was approved by the shareholders of the Bank in the 39<sup>th</sup> Annual General Meeting (AGM) held on 14 July 2016. After considering the 12.00% Stock Dividend the total proposal for **563,821,907** Ordinary Shares of BDT **10.00** each at an issue price of BDT **10.00** each at par totaling BDT **5,638,219,070.00** offered on the basis of **1(R): 1** (i.e. one Rights Share for every existing one share held) on the record date. The purpose of issuance of Rights Shares is to strengthen capital base of the Bank in order to comply with the Basel III capital accord, directed by Bangladesh Bank. After issuing this proposed Rights Shares of **BDT 5,638,219,070** total paid-up capital of the Bank will increase to the extent of **BDT 11,276,438,140.00** from **BDT 5,638,219,070.00**. As a registered Shareholder of ordinary shares as on **12 April 2017**, the record date, you are entitled to exercise your rights.

If you wish to accept the above Rights Share(s) in full or in part, you are required to submit completed Application **Form-A** annexed hereto with necessary payments.

You may, however, renounce your rights in respect of all or part of your entitlement in favor of other(s) in which case the Renunciation **Form-B** and **Form-C** annexed hereto shall be submitted duly filled in by you and the renouncee(s) along with necessary payments.

The rights cannot be exercised for fraction of a share i.e. below full unit of a share.

All the payments for accepted shares are to be made in cash or by P.O/DD/Cheque @ **BDT 10/-** each per share and to be deposited with any of the branches of Bankers to the Issue during Banking hours from **31 May 2017** to **29 June 2017** (both days inclusive). Any extension of time will be notified through national dailies. Payments through P.O/DD/Cheque payable to "**IFIC Bank Limited**" and must be drawn on a Bank in the same town where the Branch of Bankers to the Issue in which the application form has been submitted, is situated. It is to be noted that all transactions above **BDT 1.00** (one) lac must be effected through Demand Draft/Crossed Cheque/Pay Orders.

The offer will be deemed to have been declined if completed Application Form-A and/or Renunciation Form-B and Form-C with necessary payments have not been received by **29 June 2017** or by such later date as may be notified through national dailies to that effect.

A self-explanatory Rights Share Offer Documents is attached for your kind information and evaluation.

Sd/-  
**M Shah Alam Sarwar**  
Managing Director

পূঁজিবাজার বিনিয়োগ ঝুঁকিপূর্ণ।  
জেনে ও বুঝে বিনিয়োগ করুন

## Application Form-A

### IFIC BANK LIMITED

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Tel: 9563020, I-Phone PABX: 09666716250 Fax: 880-2- 9554102, Swift: IFIC BD DH

Rights Issue of **563,821,907** Ordinary Shares of **BDT 10.00** each at an issue price of **BDT 10.00** each at par totaling **BDT 5,638,219,070.00** offer to the Shareholders whose name appeared in the share register at the close of record date of **12 April 2017**.

**Last Date of Acceptance and Application: 29 June 2017**

#### FORM OF ACCEPTANCE AND APPLICATION FOR SHARES

The Managing Director  
IFIC BANK LIMITED  
Head Office: IFIC Tower, 61, Purana Paltan  
G.P.O. Box: 2229, Dhaka-1000, Bangladesh

Dated:...../...../2017  
Application Sl #:

(Bank's Seal)

Dear Sir,

I/We apply for allotment of ordinary shares indicated below in response to your letter of Rights Offer. I/We hereby agree to accept the shares as may be allotted to me/us on the terms laid down in the letter of offer and enclose the necessary remittance @ **BDT10.00** each in cash or by Draft/Pay order/Cheque no.....dated.....drawn on.....Bank.....Branch.

Folio/BO Account No.	No. of Shares held at the close of record date of 12 April 2017	No. of Shares offered	No. of Shares Accepted	Total Amount Paid

Taka (In word)

.....  
Yours faithfully,

1. Name (in block)..... Signature

Address:.....

Tel/ Mobile No.:.....

2. Name (in block)..... Signature

Address:.....

Tel/ Mobile No.:.....

BO Account No.																				
As per provision of the Depository Act, 1999 and regulations made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.																				

**Note: Signature must be the same as was furnished to the Bank earlier. In case of incomplete application, the offer will be deemed to have been declined. A/C payee Cheque/Draft/Pay-order to be issued in favour of IFIC Bank Limited.**

**ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY**

Received BDT ..... Taka (In word) .....  
only from Mr./Ms..... folio/BO Account no .....  
for.....no.(s) of rights shares of IFIC Bank Limited in Cash/ Pay Order/ Draft/  
Cheque No..... dated..... of .....Bank  
.....Branch.

Application Sl. No. -----

(Bank's Seal)

Signature of Receiving Officer  
Date:

**BANKERS TO THE ISSUE OF RIGHTS SHARE**

<b>IFIC Bank Limited</b>	
Ashulia Branch	Mymensingh Branch
Bajitpur Branch	Sherpur Branch
Banani Branch	Agrabad Branch
Bangshal Branch	Brahmanbaria Branch
Bashundhara Branch	CDA Avenue Branch
Darus Salam Road Branch.	Chawk Bazar Branch
Dhanmondi Branch	Choumuhani Branch
Elephant Road Branch	Comilla Branch
Faridpur Branch	Cox's Bazar Branch
Garibe Newaz Avenue	Feni Branch
Gazipur Chowrasta Branch.	Khatunganj Branch
Gulshan Branch	Laldighi Branch
Gulshan-Tejgaon Link Road Branch	Rangamati Branch
Islampur Branch	Shah Amanat Market
Kawran Bazar Branch	Sheikh Mujib Road Branch
Keranigonj Branch	Bogra Branch
Lalmatia Branch	Chapai Nawabganj Branch
Malibagh Branch	Joypurhat Branch
Manikgonj Branch	Naogaon Branch
Mirpur Branch	Pabna Branch
Mohakhali Branch	Rajshahi Branch
Mohammadpur Br.	Dinajpur Branch
Moulvibazar Branch	Rangpur Branch
Narayanganj Branch	Bagerhat Branch
Narsingdi Branch	Jessore Branch
Naya Paltan Branch	Khulna Branch
Pallabi Branch	Kushita Branch
Principal Branch	Noapara Branch
Progoti Sarani Branch	Satkhira Branch
Rupganj Branch	Barisal Branch
Savar Bazar Branch	Bhola Branch
Shantinagar Branch	Ambarkhana Branch
Shariatpur Branch	Habiganj Branch
Stock Exchange Branch	Moulvi Bazar (Dist.) Branch
Tangail Branch	Sreemongal Branch
Tongi Branch	Sylhet Branch
Uttara Branch	Uposhohor Branch
Jamalpur Branch	

<b>Investment Corporation of Bangladesh (ICB)</b>	
Head Office, Dhaka Chittagong Branch, Chittagong Rajshahi Branch, Rajshahi Khulna Branch, Khulna	Barisal Branch, Barisal Sylhet Branch, Sylhet Bogra Branch, Bogra Local Office, Dhaka

পূঁজিবাজার বিনিয়োগ ঝুঁকিপূর্ণ।  
জেনে ও বুঝে বিনিয়োগ করুন

Renunciation Form-B

IFIC BANK LIMITED

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Tel: 9563020, I-Phone PABX: 09666716250 Fax: 880-2- 9554102, Swift: IFIC BD DH

Rights Issue of **563,821,907** Ordinary Shares of **BDT 10.00** each at an issue price of **BDT 10.00** each at par totaling **BDT 5,638,219,070.00** offer to the Shareholders whose name appeared in the share register at the close of record date of **12 April 2017**.

Last Date of Acceptance and Application: 29 June 2017

FORM OF RENUNCIATION

The Managing Director  
IFIC BANK LIMITED  
Head Office : IFIC Tower, 61, Purana Paltan,  
G.P.O. Box: 2229, Dhaka-1000, Bangladesh

Dated:...../...../2017

Dear Sir,

I/We hereby renounce my/our rights to the shares offered to me/us as noted below in favor of person(s) accepting the same and signing in Application by Renouncee(s) and apply for allotment in his/her/their name(s).

Folio/BO Account No.	No. of Shares held at the close of record date 12 April 2017	No. of Shares offered	No. of Shares renounced

Yours faithfully,

1. Name (in block).....Signature.....

Address:.....

Tel/ Mobile No.:.....

2. Name (in block).....Signature.....

Address:.....

Tel/ Mobile No.:.....

Name(s) of Renouncee (s)	BO A/C No
--------------------------	-----------

1. Name :																				
-----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

2. Name :																				
-----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**N.B. use photocopy in case of renouncement favoring more than 2 (two) persons**

As per provision of the Depository Act, 1999 and regulations made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

**Note: Signature must be the same as was furnished to the Bank earlier. In case of incomplete application, the offer will be deemed to have been declined**

পূঁজিবাজার বিনিয়োগ ঝুঁকিপূর্ণ।  
জেনে ও বুঝে বিনিয়োগ করুন

Renunciation Form-C

## IFIC BANK LIMITED

Head Office: IFIC Tower, 61, Purana Paltan, G.P.O. Box: 2229, Dhaka-1000, Bangladesh  
Tel: 9563020, I-Phone PABX: 09666716250 Fax: 880-2- 9554102, Swift: IFIC BD DH

### APPLICATION BY RENOUNCEE(S)

The Managing Director  
IFIC BANK LIMITED  
Head Office: IFIC Tower, 61, Purana Paltan  
G.P.O. Box: 2229, Dhaka-1000, Bangladesh

Dated:...../...../ 2017  
Application SI #:

(Bank's Seal)

Dear Sir,

As the shareholder(s) at pre-page has/have renounced his/her/their rights to the shares offered, in my/our favor, I/We do hereby apply for the number of share noted above as renounced, by making payment of BDT ..... being the value of .....Share @ **BDT 10.00** each per share.

Yours faithfully,

1	Signature:	2	Signature:
Name (in block letters):		Name (in block letters):	
S/O. D/O. W/O.:		S/O. D/O. W/O.:	
Address:		Address:	
BO No.		BO No.	

**N.B. use photocopy in case of renouncement favoring more than 2 (two) persons**

Signature of the Renouncer(s):	1		2	
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As per provision of the Depository Act, 1999 and regulations made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

**Note: Signature must be the same as was furnished to the Bank earlier. In case of incomplete application, the offer will be deemed to have been declined. A/C payee Cheque/Draft/Pay-order to be issued in favour of IFIC Bank Limited.**

### ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received BDT ..... Taka (In word) .....  
only from Mr./Ms. .... folio/BO Account no .....  
for ..... no.(s) of rights shares of IFIC Bank Limited in Cash/ Pay Order/ Draft/  
Cheque No. .... dated ..... of ..... Bank  
..... Branch.

Application SI. No. -----

(Bank's Seal)

Signature of Receiving Officer

Date: