

The background features a large, stylized pencil pointing towards the bottom left. The pencil's body is composed of various shades of red and orange, while the eraser is a light tan color. The pencil is set against a light gray background that is partially covered by a white area with a green dotted pattern. The word "CONTENTS" is centered in the white area.

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LETTER OF  
TRANSMITTAL



All Shareholders of IFIC Bank Limited  
Bangladesh Securities and Exchange Commission  
Dhaka Stock Exchange Limited  
Chittagong Stock Exchange Limited  
Registrar of Joint Stock Companies & Firms

## **Annual Report for the year ended 31 December 2015.**

Dear Sir,

We are pleased to present before you a copy of the Annual Report 2015 along with audited Financial Statements including consolidated and separate Balance Sheet as at 31 December 2015, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement for the year ended 31 December 2015 with the notes thereto of IFIC Bank Limited and its Subsidiaries for your kind information and record.

Yours sincerely,

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



# VISION

At IFIC, we want to be the preferred financial service provider through innovative, sustainable and inclusive growth and deliver the best in class value to all stakeholders.



## MISSION

Our Mission is to provide service to our clients with the help of a skilled and dedicated workforce whose creative talents, innovative actions and competitive edge make our position unique in giving quality service to all institutions and individuals that we care for.

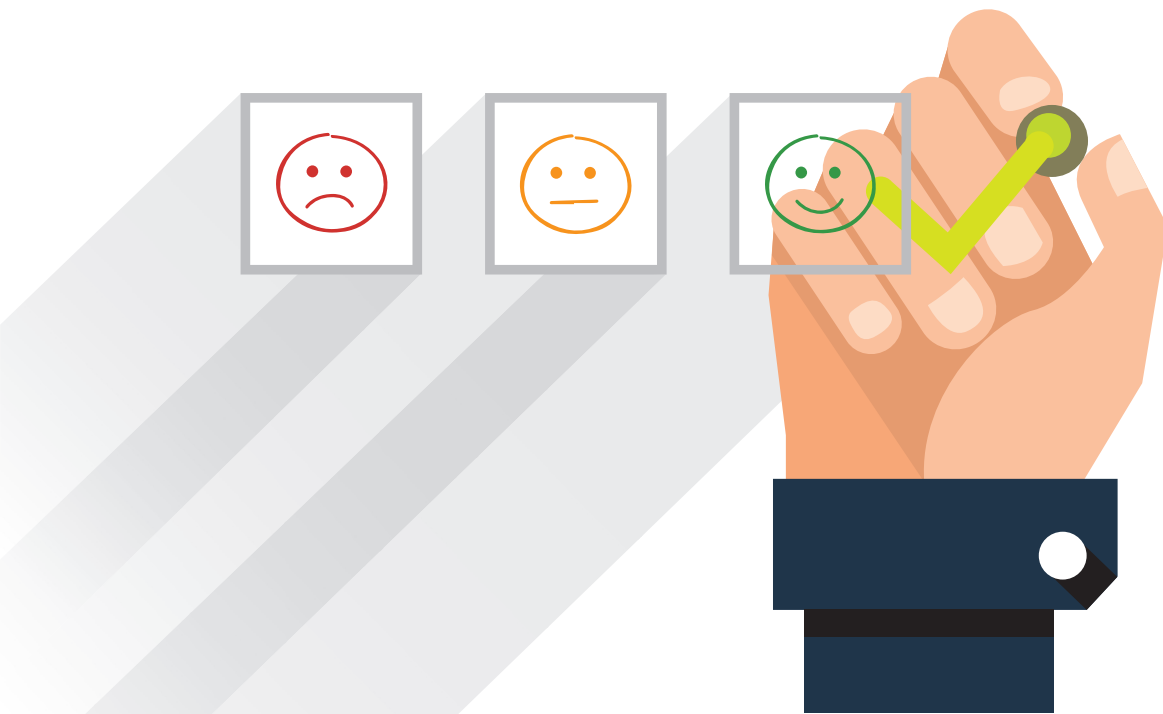
We are committed to the welfare and economic prosperity of the people and the community, for we derive from them our inspiration and drive for onward progress to prosperity.

In an intensely competitive and complex financial and business environment, we particularly focus on growth and profitability of all concerned.



# CORE VALUES

- Integrity : Upholding integrity in all that we do, always, everywhere.
- Fairness : Striving to offer the best to our customers equitably with transparency.
- Innovation : Encouraging and nurturing creativity.
- Commitment : Committed to excellence in customer service and maximization of stakeholders' value through teamwork.



# ETHICAL PRINCIPLES



## CODES OF CONDUCT:

IFIC Bank's Codes of Conduct sets forth the guiding principles by which we operate our Bank and conduct our daily business with our customers, vendors, competitors, regulators and other agencies, the media and anyone else with whom we have contact. We recognize that honesty, integrity and sound judgment of our employees is essential to our reputation and success. These principles apply to all of the employees of IFIC Bank and all of its wholly owned subsidiaries. These principles are delineated below:

### Legal Compliance

All business activities of IFIC Bank Limited at all times conform to all applicable national and international legal requirements. All employees of the Bank are expected to understand, respect and comply with all the laws, rules, regulations, policies and procedures related to Bank's business during their employment with the Bank.

### Fair Dealing

IFIC Bank Limited seeks to outperform its competitors fairly and honestly through superior performance and never through unethical or illegal business practices. Stealing proprietary information, possessing or utilizing trade secret information that was obtained without the owner's consent or inducing such disclosures by past or present employees of other companies is prohibited in the Bank.

### Prohibition of Discrimination and Harassment

IFIC Bank Limited, in the course of its operations, does not engage in any discriminatory practices. Discrimination means any distinction, exclusion or preference limiting equality or opportunity of treatment in employment or occupation, which may be based on colour, sex, religion, political opinion, age, national, social or ethnic origins, family obligations or any other considerations in this matter. IFIC Bank Limited is also committed to a workplace free from any kind of harassment.

### Conflicts of Interest

All the employees of IFIC Bank Limited are expected to avoid all situations that might lead to a real or apparent material conflict between their interests and their duties and responsibilities during their currency as employees of the Bank. Employees of the Bank are prohibited to represent the Bank in any transactions with respect to which they have material connections/substantial financial interests.

### Confidentiality

Non-public information regarding the Bank or its businesses, employees, customers and suppliers is confidential. Employees of the Bank are entrusted with confidential information and are required to maintain the confidentiality of the same, except when disclosure is specifically authorized by the Board of Directors and/or Managing Director or required by laws, regulations or legal proceedings.

### Corporate Opportunities

Employees owe a duty to the Bank to advance its legitimate interests when the opportunity to do so arises. Employees of the Bank are prohibited from taking for themselves personally opportunities that properly belong to the Bank or are discovered through the use of corporate property, information or position. They are also prohibited from soliciting, demanding, accepting or agreeing to accept anything of value from any person in conjunction with the performance of their employment or duties at the Bank and also acting on behalf of the Bank in any transaction in which they or their immediate family members have significant direct or indirect financial interests.

### Insider Trading

Employees of the Bank are required not to buy, sell, trade or otherwise participate in transactions involving the Bank's common stock or other security while in possession of material information concerning the Bank that has not been released to the general public, but which when released may have an impact on the market price of the Bank's common stock or other security.

### Extension of Credit

Employees of the Bank are required to refrain from sanctioning credit facilities to their wives, children, parents and other relations or to individuals, firms or companies in which they themselves or their relations have interest as proprietor, partner, director or guarantor without prior approval of the Board of Directors of the Bank in individual cases.

### Outside Business Relationships

Before agreeing to act as a director, officer, consultant or adviser for any other business organization, employees of the Bank are required to report in writing to and receive approval in writing by the Managing Director of the Bank in order to avoid any conflicts of interest and to maintain independence. The Bank however, encourages civic, charitable and



educational activities as long as they do not interfere with the performance of the duties of the employees at the Bank.

### **Coping with Money Laundering**

Within the framework of international and national regulations, employees of the Bank are required to take appropriate preventive measures against fraud and money laundering and co-operate with other Banks and relevant institutions, establishments and government agencies for this purpose.

### **BUSINESS ETHICS:**

IFIC Bank Limited believes that the Business Ethics Practices provides a foundation for the stability and sustainable growth of the Bank, and supports the Bank's efforts in achieving its stipulated goals. The Bank therefore encourages all parties to conduct business and perform their duties in accordance with this Business Ethics Practices:

#### **Honesty and Integrity**

The Bank will adhere to honesty and integrity in conducting its business.

#### **Compliance with Laws and Regulations**

The Bank will conduct its business in accordance with the law and regulations and will not assist, encourage or support any wrongful transactions or activities.

#### **Good Management and efficient and effective Internal Control**

The Bank will put in place good management systems and risk management systems, as well as efficient and effective internal controls.

### **Standards**

The Bank will comply with various standards which are generally acceptable for conducting the banking business.

### **Concern for Stakeholders**

The Bank realizes the importance of proper conduct to various stakeholders with appropriate co-operation and mutual support. The Bank will treat its customers, counterparties or competitors with mutual good understanding and co-operation.

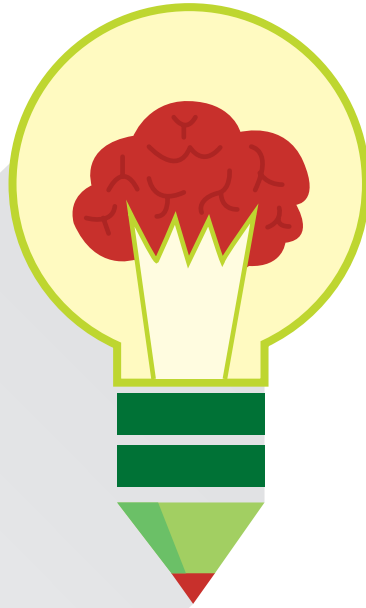
### **Preservation of the Bank's Reputation**

The Bank will uphold a good reputation and will refrain from engaging in any acts that may jeopardize its reputation.

### **HR COMPLIANCE:**

IFIC Bank HRM Division maintains compliance in all organizational levels in order to develop and implement ethical culture across the institution. HRM Division encourages the employee to abide by the rules and regulations of the Bank along with all applicable laws of the country and promote the same through continuous training programs. Moreover, HRM Division has separate disciplinary rules namely IFIC Bank Employees (Discipline and Appeal) Rules 2003 which focuses on the quasi-judicial proceedings for handling misconducts committed by any delinquent employee.





STRATEGIC  
PRIORITY





## STRATEGIC PRIORITY

1. To strive for sound business growth by ensuring customer satisfaction through quality and timely services
2. To manage and operate the Bank in the most efficient manner to ensure achievement of goals
3. To maintain adequate capital flow to support further growth
4. To ensure effective and efficient risk management for sustainable business growth
5. To diversify loan portfolio through structured finance and expansion of Corporate, SME, Agri and Retail businesses
6. To mount state-of-the-art technologies and adopt innovative ideas for financial inclusion
7. To groom human resources for serving customers efficiently
8. To increase brand visibility by creating positive image of the Bank
9. To be a trend-setter in serving the society and remain responsive to the environment
10. To ensure sound corporate governance practices
11. To facilitate mobility in banking by up-gradation of internet and Mobile Banking
12. To add value for all stakeholders.



## STATEMENT REGARDING FORWARD LOOKING APPROACH

This annual report could or may contain certain forward-looking statements that are based on the Bank's expectations or beliefs as well as anticipation of future events. These forward-looking statements may include, but not limited to, statements made in this annual report in the form of management discussion and analysis regarding the Bank's objectives, strategies to achieve those objectives, expected financial results including risks associated with these and outlook for the Bank's business, Bangladesh and the global economies. These statements are typically identified by words or phrases e.g. estimate, target anticipation, expects, believe, goal, plan, may, will, intends, potentially or other words which are of similar expression. By virtue, forward-looking statement involves number of assumptions, inherent risks and uncertainties. Do not unduly rely on these as a number of factors, many of which are beyond the control of Bank, could cause actual results and the Bank's plan and objectives, to differ materially from those expressed or implied in the forward-looking statements. These factors include, but not limited to:

- the economic and financial condition of Bangladesh and rest of the world;
- Natural calamities;
- Movement of interest rate of both lending and deposit;
- Liquidity and money market volatility;
- The failure of third parties to comply with their obligations to Bank;
- Changes in regulatory regime e.g.
  - Monetary policy
  - Fiscal policy
  - Provisioning and NPL management etc.
  - Withdrawal of incentives for thrust sectors

- Changes in the accounting policy;
- Volatility of capital market;
- Competitive market;
- Political condition of the country;
- Future FX market condition;
- Changes of technology in banking sectors;
- Lowering the margin ratio for investment accounts etc.

The Bank will not undertake any obligation to revise or update any forward-looking statements contained in this annual report, regardless of whether those statements are affected as a result of new information, future events or otherwise.

## CORPORATE PROFILE

### **Name of the Company**

International Finance Investment and Commerce Bank Limited (IFIC)

### **Legal Form**

IFIC Bank Limited was incorporated in Bangladesh and registered with the Registrar of Joint Stock Companies & Firms as a public company limited by shares

### **Company Registration Number**

C-4967, Dated : 08 October 1976

### **Authorized Capital**

BDT 20,000.00 million

### **Paid up Capital**

BDT 5,034.12 million

### **Listing Status**

Listed with Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE) in 1986 and 1997 respectively

### **Market Category**

'A' Category

### **Tax Payer Identification Number (TIN)**

135055865054, LTU, Dhaka

### **VAT Registration Number**

19071035167

### **Subsidiary Companies**

IFIC Securities Limited  
IFIC Money Transfer (UK) Limited

### **Registered Office**

BDBL Bhaban (8<sup>th</sup> – 10<sup>th</sup> & 16<sup>th</sup> - 19<sup>th</sup> Floors)  
8, Rajuk Avenue, Dhaka-1000  
Tel: 9563020-29, Fax: 9562015  
Swift: IFIC BD DH  
E-mail: info@ificbankbd.com  
Web: www.ificbankbd.com

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

IFIC Bank Limited - OBU  
Federation Branch, FBCCI Building,  
60, Motijheel C/A, Dhaka

### **Auditors**

M. J. Abedin & Co  
Chartered Accountants

### **Legal Adviser**

Ahsanul Karim

### **Tax Consultants**

Adil & Associates

### **Credit Rating Agency**

Credit Rating Agency of Bangladesh (CRAB) Limited

### **Chairman**

Salman F Rahman

### **Managing Director & CEO**

M. Shah Alam Sarwar

### **Company Secretary**

A. K. M. Mozharul Hoque

### **Chief Financial Officer (CFO)**

Dilip Kumar Mandal

### **No. of Employees**

2,489

### **No. of Branches**

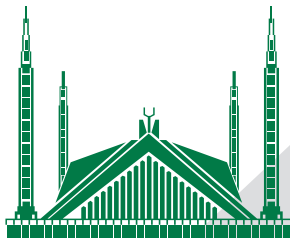
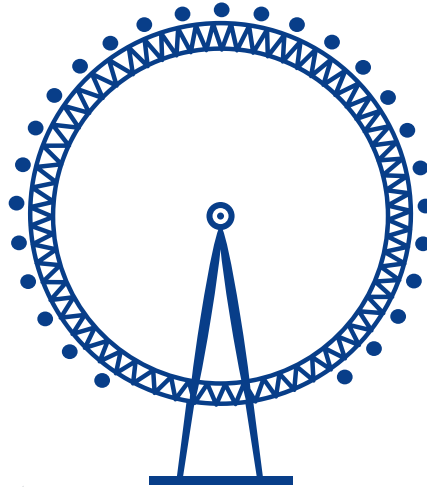
129

### **No. of Shareholders**

35,949

### **Investor Relations**

BDBL Bhaban (10<sup>th</sup> floor)  
8, Rajuk Avenue, Dhaka-1000  
Hotline: 9563020



**NIB Bank Limited,  
Pakistan**

A joint venture  
commercial Bank  
in Pakistan

0.23%

**IFIC Money Transfer  
(UK) Limited**

A fully owned  
subsidiary in  
United Kingdom

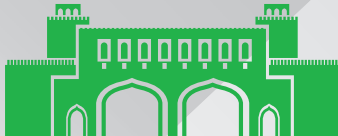
100%



**Nepal Bangladesh  
Bank Limited**

A joint venture  
commercial Bank  
in Nepal

40.91%



**Oman International  
Exchange, LLC**

A joint venture  
exchange company  
in Oman

40.91%



**IFIC Securities  
Limited**

A fully owned  
subsidiary

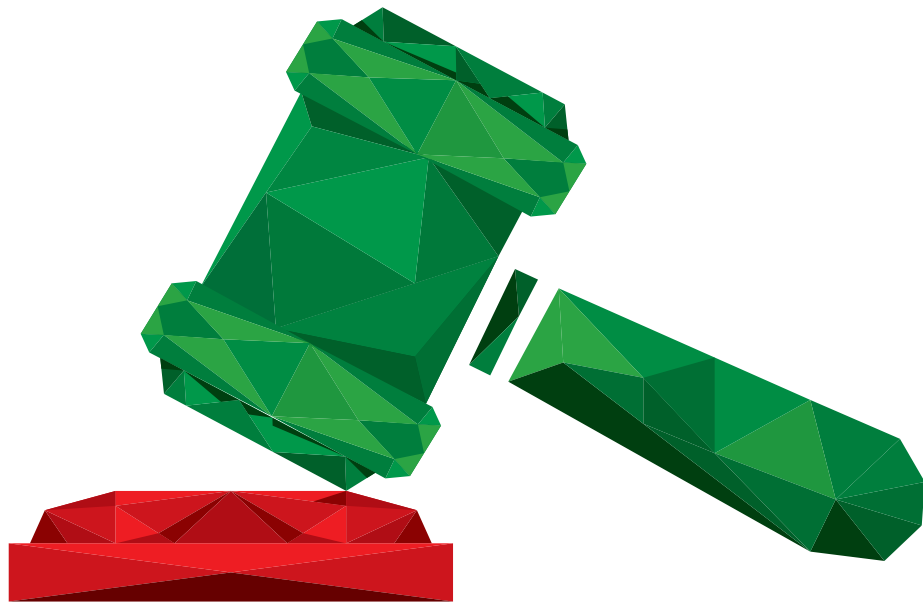
99.99%

# GLOBAL CORPORATE STRUCTURE

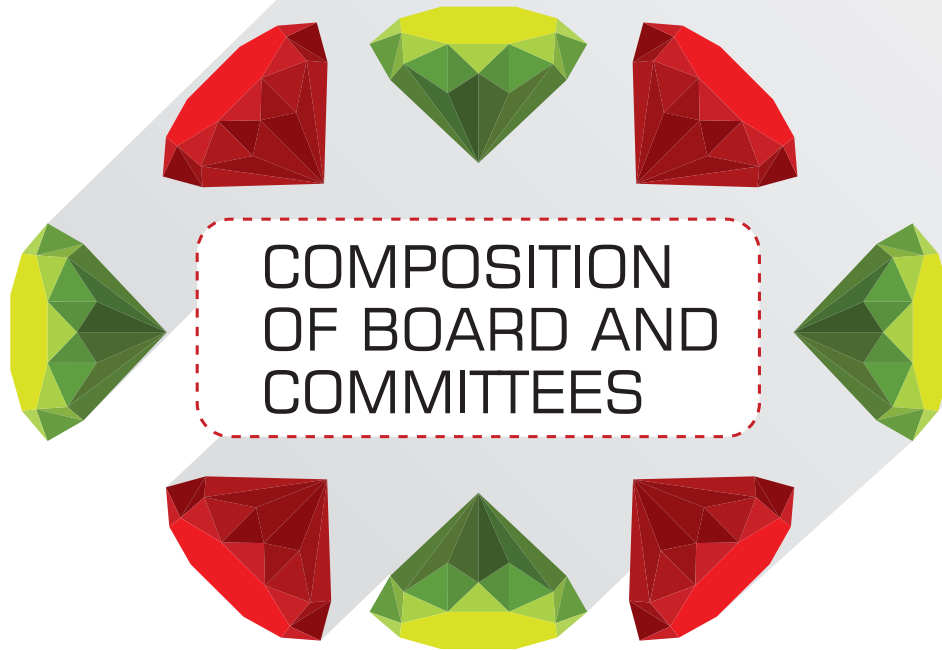
## MILESTONES IN THE DEVELOPMENT

1976	<ul style="list-style-type: none"> <li>● Established as a joint venture Investment &amp; Finance Company with the Govt. of Bangladesh</li> </ul>
1980	<ul style="list-style-type: none"> <li>● Commenced operation in Foreign Exchange Business in a limited scale</li> </ul>
1982	<ul style="list-style-type: none"> <li>● Obtained permission from the Govt. to operate as a commercial Bank, Set up its first overseas joint venture (Bank of Maldives Limited) in Maldives (IFIC's share in Bank of Maldives limited was sold to Maldives Govt. in 1992)</li> </ul>
1983	<ul style="list-style-type: none"> <li>● Commenced operation as a full-fledged commercial bank in Bangladesh</li> </ul>
1985	<ul style="list-style-type: none"> <li>● Set up a joint venture Exchange Company in the Sultanate of Oman, titled Oman Bangladesh Exchange Company (Subsequently renamed as Oman International Exchange, LLC)</li> </ul>
1987	<ul style="list-style-type: none"> <li>● Set up its first overseas branch at Karachi, Pakistan</li> </ul>
1993	<ul style="list-style-type: none"> <li>● Set up its second overseas branch at Lahore, Pakistan</li> </ul>
1994	<ul style="list-style-type: none"> <li>● Set up its first joint venture in Nepal, titled Nepal Bangladesh Bank Ltd.</li> </ul>
1999	<ul style="list-style-type: none"> <li>● Set up second joint venture in Nepal for lease financing, titled Nepal Bangladesh Finance &amp; Leasing Co. Ltd. (merged with NBBL in 2007)</li> </ul>
2003	<ul style="list-style-type: none"> <li>● Set up a new Bank in Pakistan, NDLC-IFIC Bank Ltd. (Subsequently renamed as NIB Bank Ltd.) and the Overseas Branches of IFIC and a local leasing company, NDLC were amalgamated with and into it</li> </ul>
2005	<ul style="list-style-type: none"> <li>● Acquired MISYS solution for real time online banking</li> <li>● Core Risk Management implemented</li> </ul>
2007	<ul style="list-style-type: none"> <li>● Launched VISA branded Credit Card (completed full range of Cards i.e. Debit, Credit &amp; Prepaid by 2010)</li> </ul>
2010	<ul style="list-style-type: none"> <li>● Set up Offshore Banking Unit (OBU)</li> </ul>
2011	<ul style="list-style-type: none"> <li>● Established a fully owned exchange company named IFIC Money Transfer (UK) Limited in United Kingdom</li> </ul>
2012	<ul style="list-style-type: none"> <li>● Inaguration of 100<sup>th</sup> Branch at Tejgaon Gulshan Link Road in Dhaka</li> </ul>
2013	<ul style="list-style-type: none"> <li>● Achieved the landmark of Tk 10,000 Crore deposit</li> </ul>
2014	<ul style="list-style-type: none"> <li>● Launching of IFIC Mobile Bank</li> </ul>
2015	<ul style="list-style-type: none"> <li>● Crossed the landmark of Tk 20,000 crore in Foreign Trade business</li> </ul>





# INFORMATION ON CORPORATE GOVERNANCE



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## Board of Directors

---

### Chairman

**Salman F Rahman**

### Directors

**Monirul Islam**

(Independent Director)

**Anwaruzzaman Chowdhury**

(Independent Director)

**Jalal Ahmed**

(Govt. Nominated Director)

**A. R. M. Nazmus Sakib**

(Govt. Nominated Director)

**Quamrun Naher Ahmed\***

(Govt. Nominated Director)

### Managing Director & CEO

**M. Shah Alam Sarwar**

### Company Secretary

**A. K. M. Mozharul Hoque**

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## Executive Committee of the Board

---

### Chairman

A. R. M. Nazmus Sakib

### Member

Quamrun Naher Ahmed

### Secretary to the Committee

A. K. M. Mozharul Hoque

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## Audit Committee of the Board

---

### Chairman

Monirul Islam

### Members

Anwaruzzaman Chowdhury

Jalal Ahmed

### Secretary to the Committee

A. K. M. Mozharul Hoque

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## Risk Management Committee of the Board

---

### Chairman

Jalal Ahmed

### Members

Monirul Islam

A. R. M. Nazmus Sakib

Quamrun Naher Ahmed

### Secretary to the Committee

A. K. M. Mozharul Hoque

\* Nomination approved by Bangladesh Bank on 13 April 2016

## DIRECTORS' PROFILE



### Mr. Salman F Rahman

#### Chairman

Mr. Salman F Rahman is an eminent business personality of the country. He is the Vice-Chairman of BEXIMCO Group - the largest private sector group in Bangladesh. Founded in 1970 as a commodities trading company, the Group now has operations and investments across a wide range of industries including textiles, trading, marine food, real estate development, hospitality, construction, information and communication technologies, media, ceramics, aviation, pharmaceuticals and energy. He was the President of FBCCI, the apex organization of businessmen of the country. Currently, he is the Chairman of IFIC Bank Limited, GMG Airlines Ltd. and Abahani Limited. He is associated with many social and charitable organizations.

### Mr. Monirul Islam

#### Independent Director

Mr. Monirul Islam is a post - graduate from Dhaka University. He is a successful entrepreneur of the country having years of experience as an industrialist. He is the Chairman of Monir Associates Ltd. He is also the Managing Director of Aaron Label Ltd. and Cosmo Sizing & Weaving Mills Ltd. He is the Chairman of the Audit Committee and also a member of the Risk Management Committee of the Board of Directors of IFIC Bank Limited. He is the Chairman of IFIC Securities Ltd. and a Director of IFIC Money Transfer (UK) Ltd. He is also a Director of Nepal Bangladesh Bank Ltd., Nepal.



### Mr. Anwaruzzaman Chowdhury

#### Independent Director

Mr. Anwaruzzaman Chowdhury is an MBA from London, UK. He is the Chairman of Weavers Community Trust and Kipling in the UK. He is the General Secretary of Tower Hamlet Homeless Campaign and also a Youth & Community Worker of Sabuj Sathi. Mr. Anwaruzzaman Chowdhury is associated with many social and charitable organizations and trusts. He is a member of the Audit Committee of the Board of Directors of IFIC Bank Limited. He is also a Director of IFIC Money Transfer (UK) Ltd. and IFIC Securities Ltd.

### Mr. Jalal Ahmed

#### Director

Mr. Jalal Ahmed is an Additional Secretary to the Government of the People's Republic of Bangladesh. He was nominated as Director to the Board of IFIC Bank Limited on 13 November 2012 by the Ministry of Finance, Government of Bangladesh. Mr. Jalal did his Honours & Masters in Public Administration from the University of Dhaka. He is also one of the Directors of BTCL, BATBC, BSCCL and Bangladesh Services Ltd. He is the Chairman of the Risk Management Committee and a member of the Audit Committee of the Board of Directors of IFIC Bank Limited. He is the Chairman of Nepal Bangladesh Bank Ltd., Nepal and IFIC Money Transfer (UK) Ltd. He is also a Director of IFIC Securities Ltd.



## DIRECTORS' PROFILE



### Mr. A. R. M. Nazmus Sakib

#### Director

Mr. A. R. M. Nazmus Sakib is an Additional Secretary at the Ministry of Finance, Government of the People's Republic of Bangladesh. He was nominated as Director to the Board of IFIC Bank Limited on 19 June 2012 by the Ministry of Finance, Government of Bangladesh. He is a post - graduate in Botany and also obtained M. Sc. Degree in Development Finance. He is the Chairman of the Executive Committee and a member of the Risk Management Committee of the Board of Directors of IFIC Bank Limited. He is also a Director of Oman International Exchange (OIE) LLC, a joint-venture operation of the Bank in Oman.

### Ms. Quamrun Naher Ahmed

#### Director

Ms. Quamrun Naher Ahmed is an Additional Secretary at the Bank and Financial Institutions Division, Ministry of Finance, Government of the People's Republic of Bangladesh. She was nominated as Director to the Board of IFIC Bank Limited by the Ministry of Finance, Government of Bangladesh. Ms. Ahmed did her Honours & Masters in Economics from the University of Dhaka. She also obtained M. Phil in Social Change from University of Science and Technology, Norway. She attended various Training, Seminars and Conferences at home and abroad. She is the Member of the Executive Committee and the Risk Management Committee of the Board of Directors of the Bank.



### Mr. M. Shah Alam Sarwar

#### Managing Director & CEO

Mr. Shah A Sarwar joined IFIC Bank Limited as Managing Director & CEO on 02 December 2012. Prior to joining the IFIC Bank Limited, he was the Managing Director & CEO of Trust Bank Limited. Mr. Sarwar started his career as Management Trainee at ANZ Grindlays Bank in 1982 and subsequently held senior management position at ANZ Grindlays Bank, Standard Chartered Bank, American Express Bank. He was also the Managing Director & CEO of Industrial Promotion and Development Company of Bangladesh Limited (IPDC), Premier Bank Limited and Additional Managing Director of United Commercial Bank Limited. Over the last 34 years, Mr. Sarwar's career evolved as a well rounded banker with expertise in General Management, Client Coverage, Risk Management, Operations and IT Management. He has core expertise in Strategic Risk Management, Business Process Re-engineering, Creation of New Lines of Business, Change Management and Automation Project Management. He obtained the highest level of accreditation in credit risk management and is a Six Sigma Belt holder. He is a Post-graduate in Economics from University of Dhaka and holds MBA degree from Victoria University, Australia. He held positions in Australia, United Arab Emirates and Pakistan. He attended various Training, Seminars and Conferences at home and abroad – notably in United Kingdom, Australia, United States, Singapore, Hong Kong, United Arab Emirates and Malaysia. He also attended Management Courses in Columbia University, Cambridge University, Oxford University, University of Berkeley and INSEAD.

## SENIOR MANAGEMENT

Sl.	Name	Designation
1	M. Shah Alam Sarwar	MD
2	S. M. Abdul Hamid	DMD
3	Muhammad Mustafa Haikal Hashmi	DMD
4	Raihan Ul Ameen	DMD
5	Fariduddin Al Mahmud	DMD
6	Shah Md. Moinuddin	DMD
7	A. K. M. Mozharul Hoque	SEVP
8	Md. Bader Kamal	SEVP
9	Md. Nurul Hasnat	SEVP
10	Syed Mansur Mustafa	SEVP
11	Khan Abu Roushan Mohammad Mostofa Kamal	SEVP
12	Md. Sharifur Rahman	EVP
13	Sajjad Zabir	EVP
14	Ashim Chowdhury	EVP
15	T. I. M. Rawshan Zadeed	EVP
16	Md. Shahjahan Miah	EVP
17	Md. Badrul Alam	EVP
18	Syed Fazle Ahmed	EVP
19	Iqbal Parvez Chowdhury	EVP
20	Md. Rafiqul Islam	EVP
21	Ferdousi Begum	EVP
22	Mohammad Shahed Shah Munnah	SVP
23	Shahjahan Kabir	SVP
24	A. K. M. Jeaur Rahman	SVP
25	Nurul Basher Abdul Mamun	SVP
26	Shaikh Sohail Khurshid	SVP
27	Saiful Momin	SVP
28	Md. Jahir Uddin Ferdous	SVP
29	Md. Zahidul Kabir	SVP
30	Md. Fakhru Abedin	SVP
31	M. Mozibar Rahman	SVP
32	Syed Hassanuzzaman	SVP
33	Zulfiquar Ali Khan	SVP

Sl.	Name	Designation
34	Mir Golam Mowla	FVP
35	A. F. M. Asaduzzaman	FVP
36	Shahab Rashid Khan	FVP
37	Md. Manirul Islam	FVP
38	Raihan Uddin Ahmed	FVP
39	Dilip Kumar Mandal	FVP
40	Helal Ahmed	FVP
41	Md. Zulfiquer Ali Chakder	FVP
42	Mir Iqbal Hossain	FVP
43	Sohel Mahmud Zahiduzzaman	FVP
44	Shafaiat Ahmed Chowdhury	VP
45	Mra Sha Thun	VP
46	Arzoo Mand Parveen Banu	VP
47	Md. Bahauddin	VP
48	Jesmin Akhter	VP
49	Ahmed Sayeed	VP
50	Navedul Islam	VP
51	Md. Abdullah Al Masum	VP
52	A. M. Mahmud Hossain	VP
53	Md. Selim Talukder	VP
54	Kazi Nowshaduzzaman	VP
55	Md. Akbar Ali	VP
56	Md. Anowar Khalid	VP
57	Mohoshin Uddin Ahmed	VP
58	Mohammad Sahin Uddin	VP
59	A. T. M. Raziur Rahman	VP
60	Anwara Begum	VP
61	Md. Mostaque Hossain Chowdhury	VP
62	Gazi Mahmud Hassan	VP
63	Morsheda Begum	VP
64	Md. Salah Uddin	VP
65	Abul Kalam Mojibur Rahman	VP
66	Md. Ali Imam Khan	VP
67	Mohammad Abdul Moiz	VP



# CHAIRMAN'S MESSAGE

## **Dear Shareholders,**

Assalamu Alaikum.

As another financial year comes to an end, it gives me great pleasure to address and welcome all of you, our valued shareholders, on behalf of the members of the Board of Directors, to the 39<sup>th</sup> Annual General Meeting of your Bank — IFIC Bank Limited and to present to you the audited Financial Statements and Annual Report for the financial year 2015. At the very outset, I would like to express my profound gratitude and sincere thanks for your continued belief, passion, support and patronage extended to the Bank towards making IFIC as a foremost brand in our country.

The Directors' Report on Financial Statements & Internal Control, the Financial Statements for the year ended on 31 December 2015 together with the Auditors Report thereon are already in your hands. The Annual Report sent to you gives a detailed overview of your Bank's performance during the year 2015 which has been presented through various quantitative and qualitative parameters.

As we look back at the evolution of the Bank since its inception, we can be pleased with the many successes the Bank has achieved, and as we look forward we can be confident that the strong foundation that has been laid will enable us to grow from strength to strength.

As per the report of the World Bank, Bangladesh is now a lower-middle income country. According to Bangladesh Bureau of Statistics (BBS), the Gross National Income per capita (GNI) of Bangladesh is now from \$1,190 to \$1,314.

As per report of Bangladesh Bank, Bangladesh has achieved Ba3 (Moody's) and BB-(Standard and Poor's) with stable outlook for the 6<sup>th</sup> consecutive years. Stable real GDP growth and strong external balances have helped Bangladesh to achieve BB- rating with stable outlook from Fitch Ratings for the second time.

Bangladesh Bank has announced Monetary Policy stance for the second half (H2) of the FY16 as the second leg of its monetary program for the FY16. They have mentioned in the report that, based on commendable macro stability, it is the high time to stimulate investment and thus growth where political calm beckons to use improved condition in market confidence.

The Central Bank has also mentioned that the New Year of 2016 enters a new era of lower interest rates regime. The government has indicated to lower Sanchaypatra rates that supposedly impede banking deposit rates from falling. State-owned banks have recently decided to slash lending rates by 1.5 to 2.0 percentage points in a bid to compete with private banks. The central bank has sustained its pressure on all banks to reduce their spread by lowering NPLs and enhancing efficiency. If the results are summed up, lower lending rates will be the catalyst for investment stimulation.

The average lending rate fell from 12.84 percent in July 2014 to 11.27 percent in November 2015. The average deposit rate fell from 7.71 percent to 6.46 percent over the same period. Consequently, the average spread, which sits on top of the average deposit rate to give us the average lending rate, fell from 5.13 percent in July 2014 to 4.81 percent in November 2015.

At the end of the last fiscal year 2015, as per Monetary Policy Statement of Bangladesh Bank, current account surplus stood at USD 2.00 billion. The next current account balance for the FY16 is projected by Bangladesh Bank to reach USD 0.96 billion which will be added to the net foreign assets.

Bangladesh Bank has expected, as per announced Monetary Policy, 8.5 percent growth in both exports and imports and 5 percent increase in remittances for the FY16. Recent sustained pick up in investment and consumption imports will in the near term ease appreciation pressures on taka, enhancing its export competitiveness. The growth rate of foreign exchange

reserves will slow down and the import coverage will fall before reserves turn out to be a liability. As reported, the foreign reserves are projected to keep rising to reach USD 27.2 billion in the FY16 from USD 25 billion in the FY15.

So, it is clear that the banking industry is entering a new phase, with a much sharper focus on boosting profitability with sustainable growth. As an Outlook, we have to highlight those areas that banking sector will need to give their full attention, ranging from balance sheet efficiency to cyber security.

In an era of competitive growth, the most successful banks will be those that master transformation. Banks must reinvent themselves, not just to respond to today's pressures, but to be able to adapt to tomorrow's challenges. Your Bank is well aware of that.

Bangladesh Bank has also made a strategic shift in loan disbursement policy. All banks will be encouraged to substantially increase advances for micro, small, and medium enterprises. Digital technology has been deployed to investigate big financial transactions and loans in order to stop the repetition of banking irregularities.

We have also taken initiative, as guided by Regulatory Bodies, for the best governance.

Last year, as per our mission, we engaged in inclusive banking, which I believe is uniquely our own operating model. By pursuing excellence in customer care through customer relevance, by innovating consistently to deliver technology driven solutions to the banking industry and through continuous product innovations, we have carved a veritable niche for ourselves in the eyes of our customers. And it is thus that your point of view remains our point of consideration.

The Bank also has a pleasant involvement and proactive participation in benevolent activities like donations to different charitable organizations, to poor people, city beautification and patronizing art & culture, etc. As a trend-setter, the Bank is gradually organizing its involvements in more structured CSR initiative, in line with the Guidance of Bangladesh Bank.

Our Management Team, in 2015, maintained their winning streak, receiving national and international accolades for transparency, good governance, sustainability, people practices, brand management, CSR and IT applications.

We intend to grow our business in a sustainable manner by enhancing the quality and efficiency,

discover the new market as well as product and focusing on customer service.

We are confident that the Management Team possesses the right competencies to capitalize on these opportunities and maintain a higher growth trajectory for the Bank. As such, your Bank would concentrate on sharpening its competitive edge by improving its business strategies and by protecting its credibility through fulfilling the promises.

On behalf of the Board, I wish to place on record our sincere appreciation to the Government, Bangladesh Bank, Bangladesh Securities & Exchange Commission and other regulatory authorities, various financial institutions, banks and correspondents at home and abroad for the manner in which they have supported and guided.

My sincere appreciations is also to the Managing Director & CEO, the Management Team and the IFIC Bank Team for making 2015 yet another year of commendable performance and for their continuing dedication to achieving the Bank's objectives despite the veritable challenges.

We exist to serve our customers with the highest levels of convenience, transparency and respect.

We sincerely appreciate the trust they have placed in us and look forward to maintaining a long term relationship with them.

A special word of thanks to our shareholders again who have been an integral part of the Company's journey.

Finally, I wish to place on record my appreciation to my fellow Directors for their unstinted support, guidance and insight which has helped steer the organization towards the many successes it has achieved to date.

We look to the next financial year with confidence and resolute dedication. Let there be good days ahead for all of us. May the Almighty Allah bestow His choicest blessings on all of us.

Allah Hafez.



**Salman F Rahman**  
Chairman





# MANAGING DIRECTOR & CEO'S REVIEW

## **Dear Respected Shareholders,**

It is an honor to present a summary of financial and operating performance of IFIC Bank Limited for the year 2015. During the year, we continued to retain growth in various segments of business and achieved success in capacity building by way of improving human resource quality, technology, processes and delivery channels. We worked actively to improve

employee engagement and risk management. In 2015, Banking Sector faced challenges like continuous fall of rate of interest, deterioration of quality of assets, excess liquidity in the economy and political turmoil at the beginning of the year. However, befitting policies and risk management initiatives of regulatory authority as well as the Bank has helped us to achieve positive parameters.

### **Underlying Economic Environment**

Bangladesh economy recorded a 6.5% growth of GDP in FY15. Higher growth of Industry Sector and satisfactory growth of Services Sector helped to achieve the satisfactory growth of the overall economy. In FY15 Bangladesh graduated to the status of a lower middle income country from the low income country. During FY15, the average inflation showed a downward trend due to favorable international commodity price movements and sound macroeconomic management. Total domestic credit decreased from 11.6% in FY14 to 10.1% in FY15. The growth of export fell from 12.1% in FY14 to 3.3% in FY15 but the growth of import increased from 8.9% in FY14 to 11.3% in FY15. The higher growth of import compared to export led to an increase in trade deficit. Workers' remittances growth stood at 7.5% in FY15 compared to 1.5% negative growth in FY14. A surplus in the overall balance of payments was maintained despite a deficit in current account balance. The foreign exchange reserves stood at USD 25.02 billion at the end of FY15.

### **IFIC Bank Performance**

Deposit of the Bank stood at BDT 146,820 million in 2015 against BDT 129,746 million in 2014, representing a growth of 13.16%. Loans and Advances increased to BDT 123,269 million in 2015 from BDT 102,282 million in 2014, posting a considerable growth of 20.52%.

Export of the Bank was BDT 96,080 million in 2015 having 6.88% growth while Import of the Bank was BDT 87,307 million in 2015 having 2.32% growth and Remittance was BDT 22,537 million in 2015 having 20.12% growth. Foreign Exchange Business grew by 6.16% from BDT 193,982 million in 2014 to BDT 205,923 million in 2015.

Net Interest Income (NII) increased by 10.44% from BDT 3,392 million in 2014 to BDT 3,746 million in 2015. Operating Profit of the Bank raised by 14.91% from BDT 3,173 million in 2014 to BDT 3,646 million in 2015. However, Net Profit after Tax decreased to BDT 887 million in 2015 from BDT 1,545 million in 2014, representing a decline of 42.59% due to increase of total Provision from BDT 496 million in 2014 to BDT 2,031 million in 2015.

NPL ratio of the Bank increased to 6.46% in 2015 from 4.95% in 2014. Asset size of the Bank stood at BDT 178 billion in 2015 against BDT 156 billion in 2014.

### **Capital Adequacy**

At the end of 2015, total Shareholders' Equity stood at BDT 11,654 million, which is 9.65% higher than that of 2014. The Bank maintained Capital to Risk-weighted Asset Ratio (CRAR) of 10.07% under Revised

Regulatory Capital Framework for Banks in line with Basel III as against minimum requirement of 10.00% set by Bangladesh Bank for the year ended 31 December 2015.

### **Risks facing the organizations and steps taken to manage such risks**

Among the various types of risks faced by the banks are market risk, credit risk, operational risk etc. Regarding supervision of risk management, the Board of Directors performs prime responsibility of the risk supervision. For managing credit risk, Bank uses updated credit policy approved by the Board of Directors. In terms of operational risk management, the risk is monitored and controlled within the Bank by the help of operational risk management framework. The Internal Control & Compliance Division of Bank looks after overall compliance issues.

### **Growth initiatives implemented in 2015**

- Up-gradation of MISYS Online Banking Solution was completed in 2015 to bring the Core Banking Solution at par with international standard.
- Bank introduced a new collateral based Home Loan Product with very competitive interest rate which received enormous market response.
- Implemented One Stop Transaction Service in 17 Branches for customers' satisfaction.
- Opened 9 new Branches at different strategic locations of the country, making a total network of 129 Branches.
- Implemented reduction of dependency on large ticket deposits and given great emphasis on increasing retail deposits base especially low cost CASA deposit through diversified products and services.

### **Corporate Social Responsibility (CSR) Activities**

IFIC Bank undertook following activities in the field of CSR to address the need of people for making a positive and meaningful contribution to the society:

- IFIC Bank established a modern High Dependency Unit (HDU) at the Burn & Plastic Surgery Unit of Dhaka Medical College Hospital.
- The Bank donated money to establish a Child Day Care Centre of Private Commercial Banks at Motijheel Commercial Area in Dhaka.
- Students and teachers of University of Dhaka received stipends and research grants from IFIC Bank Trust Fund.
- The Bank donated money in different schools of underprivileged children and orphanage.

- IFIC Bank donated money to the Nepalese Ambassador in Dhaka for the victims of devastating earthquake of Nepal.

#### **Environmental Initiatives**

Bank devoted to make an eco-friendly environment and to ensure that its operations are environment friendly. Bank has engaged itself to influence its customers to operate responsibly and reduce impacts on climate change issues, hazardous waste disposal and depletion of non renewable natural resources. To promote Green Banking, the Bank has already issued Green Office Guide.

#### **Employee Compensation & Benefit**

Bank has the policy to motivate the real performers by providing Performance Pay as component of Yearly Increment and Performance Bonus which are linked to performance of the employees. Bank provides Staff House Building Loan, Staff Car Loan, Salary Overdraft and Staff Salary Loan as components of the compensation and benefit policy so that employees can enjoy a comfortable life. Bank also provides hospitalization insurance and group life insurance facilities to ensure medical and social security. As per compensation and benefit policy, Bank ensures long term benefits to its employees by providing Provident Fund and Gratuity.

#### **Commitments for 2016**

- In case of lending Bank will emphasize on “good risk” at low rate, “marginal risk” at high security and exit “high risk” in 2016.
- Centralized Trade Processing will be introduced in 2016.

- Bank will continue to give special emphasis on promoting ‘Home Loan’ product.
- Bank will vigorously market the newly introduced product- ‘Amar Account’.
- Bank will generate special recovery focused activities to decrease the NPL ratio.
- To achieve long term sustainable growth, the Bank will pursue strategy through proper management of Balance Sheet and maintenance of liquidity for the year of 2016.

#### **Concluding Remarks**

I am expressing my sincere gratitude to the regulatory authorities especially Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange and Chittagong Stock Exchange for their constant support and assistance. I would like to express my intense gratitude and thanks to the members of the Board of Directors for their policy guidelines and sufficient support to the Management to implement those. Thanks are due to our respected shareholders, valued customers, patrons and all other stakeholders for their trust and confidence in the Management of the Bank. Finally, thanks to my colleagues of the Bank for their relentless effort and commitment.



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



# DIRECTORS' REPORT

## DIRECTORS' REPORT

### Hon'ble Shareholders,

Assalamu Alaikum.

The Board of the Directors of IFIC Bank Limited is delighted to welcome you all to the 39<sup>th</sup> Annual General Meeting of the Bank. The Directors take pleasure in presenting the Directors' Report along with the Audited Financial Statements of the Bank for the year ended 31 December 2015 and the Auditors' Report thereon before you. The Board has reviewed the financial statements in order to ensure effective financial control, transparency and accuracy of the financial data and financial reporting. The Board also likes to take the opportunity to highlight briefly on the operational performance of the Bank during the year 2015 in the context of domestic and international economic scenario.

### 1. Global Economy:

In the past few years, the global economy was not dynamic due to uneven combination of wide range of technological opportunities, slow growth of investment, dull business, lack of consumer confidence, weak productivity and policies and severe business challenges. This dragged the global economy into a holding pattern in which positive and negative forces offset each other for the immediate future.

This character of the global economy is unlikely to change in the next one year. It is expected by many that a modest improvement may take place which can boost up the growth rate of the global economy to 2.8 percent in 2016 from 2.5 percent in the previous year.

In South Asia, economic growth is projected to be a bright spot in an otherwise gloomy outlook for emerging and developing economies, with growth speeding up to 7.3 percent in 2016 from 7 percent in the year just ended, according to the January 2016 issue of *Global Economic Prospects*. The region has relatively little trade exposure to slowing demand in major emerging markets, and is a net importer of oil and will benefit from lower global energy prices.

### 2. Bangladesh Economy:

According to World Development Indicators Database of the World Bank and World Economic Outlook of International Monetary Fund, Bangladesh advanced 14 steps from the 58<sup>th</sup> position to 44<sup>th</sup> in the world economy in the last two years.

The World Bank has reported that Bangladesh's economy is on a strong footing with a positive near-term macro-

economic outlook. The latest Bangladesh Development Update notes declining inflation, rising reserves, contained fiscal deficit and stable public debt. Downside risk persists for the economy regarding both domestic and external factors. International competitiveness on both demand and supply sides shows a declining trend. Headcount poverty based on PPP US\$ 1.25 per day is projected to have declined from 43.50 percent in 2010 to 38.40 percent in 2015.

According to FocusEconomics, *Economic Forecaster of the World's Leading Economists*, Bangladesh's economy expanded at the fastest rate in last three years for its dynamic domestic demand, which was supported by strong remittances inflows. The oil price slump is also having a large beneficial impact on the economy, reducing drastically Bangladesh's imports bill and helping build strong international reserves, which amounted to USD 27.6 billion in October 2015, an all-time high. In addition to a steady flow of remittances, the economy is expected to keep expanding at solid rates as a dynamic garment industry is supporting private investment.

The Bangladesh Development Update has noted that per-capita income of Bangladesh stood at USD 1,314 in 2015.

The best performing indicator has been the foreign currency reserve. As at 29 December 2015, it stood at \$27.4 billion. The reserve was at a little over \$22 billion on the same date in 2014.

As reported by Asian Development Bank Outlook, in the 2014-15 fiscal, Bangladesh's exports stood at \$31.2 billion, up by 3.35 percent from the previous fiscal's figures. The Garment Industry - accounts for about 80% of total exports - grew slowly by 4.1%, reflecting supply chains disrupted by political demonstrations in early 2015, soft demand from the European Union and the US, and a marked decline in prices for cotton, a major input cost that can affect pricing. Imports rose by 11.2%, accelerating from 8.9% growth in FY2014.

Between the ongoing fiscal's July and November, Bangladesh earned \$12.88 billion from exports, up by 6.71 percent over the same period in the 2014-15 fiscal. Import cost has come down, in support of the slump in global oil prices.

The one sector that has been experiencing consistent growth in the last few years is agriculture, facilitating a firm base for the economy. According to the UN's Food and Agriculture Organization (FAO), Bangladesh tops the list of countries experiencing growth in fruit farming. It is now the seventh largest producer of



mangoes and eighth in terms of guavas. Bangladesh has started export mangoes to Walmart with the FAO's co-operation. Bangladesh is among four countries poised to do better in fish farming in 2022.

The World Bank has said that Bangladesh is a lower-middle income state and is being lauded by several global forums for its 'stability' in the macro-economic scenario.

As reported by Ministry of Finance, the Government has fixed a number of priorities, mentioned below, in this year's budget to materialize the national goal of graduating Bangladesh into a middle income country by 2021:

- Overall Human Resource Development with special emphasis on Health and Education;
- Infrastructure development, especially - power, energy, road, railway and port;
- Agriculture and Rural Development;
- Increased utilization of IT in service delivery and materialization of Digital Bangladesh;
- Resilience against Climate Change;
- Increase remittance, diversification of export and explore economic opportunities abroad.

### 3. Banking Sector:

The smooth movement of the wheels of an economy depends on some vital sectors that directly contribute to sustainable economic growth and development. The banking sector is considered as one of the most significant players in strengthening the soundness of an economy.

The major challenges faced by the banking industry were low credit growth, increasing trend of non-performing loans resulting in higher provisioning requirements, and surplus liquidity. The cumulative effects of these put pressure on the profitability of the banking sector as a whole. However, Bangladesh Bank monitors the recent rise of non-performing loans with concern and care. While some of these figures are potentially alarming, Bangladesh Bank has already taken some corrective measures to clamp down on classified loans. As reported by Bangladesh Bank, they will not be lenient in this regard.

Banking sector, being an integral part of the financial system, will have to face the likely impediments. The major challenges of the banking industry in 2016 will be optimum utilization of fund through achieving desired investment growth, preventing the deterioration of asset quality and maintenance of capital adequacy to absorb the risks.

### 3.1. Monetary Policy Stance of Bangladesh Bank:

Consequent upon the changes in global and domestic scenario, as said in Monetary Policy Statement, Bangladesh Bank maintains continuity and further strengthen the momentum of investment friendly reforms in the credit and financial policies accompanying the monetary policies. As per Monetary Policy Statement, followings are highlighted:

- Broad money (M2) is projected to grow at 15.0 percent in June 2016 from 14.2 percent in December 2015. M2 is adequate to support the growth and inflation targets. It has also taken the growth rates of both public and private credit into account.
- Domestic credit is projected to grow at 15.5 percent at the end of the fiscal year 2016 from 10.9 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.
- Inflation is expected to land in 6.07 percent in June 2016 from 6.20 percent in December 2015. Some effects of pay rise in the government sector are likely to be canceled out by the dampening fuel and commodity prices.
- After keeping a static set of policy rates: repo and reverse repo rates for a while, Bangladesh Bank now decides to lower the repo rate and reverse repo rate by 50 basis points, sending the repo to 6.75 percent and reverse repo to 4.75 percent from the current rates. This move will attempt to dampen other interest rates in the market and thus will help investment stimulate. Necessary market alignments warranted this change.
- The falling fuel and commodity prices have globally created a low-inflation environment, paving the way for a considerable reduction in policy rates and thus signaling the market to raise investment when macro stability is commendable.
- Bangladesh Bank has made a strategic shift in loan disbursement policy. All banks will be encouraged to substantially increase advances for micro, small and medium enterprises.
- Bangladesh Bank's supervisory vigilance on banking governance will be straightened further to clamp down on loan delinquencies.

### 4. IFIC in the Banking Sector of Bangladesh:

International Finance Investment and Commerce





Bank Limited (IFIC Bank) was set up at the instance of the Government in 1976 as a joint-venture between the Government of Bangladesh and sponsors in the private sector with the objective of working as a finance company within the country and setting up joint-venture banks/financial institutions abroad. In 1983 when the Government allowed banks in the private sector, IFIC was converted into a full-fledged commercial bank. The Government of the People's Republic of Bangladesh now holds 32.75% of the share capital of the Bank. The rest of the share capital is held by some leading industrialists of the country, institutions and general public.

A total of 129 branches of IFIC are dedicated to fulfill the Mission of providing service to the clients with the help of a skilled and dedicated workforce. As one of the leading banks of the banking sector in the country, IFIC is always committed to the welfare and economic prosperity of the people and the community.

#### 4.1. Client as Trusted & Development Partner:

IFIC recognizes customers as partners and aims at providing high quality products and services at a fair price. The Bank focuses on supplying of Customer Service Excellence (CSE) in those products and services with the optimum desire to gain total customer satisfaction and confidence. The Bank hopes to build

reliability, trust and friendship through honesty and integrity for healthy long-term alliances.

The Bank looks after every client to make him/her a development partner through addressing his/her banking needs and wants to provide best services at affordable prices.

The Bank provides a professional, safe and enjoyable work environment that supports job enthusiasm, positive relationships and effective teamwork. The Bank provides clear directions to motivate the team to achieve the goals. The Bank seeks to inspire loyalty to the company by treating all the employees with respect, recognition and understanding.

#### 4.2. Cluster Management:

Cluster Management is considered as new and highly efficient forms of innovation support providers that provide and channel specialized and customized business support services to enterprises. Our high quality cluster management is working relentlessly to ensure cluster excellence in the Bank and efficient cluster Managers act as a driving force for clusters. Their performance is very much linked to the professional expertise and the capability of cluster managers, who dispose of good cluster insight, necessary for an efficient support to cluster members.

## 5. Financial Performance of IFIC in 2015:

The financial performance highlights for the year under review are presented below:

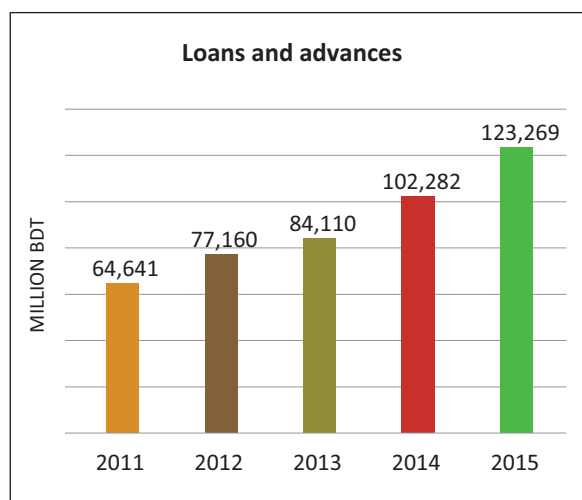
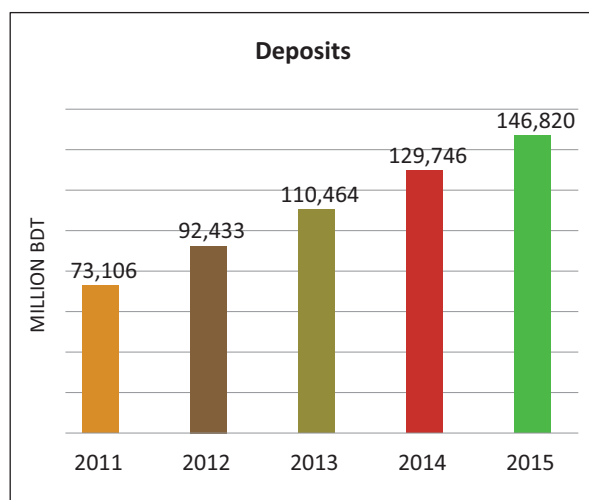
### 5.1. Financial Position

Particulars	BDT in Million		
	2015	2014	Growth
<b>Deposits</b>			
Savings Bank Deposit	24,496.11	18,366.46	33.37%
Current Account Deposit	9,527.22	8,994.42	5.92%
Fixed Term Deposit	83,399.50	69,602.28	19.82%
Recurring Deposit	5,194.78	3,924.78	32.36%
Other Deposit	24,202.10	28,857.86	-16.13%
	<b>146,819.71</b>	<b>129,745.81</b>	<b>13.16%</b>
<b>Loans &amp; Advances</b>			
Corporate	88,764.43	75,129.17	18.15%
SME	20,741.56	19,054.49	8.85%
Agricultural	2,002.89	1,417.34	41.31%
Consumer & Retail	9,289.90	4,965.27	87.10%
Others	2,469.88	1,715.88	43.94%
	<b>123,268.67</b>	<b>102,282.15</b>	<b>20.52%</b>

Particulars	2015	2014	Growth
<b>Investment in Securities</b>			
Government Securities	23,596.89	17,217.29	37.05%
Investment in Shares	4,900.96	5,627.96	-12.92%
	<b>28,497.86</b>	<b>22,845.26</b>	<b>24.74%</b>
<b>Total Assets</b>	<b>178,333.95</b>	<b>156,338.64</b>	<b>14.07%</b>
<b>Shareholders' Equity</b>			
Paid up Capital	5,034.12	4,377.50	15.00%
Statutory Reserve	4,232.50	3,909.51	8.26%
General & Other Reserve	311.78	172.66	80.57%
Retained Surplus	2,075.81	2,168.45	-4.27%
	<b>11,654.21</b>	<b>10,628.12</b>	<b>9.65%</b>

The Bank has shown a continuous growth in terms of several key balance sheet parameters for the year ended 31 December 2015. At the end of year 2015 total assets of the Bank increased by 14.07% to BDT178,333.95 million from BDT156,338.64 million of year 2014 and at the end of year 2015 total deposit of the Bank stood at BDT 146,819.71 million which denote a growth of 13.16% over previous year. Deposit mix of the Bank shows a significant growth in most respect, comprising the growth of 33.37 % in savings deposit, 32.36% in recurring deposit, 5.92% in

current deposit and 19.82% in fixed term deposit. In addition to that, at the end of year 2015 CASA deposit mix stood at 23.17% vis-a-vis 21.09% of total deposits at the end of the year 2014. On the other hand total loans and advances of the bank has increased by 20.52% to BDT123,268.67 million over BDT 102,282.15 million of year 2014. At the end of the year 2015, total investment in securities reached to BDT 28,497.86 million compared to BDT 22,845.26 million of year 2014 which shows a growth of 24.74%.



## 5.2. Asset Quality

At the end of year 2015 the quality of the lending portfolio of the Bank has slightly decreased compared to the corresponding year 2014 mainly for downgrading few performing loan accounts to NPL category. As a result at the end of year 2015 NPL ratio stood at 6.46% vis-a-vis 4.95% of year 2014. However, the Bank has

maintained well coverage against such classified loan portfolio to mitigate the credit risk. At the end of the year 2015, the Bank has maintained 75% coverage against such NPL portfolio by way of maintaining specific provision of BDT 2,699.92 million and interest suspense of BDT 3,217.99 million.





BDT in Million

Loans & Advances	2015	2014	% Change
Standard	105,456.77	94,135.99	12.03%
Special mention account	9,849.85	3,085.02	219.28%
<b>Unclassified Loans</b>	<b>115,306.62</b>	<b>97,221.02</b>	<b>18.60%</b>
Substandard	1,208.86	595.07	103.15%
Doubtful	1,282.35	704.24	82.09%
Bad / Loss	5,470.84	3,761.83	45.43%
<b>Classified Loans</b>	<b>7,962.05</b>	<b>5,061.13</b>	<b>57.32%</b>
<b>Total Loans and Advances</b>	<b>123,268.67</b>	<b>102,282.15</b>	<b>20.52%</b>
<b>NPL%</b>	<b>6.46%</b>	<b>4.95%</b>	<b>1.51%</b>

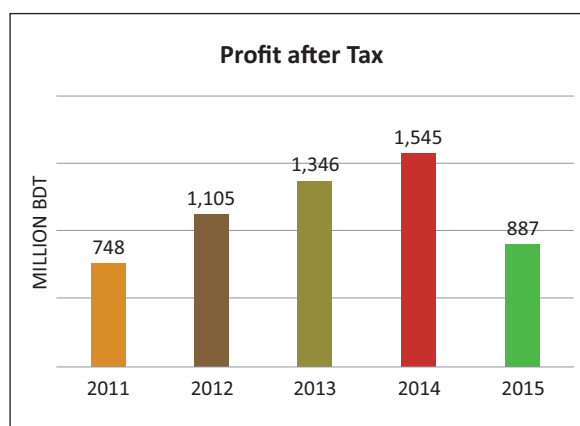
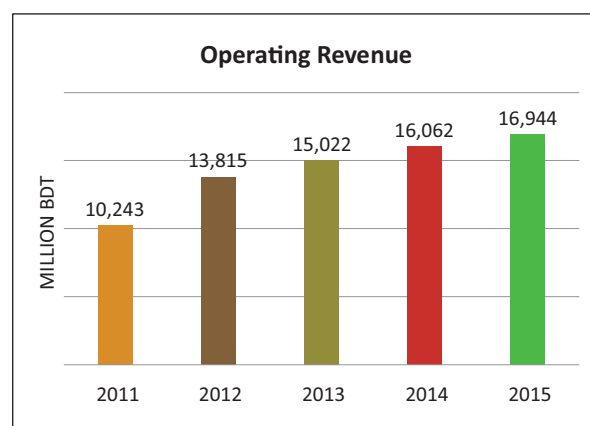


### 5.3. Financial Performance

Particulars	2015	2014	% Change
Interest Income	12,652.96	11,858.39	6.70%
Interest Expense	8,906.75	8,466.64	5.20%
<b>Net Interest Income (NII)</b>	<b>3,746.21</b>	<b>3,391.75</b>	<b>10.45%</b>
Investment Income	2,375.20	2,377.46	-0.10%
Commission & Other Income	1,915.61	1,826.29	4.89%
<b>Total Operating Income</b>	<b>8,037.02</b>	<b>7,595.50</b>	<b>5.81%</b>
General and Administrative Expenses	4,391.32	4,422.68	-0.71%
<b>Operating Profit</b>	<b>3,645.71</b>	<b>3,172.82</b>	<b>14.90%</b>
Provision for Loans & Advances	2,030.74	495.68	309.68%
Profit before Tax	1,614.96	2,677.14	-39.68%
Provision for Taxation	727.98	1,132.41	-35.71%
Net Profit after Tax	886.98	1,544.73	-42.58%
Earnings Per Share (EPS)	1.76	3.07	-42.67%
Profit Per Employee (million)	1.46	1.26	15.87%
Deposit Per Employee (million)	58.99	51.34	14.90%
Return on Average Assets	0.53%	1.07%	-50.47%
Return on Average Equity	7.96%	15.66%	-49.17%

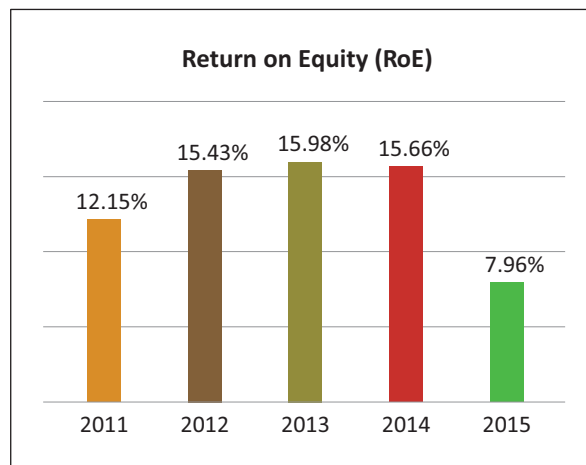
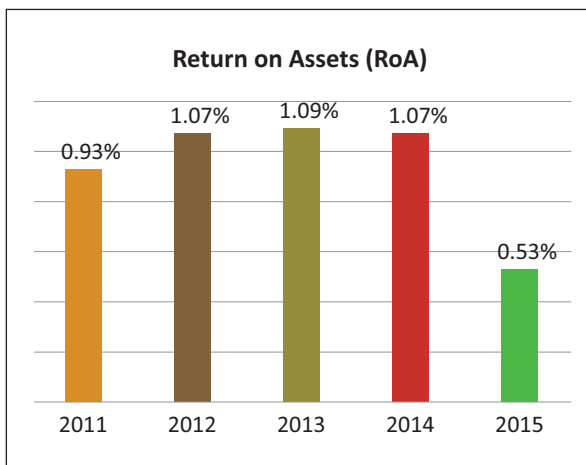
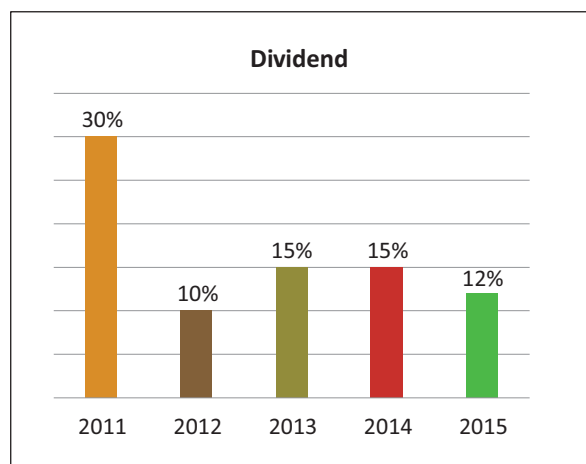
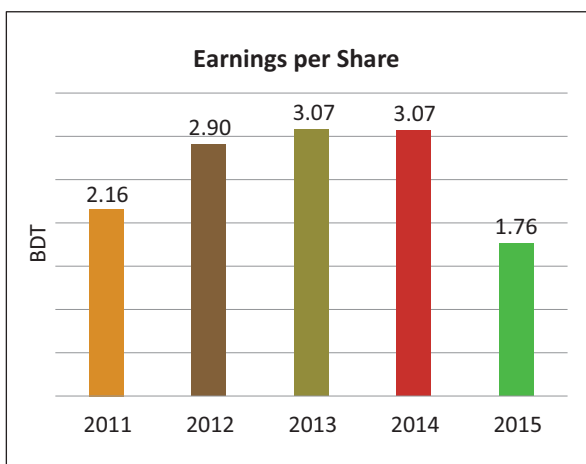
The Bank registered steady growth in terms of almost all significant parameters of financial performance like gross and net interest income, operating income, operating profit etc. Due to continuing growth of loan

portfolio and efficient management of deposit mix the Bank managed to earn 10.45% growth in net interest margin (NIM).



The most positive attribute of IFIC's in year 2015 financial performance has been denote to growth in assets and revenue are achieved, while controlling the operational efficiency and effective control of expenses in 2015 total general and administrative expenses of the Bank reduced to BDT 4,391.32 million vis-a-vis BDT 4,422.68 million in year 2014. With these positive impacts, operating profit of the Bank has grown by 14.90% during the year 2015 compared to last year. However, due to higher level of provisioning requirement against performing and non-performing loan as well as investment in shares net profit after tax stood at BDT 886.98 million in 2015 vis-a-vis BDT

1,544.73 million achieved in 2014. This higher level of provision requirement has also affected earnings per share (EPS), Return on Equity (RoE), and Return of Assets (RoA) of the Bank which stood at BDT 1.76, 7.96% and 0.53% respectively at the end of year 2015 compared to BDT 3.07, 15.66% and 1.07% respectively of year 2014. The Bank will continue to emphasize on improving the asset quality and diversifying its portfolio mix among business segments with a special focus to small ticket loan in the form of mortgaged based finance in the individual level and small & medium type enterprises through continuous innovation of new products and services.



#### 5.4. Capital Adequacy Position under Basel III

BDT in Million

Risk Weighted Assets (RWA) for	2015	2014	Growth
<b>A. Credit Risk Weighted Assets</b>	<b>100,698.09</b>	<b>95,080.66</b>	<b>5.91%</b>
On Balance Sheet Exposure	84,757.90	78,135.07	8.48%
Off Balance Sheet Exposure	15,940.19	16,945.59	-5.93%
<b>B. Market Risk (Capital Charge X 10)</b>	<b>5,404.08</b>	<b>6,328.78</b>	<b>-14.61%</b>
Interest Rate Related Instruments	0.00	155.53	-100.00%
Equities	5,385.46	6,065.44	-11.21%
Foreign Exchange Position	18.62	107.80	-82.73%
<b>C. Operational Risk (Capital Charge X 10)</b>	<b>11,212.25</b>	<b>8,521.16</b>	<b>31.58%</b>
<b>Total Risk Weighted Assets</b>	<b>117,314.42</b>	<b>111,573.69</b>	<b>5.15%</b>
<b>Minimum Capital Requirement (10% of RWA)</b>	<b>11,731.44</b>	<b>11,157.37</b>	<b>5.15%</b>
<b>Eligible Capital</b>			
Common Equity Tier 1 (going-concern capital)	10,507.64	9,694.98	8.38%
Tier – 2 Capital (Gone-Concern Capital)	1,305.48	1,613.47	-19.09%
<b>Total Eligible Capital</b>	<b>11,813.12</b>	<b>11,308.45</b>	<b>4.46%</b>
<b>Capital to Risk-weighted Asset Ratio (CRAR)</b>	<b>10.07%</b>	<b>10.14%</b>	
Common Equity Tier 1 to RWA	<b>8.96%</b>	<b>8.69%</b>	
Tier – 2 Capital to RWA	<b>1.11%</b>	<b>1.45%</b>	
<b>Excess/(Shortfall) Capital</b>	<b>81.68</b>	<b>151.08</b>	<b>-45.94%</b>

At the end of year 2015, Capital to Risk-weighted Asset Ratio (CRAR) of the Bank stand at 10.07% compared to 10.14% of year 2014 against the minimum requirement of 10.00% as per Basel - III. As per Basel III guidelines, Bank have to raise Capital Conservation Buffer at the rate of 0.625% every year starting form year 2016 up-to year 2019 above the regulatory minimum capital requirement of 10.00%. To meet the capital conservation buffer, the Bank is in the

process of issuing Non-convertible Coupon bearing Sub-ordinated Bond of BDT 3,500 million and Bank has already been obtained consent from Bangladesh Securities & Exchange Commission (BSEC) and approval from Bangladesh Bank. The Bond is expected to be included in the Tier-2 capital of the Bank from in the year 2016. To maintain and enhance the capital base the board of the bank also recommended stock dividend instead of cash dividend for the year 2015.

#### 5.5. Appropriation of Profit and Dividend

BDT in Million

Particulars	2015	2014	Growth
Opening balance of Retained Surplus	2,168.45	1,730.12	25.34%
Add: Net profit after tax during the year	886.98	1,544.73	-42.58%
<b>Profit available for appropriation</b>	<b>3,055.43</b>	<b>3,274.85</b>	<b>-6.70%</b>
Less: Stock Dividend Paid	656.62	570.98	15.00%
Less: Transfer to Statutory Reserve	322.99	535.43	-39.68%
<b>Closing balance of Retained Surplus</b>	<b>2,075.81</b>	<b>2,168.45</b>	<b>-4.27%</b>
Less: Deferred tax income on Specific provision	1,041.96	16.24	27.65%
<b>Distributable profit</b>	<b>1,033.85</b>	<b>1,352.20</b>	<b>-23.54%</b>

Due to higher level of provisioning expenses, the Earnings Per Share (EPS) for the year 2015 has decreased to BDT 1.76 compared to BDT 3.07 in last year. Considering the overall performance of the bank, the Board of Directors has recommended 12% stock

dividend in 2015, compared to 15% stock dividend of year 2014 with a view to rewarding shareholders in the long run through retaining capital to maintain the capital adequacy ratio to support future growth.

## 5.6. Variance between Quarterly and Annual Financial Performance

BDT in Million

Particulars	Q1, 2015	Q2, 2015	Q3, 2015	Q4, 2015	Annual 2015
Interest Income	2,980.04	3,239.44	3,173.40	3,260.08	12,652.96
Less: Interest Expense	2,141.46	2,197.04	2,313.19	2,255.05	8,906.75
Net Interest Income	838.58	1,042.40	860.20	1,005.03	3,746.21
Add: Non-Interest Income	1,142.36	1,097.78	934.17	1,116.50	4,290.81
Operating Income	1,980.94	2,140.18	1,794.37	2,121.53	8,037.02
Less: Operating Expense	930.78	1,050.90	1,113.90	1,295.74	4,391.32
Operating Profit	1,050.16	1,089.29	680.47	825.79	3,645.71

The quarterly financial performance of the bank was almost consistent throughout the year except in Q3 when the performance was decreased compared

to other quarters due to lower level of net interest income and non-interest income.

## 6. Credit Rating:

IFIC Bank is rated by leading independent rating agency of Bangladesh namely Credit Rating Agency of

Bangladesh Limited (CRAB). The latest and previous rating of the Bank is furnished below:

	Date of Rating	Long Term	Short Term	Outlook	Validity
Current Rating	30-Jun-15	AA2	ST-2	Stable	30-Jun-16
Previous Rating	30-Jun-14	AA3	ST-3	Stable	30-Jun-15

In long term the CRAB rated the Bank AA2 which represents very strong capacity to meet the financial commitments and which is a very small degree of difference from the highest-rated Commercial Banks. AA is judged to be of very high quality and is subject to very low credit risk.

In short term the CRAB rated the Bank ST-2 which represents 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.

## 7. Contribution to the National Exchequer:

IFIC Bank has contributed significantly to the effort of the Government in collection of revenue. According to the law of the country, the Bank deducts VAT and tax at sources on payments and collects Excise Duty from all sources and deposits the same to the Government Exchequer.

During the year 2015, the Bank deposited BDT 1,595 million of withholding tax, BDT134.00 million of withholding VAT and BDT 141.00 million of Excise Duty. Besides, the Bank also paid income tax on its earning of BDT 1,047.00 million and VAT of BDT 104.00 million during the year 2015.

## 8. Overseas Operations:

Since inception of its journey in the year 1976, IFIC Bank has been playing the pioneering role among the private sector banks in establishing joint-venture operations beyond the national boundary. The Bank has so far been able to set-up joint-venture operations in Maldives, Oman, Nepal, Pakistan and a 100% owned subsidiary in the UK.

Overseas joint-venture & subsidiary operations have not only brought a positive image of the Bank in foreign land but also contributed in its profitability. A pen picture of the existing overseas joint-venture & subsidiary operations of the Bank is furnished hereunder for information of the Honourable Shareholders.

### 8.1. Oman International Exchange, LLC (OIE):

Oman International Exchange LLC (OIE), a joint-venture between IFIC Bank Limited and Omani nationals, was established in 1985 to facilitate remittance by Bangladeshi wage-earners from Oman. IFIC Bank holds 25% shares and the balance 75% is being held by the Omani sponsors. The exchange company has a network of 15 branches covering all the major cities/towns of Oman. The operations of the branches are fully computerized having online system. The business affairs of the company are run and managed by IFIC Bank under a Management Contract.



Recently, Oman International Exchange LLC has undertaken a project jointly with the KPMG. In the light of the recommendations of the project, a five year roadmap has been prepared for increasing the market share and sustainable growth of the Company.

In the past, OIE has developed a niche in highly competitive Remittance business in Oman. It specializes in remittances to Bangladesh (93% of customer base) with smaller volumes to Pakistan (5%), India (1%), Philippines (1%) and other countries (negligible).

As part of the implementation of the roadmap of the project, OIE will expand correspondent banking network with new banks having wide network of branches in India, Pakistan and Philippines in order to attract more remittance business from the expatriates of those countries residing in Oman besides the Bangladeshi Expatriates.

#### **8.2. NIB Bank Ltd., Pakistan:**

IFIC Bank had two branches in Pakistan, one in Karachi and the other in Lahore. Karachi Branch was opened on 26<sup>th</sup> April 1987, while Lahore Branch was opened on 23<sup>rd</sup> December 1993.

To meet the Minimum Capital Requirement (MCR) of the State Bank of Pakistan, the Overseas Branches in Pakistan have been amalgamated with a reputed leasing company in Pakistan named National Development Leasing Corporation Ltd. Therefore, the existence of the above Overseas Branches has been ceased w.e.f. 2<sup>nd</sup> October 2003 and a new joint-venture bank titled 'NDLC-IFIC Bank Ltd.' emerged in Pakistan w.e.f. 3<sup>rd</sup> October 2003. The Bank was subsequently renamed as NIB Bank Ltd. and due to increase of the capital, IFIC's stake in NIB has been reduced to 0.23%.

#### **8.3. Nepal Bangladesh Bank Ltd. (NB Bank):**

Nepal Bangladesh Bank Ltd. (NB Bank), a joint-venture commercial bank between IFIC Bank Ltd. and NB Bank, started operation with effect from June 06, 1994 in Nepal with 50% equity from IFIC Bank Ltd. The Bank has so far opened 35 (thirty five) branches at different important locations in Nepal. IFIC Bank presently holds about 40.91% shares in NB Bank and has a plan to increase its shareholding in near future.

The profitability of NB Bank is in the increasing trend and recently, IFIC Bank Limited has received 25% stock dividend during FY 2014-15.

#### **8.4. IFIC Money Transfer (UK) Limited:**

IFIC Money Transfer (UK) Limited, a fully-owned subsidiary exchange company of IFIC Bank Limited was incorporated in UK and commenced its operation

on 31st August, 2011 to facilitate inward foreign remittance from the United Kingdom.

Despite a lot of challenges faced in the past, the company has already been crossed the break-even point and remittance through IFIC Money Transfer (UK) Limited is increasing day by day.

#### **8.5. Correspondent Banking Relationship:**

IFIC Bank Ltd. has a wide range of correspondent network across the Globe to facilitate smooth foreign trade transactions. The Bank maintains 29 Standard Settlement Instructions (Nostro Account) involving 8 currencies e.g. AUD, ACU-D, ACU-EURO, CHF, EUR, GBP, JPY and USD in different prime financial centers of the world. Total correspondents of IFIC Bank Ltd. stood at 497 (Local and Foreign) as of 31 December 2015.

#### **8.6. Foreign Remittance:**

IFIC Bank handles both inward and outward remittance products. The outward remittance includes FC Cash/FDD and Wire transfer by SWIFT. The Bank's inward remittance covers Account Credit Service under Electronic Fund Transfer (EFT) arrangement and Instant Cash Payout Service. The inward foreign remittance business amounted to BDT 22,536.63 million (equivalent to USD 287.09 million) in 2015 as against BDT 18,762.30 million (equivalent to USD 240.70 million) in 2014.

To facilitate inward foreign remittance in Bangladesh from the United Kingdom, a fully-owned subsidiary exchange house of IFIC Bank titled 'IFIC Money Transfer (UK) Ltd.' commenced its operation in August, 2011 in London, UK. Moreover, IFIC Bank has ensured greater access to the un-banked population of different remote areas with the strategic alliance for distribution of remittance with UDDIPAN where we do not have any presence. At present 101 Branches of UDDIPAN are performing the remittance distribution of our Bank throughout the country.

Apart from Bank's own joint-venture exchange company in Oman, 08 (eight) more Exchange Companies also engaged for catering inward foreign remittances from abroad which are:

- Oman International Exchange LLC, Oman
- IFIC Money Transfer (UK) Limited, UK
- Placid NK Corporation, USA-global company
- Multinet Trust Exchange LLC, UAE
- Al Fardan Exchange, UAE
- Sigue Global Services Ltd. (SMT) – global company
- MoneyGram Payment System, Inc.–global company



- Xpress Money Services Ltd., UK
- Trans-Fast Remittance LLC – global company

## 9. Products & Services:

IFIC Bank has focused on technology based modern banking facility including Real-time Online Banking, ATM, SMS Banking, Point of Sale (POS), Credit Card, Debit Card and Prepaid Card in addition to traditional products/services.

### 9.1. 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 of 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.

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.

In addition to traditional industries, we are providing financial facilities to RMG, Textiles, Power, Telecommunications, Packaging, Edible Oil Refinery, Healthcare, Renewable Energy, Hotel & Tourism, Construction, Ship Building, Trade & Commerce, Agri-Business (Poultry, Food Processing) sector etc.

Diversified and exciting 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 but not limited to the followings:

- Working Capital Finance
- Industrial & Project Finance
- Trade Finance
- Lease Finance
- Syndication & Structured Finance
- Treasury & Off-shore Banking

#### 9.1.1. 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 Over Draft/Over draft, Cash Credit, Work order Financing, Short-term loan, Demand Loan, Loan General etc.

Non-fund based products include bank guarantees, performance guarantees and bid bonds, are also supporting the business of our customers.

#### 9.1.2. Bank Guarantee:

Bid Bond is issued (on behalf of the clients) for helping Contractors/Suppliers to participate in different Tenders. Performance Guarantee (PG) is issued (on behalf of the clients) to ensure Contractors' /Suppliers' performance against assigned contracts. Advance Payment Guarantee (APG) is issued (on behalf of the clients) to help Contractors' /Suppliers' secure advance against the awarded contracts to ease their financial constraints. Security Bond (Payment Guarantee) is issued ( on behalf of the clients) in favour of various utility companies, customs authorities, shipping agents, Airlines, IATA, or for any other purpose as per requirement within the purview of regulatory rules & regulations. Guarantees are issued also against Counter Guarantee of any reputable and rated foreign banks.

#### 9.1.3. Industrial & Project Finance:

Project financing has been recognized as an important and crucial mode of finance for a financial institution for substantial growth of its industrial credit vis-à-vis managing long term finance. Growth of project finance/Industrial credit of a developing country like Bangladesh is considered as a key parameter for transforming the dream into a mid income country group. Bank allows loans on competitive terms for setting up capital or labor intensive project or for BMRE of an existing project.

Hence, apart from trade and commercial finance; IFIC Bank Ltd. has been an active partner of the private sector in developing large and medium scale industry of the country. The Bank has been financing Term Loan (Industrial) facility for establishing new project and/ or BMRE of various projects in the different sector like RMG, Textile, Backward Linkage Industry, Power and Energy, Steel and Engineering, Ship Building, Cement, Telecommunication, ICT, Hotel and Tourism, Health Care etc.

#### 9.1.4. Trade Finance:

##### a. Import





- **Letter of Credit- – Sight/Usance**
- **Standby Letter of Credit**
- **Loan against Imported Merchandise (LIM)**  
Business Enterprises engaged in import merchandise can avail working capital for clearance of imported consignment.
- **Loan against Trust Receipt (LTR)**  
Business Enterprises engaged in import of merchandise can avail working capital for retirement of import documents.
- **Shipping Guarantee**  
To operate business efficiently, it is vital that goods be cleared expeditiously. By issuing a shipping guarantee in the shipper's favour, the Bank facilitates prompt clearance of goods until bill of lading is received.

#### **b. Export:**

##### **1. Pre-shipment finance:**

- **Back to Back Letter of Credit**  
Back-to-Back Letter of Credit is issued against the export credit (the master credit) to facilitate export oriented Garments Industries.
- **Export LC (Advising & Transfer)**
- **EDF Loan, ECC, Over Daft (Garments), Packing Credit**

##### **2. Post-shipment Finance:**

- Export Bill Purchase
- Export Bills Collection
- Inward Documentary Bill Purchase
- **Others:**

##### **Fire Fighting & Safety Equipment Loan –**

To purchase & installation of Fire Fighting/ Safety Equipments/water reservoir on the roof & underground with necessary pump etc. and any other equipments, as per requirement of Directorate of Fire Service & Civil Defense for safety and prevention of fire incident in export oriented Readymade Garment (RMG) & Other Industries at reduce rate of interest.

**Green Factory Building Loan- under Bangladesh Bank's Scheme for Refinancing in the renewable Energy and environmental friendly sector at reduce rate of interest.**

##### **9.1.5 Lease Financing:**

Lease financing is very lucrative mode of finance to corporate institution or organization to mobilize their financial resources as well as profit maximization. The

facility helps the customer to have better financial flexibility under budgetary constraints and to enjoy tax benefit. IFIC Bank is providing lease finance facility to its corporate customer for acquisition of manufacturing and service equipments for all major industrial sectors. IFIC offers Lease Financing for industrial Machinery & equipments, Office equipments, Generators, Lift, Boiler, Vehicles, Sea or river vessels, Construction equipments, Agriculture equipments etc.

##### **9.1.6. Syndication & Structured Finance:**

IFIC structures syndication finance, equity participations, JV projects, agency arrangements to the corporate customers for enabling them to access large loans through cost efficient structures with professional team having finest expertise and wide market network. We offer tailor made solutions to fit the business requirements. We also facilitate our peer group in closing their syndicated deals by co-arranging or by taking large exposures in both Greenfield and Brownfield projects.

IFIC Bank successfully involves in a good number of loan syndication arrangements for large-scale projects of Spinning, Power and Energy, Steel and Engineering, Telecommunication, Food Processing, Aircraft Financing, Cements, Petrochemical sector of the country. For large volume of credit requirement of our corporate client, IFIC Bank has also been arranging fund from the banking industry as lead bank.

##### **9.1.7. Off-shore Banking Unit:**

Offshore Banking unit (OBU) provides wide range of customize products & services to corporate clients in line with the Bangladesh Bank Guideline –

- Add Confirmation to L/Cs Issued: Confirmation of L/Cs to Foreign Suppliers Assist in the smooth execution of L/C Term. OBU adds confirmation to Deferred Credits issued by other Banks or Branches of IFIC Bank conveniently like any offshore Foreign Bank
- Bill Discounting (Import Bills): OBU offers bill discounting facility against import bills to secure clients' business growth and improve their negotiating base with suppliers.
- Discounting of Export Bill: An exporter derives benefit from interest rate differential when discounting export bills including Deferred Payment (DP) Bills by OBU.
- Foreign Currency Time Loan/Term Loan: Foreign currency Loans are available to both resident (with BOI permission) and foreign owned companies

under a set of agreed terms and conditions.

- Buyer's Credit

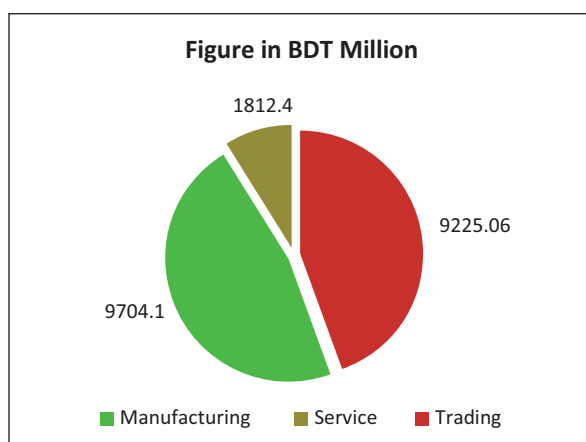
### 9.2. SME Performance:

IFIC Bank is moving forward to SME customer segment with market approach to meet their credit need considering the business potentials and return on investment. The business expansion and monitoring are being carried out through its nation-wide network of 129 branches including 07 SME/Krishi Branches dedicated to provide full-fledged SME business with product based and conventional financing.

### SME Portfolio:

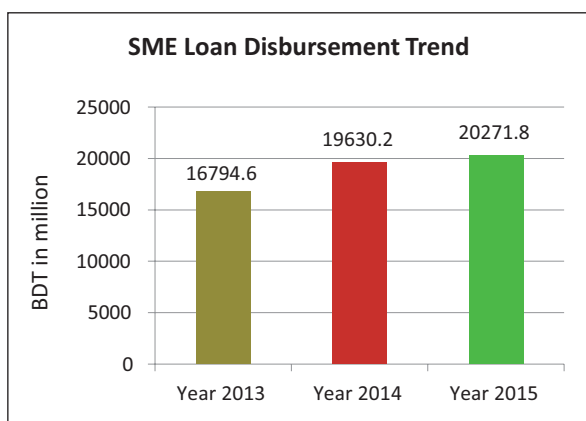
At the end of 2015, total outstanding in SME loan portfolio stood at BDT 20,741.56 million in the following sectors:

1. Manufacturing;
2. Service; and
3. Trading



### SME Loan Disbursement:

During the year 2015, IFIC Bank disbursed a total of BDT 20,271.80 million against BDT 21,500.00 million as set by Bangladesh Bank which was 94.30% of the given target.



### New Product Launching:

SME Division has introduced & launched SME product 'IFIC - Shilpo Sohay' for Cottage & Micro Enterprise Financing during 2015 in order to meet the demand of the lower-segment customers of the rural areas to cater their financial needs.

### Training & Workshop:

Several workshops were arranged for capacity building of the Branches for robust marketing of the SME products starting from Rangpur, Dinajpur and Rajshahi areas at the beginning of the year 2015 and also in Sylhet & Khulna areas in the subsequent period of the year.

### Strategic Plan:

- Enhance more SME financing with a target of 25.00% growth over the last year.
- Focus on manufacturing and service sector under JICA refinance scheme for BDT 1,000 million.
- Focus on cottage and micro-enterprise financing with cluster based approach - identification and financing new clusters.
- Focus on PPG based financing to increase the customer base on regular basis.
- Focus on traditional SME lending through urban branches.
- Develop new product(s) for startup businesses under refinance scheme of Bangladesh Bank.
- Monitoring the Product performance regularly &
- Maintain NPL below 10%.

### Refinance position:

Refinance Scheme	Refinance Amount in BDT
ADB Total	65,906,250.00
BB Fund Total	14,530,000.00
JICA Fund Total	96,672,750.00
Brick Kiln Total	58,600,000.00
Green Finance Total	277,844,000.00
Jute Refinance	30,000,000.00
Agro-based Industry	2,500,000.00
Total Refinance	546,053,000.00

### 9.2.1. Performance of Women Entrepreneurs Credit (WEC):

#### Financing to Women Entrepreneurs:

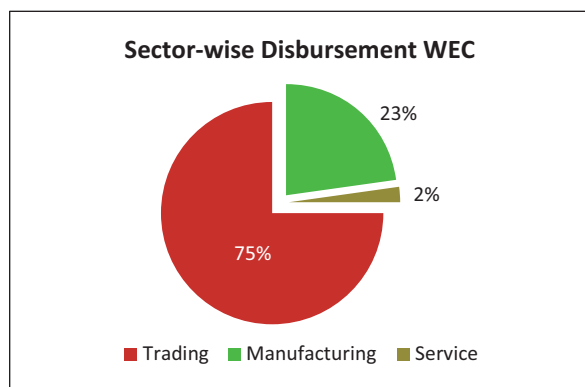
In order to promote the economic empowerment of Women Entrepreneurs as per the policy guidelines of Bangladesh Bank, IFIC Bank has disbursed loan amounting to BDT 317.60 million against the target of





BDT 200.00 million during the year 2015. Sector-wise loan disbursement figures is shown below:

<u>Sector-wise WE loan</u>	<u>Amount in Million BDT</u>
Trading	239.40
Manufacturing	71.50
Service	6.70



### Training for Capacity Building:

Apart from financing to the Women Entrepreneurs, SME Division organized 3 (three) Workshops/Training programs at Rangamati, Rajshahi and Thakurgaon districts to enhance capacity building for Women Entrepreneurs at grassroots level in collaboration with the Association for Grassroots Women Entrepreneurs Bangladesh (AGWEB).

A 2(two)-day-long Training Program Titled 'Hands On Training on Agro-Food Processing for Women Entrepreneurs', was initiated by CIRDAP in the Capital in collaboration with the Bank during the year 2015, where a large number of Women Entrepreneurs participated and completed the Hands on training successfully.

### Future Planning & Action Plan for Women Entrepreneurs (WE):

- To disburse loans for BDT 1,100.00 million to Women Entrepreneurs during the year 2016.
- To disburse minimum 01(one) Woman Entrepreneur loan as per Bangladesh Bank guidelines from each branch through our existing network of 129 branches.
- To monitor the health of WE loans of different branches.
- To Identify and finance new clusters in the potential areas.
- To conduct various Workshops/Training programs in different regions of the country during the year 2016 for enhancing capacity building for the Women Entrepreneurs at grassroots level.

### 9.2.2. Agriculture Loan Performance:

#### Achievement against Target:

Financing in Agriculture as per the target set by the Central Bank is a mandatory requirement to comply with the BB directives. Accordingly, the Disbursement Target (as set by Bangladesh Bank) for financing in Agri. Sector during the FY 2014-2015 as well as Achievement there against is shown below:-

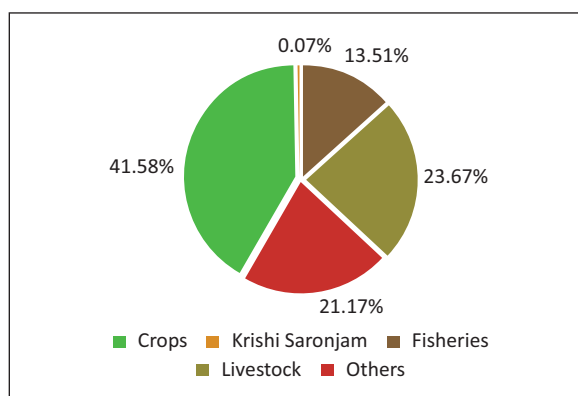
Figure in Million

Target	Achievement	In percentage (%)
BDT 1,550.00	BDT 1,632.70	105%

IFIC Bank has already introduced & launched a new product namely 'IFIC Subornogram' to disburse loans in different sub-sectors of Agriculture having different financing modes.

#### Loan disbursement performance in Sub-sectors of Agriculture is as follows:

Sl. No.	Sub-sectors of Agri. Financing	In Percentage (%)	Amount in BDT Million
1	Crops	41.58%	678.88
2	Krishi Saronjam	0.07%	1.14
3	Fisheries	13.51%	220.58
4	Livestock	23.67%	386.46
5	Others	21.17%	345.64
<b>Total:</b>		<b>100.00</b>	<b>1632.70</b>



#### Activities of Agri. Financing:

In order to ensure nutrition security, a 'Participation Agreement' was signed with Bangladesh Bank for increasing investment in "Milk Production and Artificial Insemination Sector" vis-a-vis reducing dependency on imported milk and milk products, and generation of self-employment for unemployed youth and women.

Disbursement under this scheme was BDT 7.00 million among 35 (thirty five) numbers of farmers.



### Delivery Channel of Agriculture Loan during the FY 2014-2015:

Sl. No.	Channel of Disbursement	Amount (Million BDT)	In Percentage (%)
1	Through Branches	413.30	25.31
2	Through NGO/ MFI Linkages	1,219.40	74.69
<b>Total Disbursement</b>		<b>1,632.70</b>	<b>100.00</b>

#### Future Planning & Action Plan:

- To achieve the overall disbursement target of Agriculture loans of BDT1,750.00 million during the FY 2015-2016 and capacity building of the branches.
- To disburse loan of BDT 4.00 million (within the overall Agri. target) in High Yield Value Crops during the FY 2015-2016.
- To disburse loan of BDT 700.00 million (within the overall Agri. target) for promoting Milk Production and Artificial Insemination Sector during the FY 2015-2016.
- To conduct various Workshops/Training programs for creating awareness among the Branch Managers as well as Marketing & Sales Officers for enhancement of Agriculture Loan in different places of the country during the year 2016.

#### 9.3. Retail Banking:

The preferences of Bangladeshi consumers are evolving rapidly with the increasing penetration of technology in the area of banking. New products, new channels and new service experiences are shaping the banking landscape of the future. IFIC Bank has addressed the area of understanding customer needs and focused on designing solutions in line with its philosophy of serving the customer as a one-stop financial service provider.

Board of Directors of the Bank approved remodeling of retail banking business and transformation journey in its 577th meeting held on 29 February 2012. In line with that direction, initially Retail Banking Division started its business through establishing Direct Sales Team for procuring new account and deposit business in May, 2012.

The Bank continues its endeavor in the area of technology to provide a superior customer experience. The Bank is in the process of upgrading its retail internet banking platform to enable a superior online experience.

Over the last few years, there has been a major change in the mindset of our consumers. Retail Credit, once considered unreachable, is today a means of fulfilling the growing aspirations of Bangladeshi middle class, especially the growing population of the 25-44 age groups. The decline in corporate credit forced banks to

increase their presence in the retail finance market. The rise in income levels, together with fall in interest rates and growing competition, has increased the affordability of loans for borrowers.

Moreover, retail Banking now- at a very rapid pace – become the major revenue line for most of the top banks in the country. For this retail banking division re-launched its HBL product “Thikana” in the name of “**IFIC Home Loan**” for any credit-worthy individuals who wish to buy Apartment/flat, construct building for home use or renovation of their existing flat/house etc. With that amendment Home loan becomes the most vital lending product in IFIC.

At present, retail banking division performs its business through branch and direct sales team. A total of 450 (approximate) Direct Sales Agents (DSA) is working for procuring liability and home loan business all over the country.

#### Focus in 2016:

- Continue the effort for diversifying retail loan portfolio through enhancing home & mortgage based loan;
- More engagement of branches & Direct Sales Team for promoting liability and home loan business;
- Launching innovative products to tap into the growing opportunities in the thrust sectors;
- Ensuring best consumer banking experience through improving service quality.

#### 9.4. Mobile Banking:

IFIC Bank Limited launched its mobile financial services under the brand name of “IFIC Mobile Bank”

#### Highlights

##### Loans & Advances

4.28%

2015: **BDT5,199.1 million**  
2014: **BDT 1,494.6 million**

2015: **4.28% of Total Loans**  
2014: **1.49% of Total Loans**

##### Deposits

53.20%

2015: **BDT 75,487.2 million**  
2014: **BDT 65,558.2 million**

2015: **53.20% of Total Deposits**  
2014: **51.91% of Total Deposits**





on 21<sup>st</sup> April, 2014. Our key objective is to provide our client the flexibility of accessing their account through their mobile handsets and to enable the unbanked population of the country to become a part of the financial ecosystem. IFIC Mobile Bank is more than just a money transfer service; it is a channel to access the whole array of banking products that IFIC Bank provides to its clients.

Since its inception, IFIC mobile banking has continued its progress to work as an alternative delivery channel for the bank. Considering the first year as structuring phase, IFIC mobile bank team has focused on major four areas which are business, operation, distribution and project completion. The achievements for the year 2015 on these areas are given below:

**Transaction Volume facts & figures:**

1. IFIC Mobile Bank experienced a huge growth in terms of transaction month on month in 2015.
2. In Dec'15 growth over Jan'15 was 1279%.
3. Development of B2B option played a significant role in this growth.
4. KPI Based incentive for distributor from Oct'15 to Dec'15 was a successful initiative to increase transaction as well as engage channel with IFIC Mobile Bank.
5. Core Banking System Integration seems a promising value added service for IFIC Mobile Bank.

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Txn Volume (Millions)	6.66	12.72	16.94	14.05	14.51	19.14	24.26	31.21	38.35	50.81	65.58	91.83
Monthly growth rate	210%	91%	33%	-17%	3%	32%	27%	29%	23%	32%	29%	40%

**Business Unit: Corporate Sales**

As one of the latest edition in the Mobile financial service in terms of its scope of work and product feature IFIC Mobile Banking is devoted to establish itself as an alternative delivery channel. IFIC mobile banking corporate sales team is working hard to achieve that goal. A close tie with IFIC Retail Banking division and SME banking division is one step ahead through activating core banking integration with Mobile banking platform. Business has been expanding to different segments of the industry to keep the revenue growth upward while maintaining the portfolio diversification to lowering the risk factor. Saving scheme and loan products are being designed for RMG sector which has been one of the focused segments for IFIC mobile banking. In 2015 merchant acquisition was also one of the major focuses for IFIC

business team. In 2016 more value will be added to the portfolio to make IFIC Mobile wallet more versatile in terms of covering more business segments.

**Other Initiatives:**

**Merchant Campaign (External):** With more than 30 well known brand and online merchants an external campaign has been conducted during the last quarter of 2015 where all IFIC mobile wallet holders enjoyed up to 20% discount in the designated merchant outlets.

**University and Corporate House Campaign:** Three renowned universities and four corporate houses have participated in this campaign, under this campaign the main focus was quality acquisition which has been attained as forecasted.

**Agent Training - A Compliance Requirement:** Agent training is being conducted nationwide where 1,350 agents of 31 distributors will be trained. Total 27 training sessions were scheduled to be conducted in different venues. Training was completed by Oct'2015. We could manage to complete all 27 sessions by end of Oct'15.

**Visibility at Agent Points:** Nationwide, we have installed more than 1,000 pointers, banners and 1,600 festoons at selected agent points on the basis of potentialities.

**Operation Units initiatives:**

**Agreement signed with Election Commission Bangladesh for NID verification service:** This is one

of the vital initiatives that has been initiated and implemented during 2015. With this agreement the major issue in regard to the verification of the NIDs of mobile banking customers has been ensured.

**Archiving of KYC papers of Agents and Customers:** Archiving of KYC both for agent and customer was a concern which has been resolved through setting a new process of scanning and digital archiving.

**Initiation of an efficient process to track customer KYC papers:** A new process to track the customer KYC papers was introduced which was more efficient than the previous one.

**To send KYC rejection report to distribution team everyday with reasons of rejection:** To ensure proper monitoring and quality management in the market, operations unit now send a KYC rejection report to

distribution unit regularly.

**Process Simplification:** New simplified and efficient processes were introduced for jobs like agent PIN reset, business account activation, agent-distributor swap etc.

**Bank settlement through EFTN:** Bank settlement through EFTN service was introduced for large corporate clients.

#### **Project Management:**

A number of projects were completed in 2015 like:

**Business to Business (B2B) Transfer Feature Addition:** New feature addition to facilitate distribution channel for fund management.

**Airtime Top-up Service:** New service addition for customers to purchase airtime for their own or any other mobile phone.

**MFS-CBS Integration:** MFS-CBS integration to enable customers to access their bank account from mobile phone and transfer fund amongst them.

**Mobicash Integration:** Integration with distribution channel of GP to ensure availability throughout the country as 60,000+ agents of Mobicash now can serve IFIC Mobile Bank customers.

**SSL Commerce Integration:** Integration with SSL Commerce that enables us to make transaction with 300+ merchants acquired by SSL Commerce.

An ecosystem creation is in process and once it is done, IFIC Mobile bank will replicate this gradually in different areas of the country and will create a cashless environment under which green banking will be promoted. Currently 22,000 agents are working which will grow more. Through this workforce the whole process will be implemented.

IFIC Mobile bank is working on making banking services more accessible and affordable to unbanked people. The service is tailored to specific customers group to make sure that they have relevant and meaningful impacts on society. It will also focus on reduction of fraud and corruptions which is prevailing in financial system and give access to more transparent channels of transaction. With this vision IFIC mobile Bank is set to reach its new heights by bringing new convenience for it's users with new services like saving scheme, micro finance, remittance, insurance facilities and many more in near future.

#### **9.5. Alternative Delivery Channel:**

IFIC Bank Limited launched its ADC Department in 2006 with 5 rental ATMs. As of now IFIC Bank has near

about 59 ATMs, 110 Merchant POS and 80 Bank POS.

#### **Performance/Achievement:**

- Introduced new 9 ATMs in the year 2015
- Introduced 34 Merchant POS.

#### **Future Vision/Planning:**

- Establish 50 new ATMs.
- Expand its ATM network all over the country.
- Centralize monitoring system.
- Strengthen security and supervision.
- Improve Cash Management.
- Improve support and maintenance.

#### **9.6. IFIC Card Services**

IFIC Card Department started its operation from 2006. Since its inception, IFIC Bank Limited is one of the principal Members of Global Brand of world's largest electronic payment network. IFIC is also the pioneer member of the Q-Cash consortium (one of the largest ATM & POS network in Bangladesh).

#### **Current Card Products:**

At present IFIC Bank is offering the following card products to its customers:

- Debit Card
- Credit Card

IFIC Bank has a wide variety of credit card to satisfy the different needs of the customer for both domestic & international use.

- Prepaid Card
- Traveler's Card

IFIC Traveler's card is a dual currency card which can be used both inside & outside of the country.

- IFIC International Debit Card

IFIC International Debit card is foreign currency card which can be used outside Bangladesh only. IFIC International Debit Cards are issued against individual foreign currency account maintained with any branch of IFIC Bank Limited in USD.

#### **10. Risk Management:**

The prime objective of Risk Management is to appropriately balance the trade-off between risk and return. IFIC faces different and wide range of risks, in its day to day business operations, and side by side it handles risks judiciously to ensure optimum return on its assets and equities.

The main concern of the bank is to manage core risks and other material risks prudently and efficiently to ensure profitability, capital adequacy and liquidity





in a balanced manner. Therefore all sorts of risks is identified, measured and managed properly in order to ensure sustainable growth in the banking business comparing to challenging financial and economic environment. Risk management has normally been viewed as support to minimize potential loss that could arise from unexpected outcome of any event. A structured risk management framework is needed for a bank to address properly so that the risks associated in different areas can be minimized. Risk is inherent with the Banking business and IFIC Bank always tries to maximize shareholders' value by achieving an appropriate trade-off between risk and return.

The Risk Management Committee of the Board is responsible for the overall risk supervision. This includes reviewing and approving risk management policies, risk appetite, risk exposures and limits, whilst ensuring that the necessary infrastructure and resources are in place.

Senior management remained closely involved in important risk management initiatives. Responsibility and accountability for risk management resides at all levels within the bank, from the board down through the organization to each business manager and risk specialist. Risks are controlled at all level of individual exposures and at portfolio level as well as in aggregate across all businesses and risk types.

RMD also monitors the all Policy Guidelines, Operational Manuals methodologies, and procedures for risk identification, measurement and acceptance level of risk. Various analyses including Value at Risk (VaR) analysis and stress testing are being done on a regular basis. The Bank has different committees for risk management, viz. Risk Management Committee of Management & Board, Credit Committee and Asset Liability Committee (ALCO) etc. which regularly meet to review the credit, market, foreign exchange, operational, asset liability, money laundering, liquidity, ICT, compliance, strategic, concentration, management, reputational risk etc. and recommend vis-a-vis implement appropriate measures to counter associated risks.

#### **10.1. Credit Risk Management:**

Credit Risk Management has been considered one of most important core functions of any commercial bank. In the age of Basel-III, Credit Risk Management has become even more important for guiding sustainability of a banking institution.

Credit Risk Management starts with determination of risk appetite i.e. the level and type of risk a bank is

able and willing to assume in its exposure and business activities, given its business objectives and obligations to stakeholders. IFIC Bank defines its risk appetite with following criteria:

- Industry wise sectoral concentration
- Area-wise/geographical and business segment wise (corporate, MSME, Retail, Micro Credit etc)
- Large loan concentration.

However, there is a scope of more deep analysis with criteria such as currency wise and maturity wise loan concentration, client concentration based on external/internal credit rating, and product wise loan concentration and so forth. Determination of limits on loan type, borrower type, rating grade, industry or economic sector and keeping lent amount within determined limits will remain challenge for us in coming days.

The Bank is also working on reviewing on the following issues for strengthening credit risk management of the Bank.

- i. Detailed and formalized credit evaluation/appraisal process
- ii. Credit origination, administration and documentation procedures
- iii. Acceptable and unacceptable types of credit. These types can be on the basis of credit facilities, types of collateral security, types of borrowers, or geographic sectors on the bank
- iv. Clear and specific guidelines for each of the various types of credits including maximum loan to value (LTV) ratios
- v. Reducing large loan exposures
- vi. Streamlining of pricing strategy
- vii. Policies for the frequency and thoroughness of collateral verification and valuation
- viii. More active management of problem loans
- ix. The process to ensure appropriate reporting.

As part of this change management, the credit approval process has already been streamlined to give faster service delivery to its different stake-holders. The organizational structure of Credit Risk Management Division is also undergoing through a revamping process to meet the expected future challenges. The Division is focusing to provide quality credit decisions at reasonable turnaround time. CRM division has started 2016 with zero pending loan proposals at Head Office. The Division is further studying all stages of approval process to ensure faster delivery and minimize credit risk of the Bank.

## 10.2. Remedial Asset Management:

Non-Performing Loans (NPL) seriously affect the profitability of a Bank. Some borrowers do not follow discipline of repayment of their loans and default, yet some other fail due to numerous reasons beyond

Bangladesh Bank circulars.

Comparative position of Recovery and Income against Recovery of NPLs during the year 2015 and 2014 follows:

BDT in Million

Particulars	2015	2014	Changes
<b>Recovered by:</b>			
a) Cash	1,486.54	1,071.18	415.36
b) Re-schedulement & Declassification	3469.98	1,464.34	2005.64
c) Waiver of Interest	29.08	66.28	(37.20)
<b>Total</b>	<b>4,985.60</b>	<b>2,601.80</b>	<b>2383.80</b>
Total Loans & Advances	123,268.67	102,282.15	20,986.52
Total Classified Advances	7,962.05	5,061.13	2,800.85
<b>Percentage of classified loans against Total loans</b>	<b>6.46%</b>	<b>4.95%</b>	<b>1.51%</b>
<b>Income against recovery</b>	<b>488.47</b>	<b>325.30</b>	<b>163.17</b>

their control. Bank's growth is retarded if loans are classified resulting not only suspension of interest income of those loans but forces to arrange loan-loss-provisioning from the income of the Bank. Reflection of Non-Performing Loans (NPL) also tarnishes the image of a Bank and puts the Bank under surveillance of the Regulatory Bodies and even from its customers. Hence, recovery of stuck-up loans is the top most priority for a Bank. Maximum emphasis should be given to arrest transformation of regular loans to Non-Performing Loans and on recovery of stuck-up loans and advances to increase its profitability as well as to improve the quality of its assets.

Remedial Asset Management has a Recovery Policy which was lastly amended by the Board of Directors in its 570<sup>th</sup> emergency meeting held on 17 November 2011 for strengthening recovery of Non-Performing Loans.

On the basis of the above recovery policy and related circulars of Bangladesh Bank, the Remedial Asset Management Division has undertaken the following steps for the improvement of the quality of Bank's assets vis-a-vis increasing the profitability of the Bank:

1. Close monitoring for recovery of stuck-up loans;
2. Amicable Settlement;
3. Rescheduling of NPLs;
4. Waiver of Interest;
5. Writing-off Classified Loans;
6. Foreclosure of Security.

RAM Division also performs Loan Classification and Provisioning exercise on quarterly basis as per

## 10.3. Foreign Exchange Risk Management:

Foreign exchange risk is the potential changes in earnings arising due to exchange rate fluctuations, adverse exchange position or changes in the market price. Such risk may arise from position held in various foreign exchange products like spot, forward and options. Foreign exchange risk management is fundamental for safe and sound management of all institution having exposure to foreign currencies.

Today's Financial Institutions engage in activities starting from Import, Export and Remittance to complex derivatives involving basic Foreign Exchange and Money Market to complex structured products. All these require high degree of expertise that is difficult to achieve in the transaction originating departments and as such the expertise is housed in a separate department i.e. Treasury.

Foreign Exchange risk management is one of the important responsibilities of the Treasury Division. The Foreign Exchange risks are measured and monitored by the Treasury Division of the Bank. The function of Treasury Front Office, Mid Office and Back Office are segregated. Mid Office and Back Office are conducting operations in a separate location apart from Treasury Front Office. Treasury Front Office manages and controls day-to-day trading activities and ensures continuous monitoring of the level of assumed risk. Treasury Mid Office verifies deal and monitors limit. Back Office is responsible for deal confirmation, settlement of transaction, transferring fund to NOSTRO accounts, timely recording and reporting of



information on exchange transactions and currency transfer etc. Reporting lines of these three offices are separate and independent to ensure minimization of risk.

As per directives of central bank, the Bank has formulated a well defined Treasury Manual with a view to minimize the foreign exchange risk. Bank also developed different strategies to control foreign exchange risk in the light of net open position set by central bank, overall gross limit for forward transaction, maximum loss limits per deal and per day, counter party limit etc. Market scenario of risk is monitored and measured by Treasury Division to manage the foreign exchange operations in such a way that earnings are not hampered against any adverse movement of market price.

#### 10.4. Asset Liability Management:

Asset Liability Management (ALM) is an integral part of Bank Management. The Bank has a structured and systematic process to manage Liquidity, Interest rate and Balance Sheet. For managing core risks in banking, for effective monitoring of ALM and to make important decisions related to ALM, a Committee named, Asset Liability Committee (ALCO) has been constituted with the Senior Management of the Bank. The ALCO is responsible for:

- To ensure adequate liquidity at all times.
- To ensure adequate capital to meet business and regulatory requirements
- To diversify funding
- To manage balance sheet and ensure business strategies consistent with liquidity requirements.
- To establish asset and liability pricing policies to protect liquidity structure
- To recommend the aggregate volume of all the Bank's standby liquidity commitments
- To prepare Liquidity and Capital Plans and Contingency Funding Plans and recommend liquidity limits
- To review and approve assumptions used in Maximum Cumulative outflows and Contingency Funding Plans
- To approve revenue targets related to Earnings at Risk limits
- To comply with corporate policies on hedging capital
- To comply with all regulatory requirements and review regulatory reporting

- To establish and monitor relevant liquidity ratios and balance sheet targets

ALM desk is an independent unit within the Treasury Division responsible for:

- Arranging meeting at least once in every month to analyze, review and formulate strategy to manage the Balance Sheet of the Bank.
- Monthly balance sheet analysis and risk management
- Ratio analysis of key Balance Sheet indicators
- Analysis of mismatch in the balance sheet
- Economic forecast, market status and outlook
- Interest rate forecast and asset and liability pricing
- Liquidity management

A Policy Guideline on Asset Liability Management has been formulated, approved by the Board of Directors of the Bank and revised time to time. As per the Policy Bank's 'On' and 'Off' Balance Sheet positions are managed in such a way that the Bank is able to offer competitively priced Products and Services to Customers maintaining appropriate risk/reward profile that creates stakeholders value.

#### 10.5. Internal Control and Compliance:

In order to establish a compliant culture as well as to meet the expectations of the regulatory authorities, the Bank has undertaken various steps to strengthen its Internal Control System. A Deputy Managing Director has been entrusted with the responsibility of Head of ICC to make the Division more effective by formulating new action plan and implementation of the same in the work process of the Bank.

Risk-based Internal Audit not only provides suggestions for mitigating current risks but also anticipates areas of potential/emerging risks and plays an important role in protecting the Bank from various risks through identification, prioritization and allocation of audit resources in accordance with the risk assessment. Officials/personnel having strong background in ICT are being recruited for the improvement of the off-site supervision in the Bank.

Internal Control refers to policies, plans and processes effected by the Board of Directors of the Bank and performed on continuous basis by the senior management and all levels of employees within the Bank. The internal control systems are used to provide reasonable assurance about the achievement of organizational objectives. The system of internal control includes financial, operational and compliance controls.



The internal control system of the Bank ensures that all the necessary policies, guidelines and manuals are in place and all concerns are following the same strictly and meticulously including Departmental Control Function Check List (DCFCL). To monitor the 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 lines.

The primary objective of internal control system in a Bank is to help the Bank perform better through the use of its resources. Through internal control system Bank identifies its weaknesses and takes appropriate measures to overcome the same.

The main objectives of internal control system are as follow:

- Efficiency and effectiveness of activities (performance objectives);
- Reliability, completeness and timelines of financial and management information (information objectives);
- Compliance with applicable laws and regulations (compliance objectives).

The Internal Control & Compliance Division 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 the Internal Control Units (ICU) of the Branches 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 being placed before the Audit Committee of the Board. The Audit Committee of the Board closely monitors the functioning of the Internal Control & Compliance Division and provides suggestions/recommendations wherever necessary.

Risk Based Internal Audit (RBIA) is being carried out annually for risk profiling/ categorization of the Branches based on the level of its various risks. Upgradation of the existing RBIA format is under process and which is expected to be finalized soon. Close supervision & strong monitoring ensure functional efficiency of the Branches & different Divisions/Departments of Head Office by maintaining control

environment at operational level. Compliance culture is developed through strict adherence to statutory & regulatory requirement and also observance of Bank's own policy & procedures.

#### **10.6. Prevention of Money Laundering:**

##### **Prevention of Money Laundering & Combating Financing of Terrorism:**

Prevention of Money Laundering & Combating Financing of Terrorism is very essential for avoiding corruption and ensuring peace all over the world.

Aiming the said objectives, in our country, Anti-Money Laundering Prevention Act 2012 and Anti Terrorism Act 2009 have been enacted and IFIC Bank Limited has been complying all the rules and regulations related to AML/CFT issues since the beginning.

According to the directives of Bangladesh Financial Intelligence Unit (BFIU), the Bank has prepared as well as revised "Guidelines on Prevention of Money Laundering" and "Policy for Combating Financing of Terrorism" in April, 2014.

The Chief Anti-Money Laundering Compliance Officer (CAMLCO) of the Bank regularly presents status report to the Competent Authorities in regard to the followings as per regulatory frameworks:

- i. Bank Accounts as & when required by BFIU.
- ii. Cash Transaction Report (CTR).
- iii. Transaction Monitoring Report,
- iv. Structuring Monitoring Report,
- v. Monthly Meeting details.
- vi. Hundi activities & Abnormal Transaction on Bi-monthly basis,
- vii. Suspicious Transaction Report (STR) on Quarterly basis, periodical report on AML/CFT issues to the Managing Director.
- viii. Half Yearly Report on Self-Assessment of branches & Independent Testing Procedure conducted by ICC Division and similar other types.

As needed by Bangladesh Financial Intelligence Unit (BFIU), the Bank has implemented goAML Software provided by United Nations Office on Drugs & Crime (UNDOC) and submits CTR, STR & other necessary statements related to AML/CFT. In addition, the Bank has introduced a separate Customer Acceptance Policy in the Year 2013 according to direction of Bangladesh Financial Intelligence Unit (BFIU). In the year 2014, we have submitted report of 14 (fourteen) Suspicious Transaction (STR) to BFIU.





With a view to build awareness on AML/CFT laws, guidelines & Circulars issued from BFIU, the Bank regularly arranges Training on Prevention of Money Laundering & Combating Financing of Terrorism for all level of Executives/Officers working in different branches of the Bank, which is a continuous process. In the year 2014, Anti-Money Laundering Department of the Bank arranged 08 (eight) training courses on Prevention of Money Laundering & Combating Financing of Terrorism, where total 412 Executives/Officers of the Bank attended.

## 11. Information and Communication Technology (ICT):

International Finance Investment and Commerce Bank Limited (IFIC Bank) is a banking company incorporated in the People's Republic of Bangladesh. Since its journey, the Bank is leading the industry by providing the digital tools to maximize the customer value and foster technological leadership by protecting intellectual property, enhancing technical standards, and advancing measurement science.

IFIC's success in transforming its business from largely manual to automated processes entails further efforts in the areas like IT Security, redundancy, standard certification etc. to ensure functional reliability, security and business continuity. These initiatives are helping IFIC to take the existing ICT infrastructures to the next level of excellence. In last one year IT Division has established the following work portfolio:

- Develop IT Strategic Plan
- Review the existing infrastructure
- Co-ordinate with IT project
- Integration of different software with Core Banking System (CBS)
- Compliance with regulatory requirements

### Develop IT Strategic Plan:

We have developed the IT road map which is in line with our Business goal. Technology is acting as a catalyst for improvement throughout every aspect of our business. Our smart IT has the potential to drive productivity, decrease costs and maximize the performance of our organization. Our strategic IT plan carries the following key components of business:

- Vision
- Mission
- Objectives
- Strategies

- Action plans

### Review the existing infrastructure:

We have evaluated our system by KPMG to ensure information systems and the safeguard has in place. Gaps and recommendations related to system and its surroundings been addressed. It includes trouble free the core and non-core operations in DC and DR. Most of the issues been addressed in 2015 and few is planned for 2016.

More over we have implemented the control gaps identified by Bangladesh Bank.

### Co-ordinate with IT project:

Core Banking System Up gradation

Bank has upgraded our core banking system where IT resources was integral part of the core team to ensure the followings:

- Improve operational efficiency
- Comply with upcoming regulations
- Reduce the system support burden
- Harmonize products and systems around the globe
- Facilitate growth in general

Document Management System (DMS)

For effective centralization, IFIC has engaged KPMG to implement Electronic Document Management System (DMS) using Microsoft SharePoint. All the system and admin level tasks will be taken care by IT division after go live. In this regard IT team was involved with core team to ensure:

- System support
- System backup/restore
- System up gradation and availability

### Integration of different software with Core Banking System (CBS):

Bank also integrated different software with Core Banking System (CBS) for its customers for the following purposes:

- For faster & secured remittance service
- Banking facility through mobile banking

### Compliance with regulatory requirements:

In keeping up with its commitment to follow the compliance related guidelines and become a compliant bank:

- CIB under the guidelines of Bangladesh Bank
- Bank has integrated its core banking system with the National Payment System of Bangladesh Bank (NPSB)



- Presently Bank is using RTGS to provide real-time banking between different Banks

## 12. Corporate Governance:

IFIC is always committed to adopting highest corporate governance standards for attaining its operational goals. At IFIC Bank, Corporate Governance is aimed at increasing the shareholders' value by being efficient, transparent, professional and accountable to the society, stakeholders and the environment as well.

IFIC Bank complies with the guidelines regarding composition of the Board of Directors, all Committees, term of the Office of the Directors as well as competence and eligibility of the Directors as outlined by the Bangladesh Bank, the Companies Act, 1994 and the Bank Company Act, 1991 (Amended up-to 2013). The Bank has also implemented the requirements of Corporate Governance Guidelines of the Bangladesh Securities & Exchange Commission as enumerated in its Notification No. BSEC/CMRRCD/2006-158/134/ADMIN/44 dated August 07, 2012. As per mentioned Notification of BSEC, the compliance status of the Bank has been reported in this Annual Report for information.

## 13. Human Resource Management:

Human Resource is one of the most essential requirements for survival in this competitive world, and therefore, IFIC Bank always puts due magnitude on the resource to drive the organization towards its goal. HRM Division takes leadership in fostering a positive work environment that places high value on professional and collaborative work relationships while recognizing the importance of individual contributions.

IFIC Bank HRM Division is committed to ensuring that the Bank attracts recruits, develops and retains a high performing, diverse work force by developing and implementing progressive human resource management policies and strategies. Our core competencies include recruitment and staffing, employee relations, organizational and employee development, compensation & benefits, HRIS and regulatory compliance.

For proper positioning of its human resources, IFIC Bank continuously works on restructuring its organogram based on functionality and places its employees through the appropriate process.

Following figures show HR Health in 2015:



Figure: Joining Status 2015

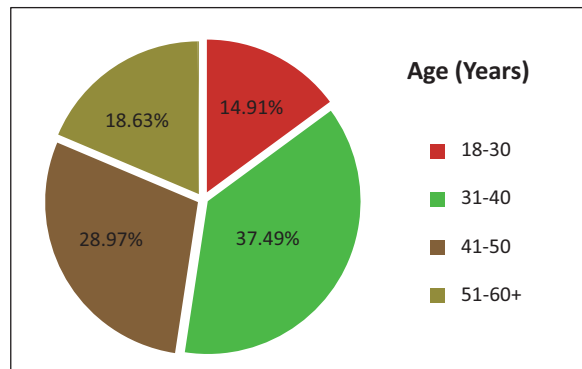


Figure: Aging Analysis

With rapid technological changes around the world, automation has been a crucial area of development for any organization specially service oriented firms like banks. Accordingly, IFIC Bank HRM Division has adapted to wide-ranging HR software which operates the central storage of HR data with a number of extensive workflows, notifications, process automation and analytical reports. It establishes a shared environment for HR specialists, managers and employees in order to provide the effective management and compliance.

## 14. Law and Legal Affairs:

The Law & Legal Affairs Division of the Bank is responsible for providing legislative and legal support to the Bank which includes drafting of legislation, consultative advice, legal opinions and clarifications on the application of laws in the Bank's regular operations. Officers and Executives of the Division regularly attend both Lower and Higher Courts as witnesses of the Bank and participate with the panel lawyers assigned to conduct the Suits/Cases filed by or against the



Bank in an aim to dispose of the pending Court Cases quickly. Moreover, the Law & Legal Affairs Division provides necessary legal services (Opinion) including preparation of various Agreements and Security Documents to different Departments/Divisions of Head Office and gives proper direction in respect of completing documentation formalities against various credit facilities as and when sought by the Branches. Apart from the above, the Division maintains official liaison with various Government Authorities to get their services in order to resolve many pending legal issues faced by the Bank.

The number of Suits/Cases filed during the year 2015 was 206 and value against those Suits/Cases was BDT 1,678.10 million. At the end of the year 2015, a total of 1,089 Suits/Cases of various kinds filed against the defaulting Borrowers involving an amount of BDT 13,661.90 million (suit value) are pending with both Lower and Higher Courts. Considering such huge amount unrealized, the Law and Legal Affairs Division took various pragmatic steps to realize those outstanding dues of the Bank quickly and as a result, Bank was able to dispose of 25 (twenty five) Writ Petitions, 24 (twenty four) Artha Rin Suits, Execution Cases and Criminal Cases (under N.I. Act) and an amount of BDT 81.40 million was fully realized, and partial adjustment from different litigated accounts during the year of 2015 was BDT 79.00 million.

On the contrary, an amount of BDT 3,954.30 million is still remain unrealized due to filing of 52 Nos. of Writ Petitions against the Bank which are now pending with the Hon'ble High Court and Appellate Division of the Supreme Court of Bangladesh.

### **15. Branch Expansion Program:**

During the year 2015, the Bank opened 9 (Nine) new Branches at different prospective locations of the country to provide banking services to the customers. Out of those 9 (Nine) Branches, 5 (Five) were urban Branches and 4 (Four) were rural Branches. Thus, the total number of Branches of the Bank throughout the country stood at 129. As part of ongoing business expansion program, 5 (five) new ATM Booths were set-up at different locations of the country. Furthermore, 2 (Two) Branches were relocated to new premises and 14 (Fourteen) existing Branches were renovated during the year 2015.

Besides, the Bank has a plan to expand its network further within the country by opening few more new Branches and ATM Booths in the year 2016 with special emphasis on low-cost and green Branches.

### **16. Green Banking:**

Bangladesh is one of the countries in the world that faces risk of climate changes. In this context, Green Banking is a part of various steps undertaken worldwide in order to protect the environment. As part of implementing Green Banking activities IFIC Bank initiated various measures. Bangladesh Bank has recognized IFIC Bank as one of the Top Ten Private Commercial Banks for contribution to Green Banking activities across the country. Our Green Banking Policy Guideline and Green Office Guide have been circulated to all our Branches and Divisions/Departments at Head Office for creating awareness on Green Banking activities & providing instructions about conserving energy, water, gas, printer cartridge, paper etc. Our Green Banking activities are on multidimensional areas which include both in-house Green activities and external green activities towards supporting Green Economy as part of our Green Banking initiatives.

The bank had developed software related to Environmental Risk Rating (EnvRR) and circulated to all Branches for rating the applicable projects while financing according to the guidelines of Bangladesh Bank to protect environmental degradation. Bank has started setting up solar panel with the provision of the maximum use of natural light, use of energy saving bulbs and other equipments, reduced paper, water and electricity use etc. During the year 2015, a Green ATM Booth was inaugurated at Jessore. The Bank, now, has a total of 12 (twelve) numbers of branches equipped with solar panel for renewable energy, energy saving bulbs etc. which are designated as Green Branches. Our Bank has already introduced e-recruitment, e-leave, mobile banking, Contact Centre (Call Centre), Phone Banking services, etc to reduce the paper consumption. As a part of awareness builds up among the employees, we are arranging training/workshop on "Green Banking" on a regular basis.

### **17. Subsidiaries of IFIC:**

#### **17.1. IFIC Securities Limited (IFICSL):**

IFICSL is a member of DSE and holds both a stock broker and stock dealer license for buying, selling and settlement of securities on behalf of investors and for trading of securities in its own portfolio. IFICSL is the owner of a full participant DP license of CDBL. IFICSL has managed to capture 1.35 % of the market share in the whole of 2015 which has been shrinking. The market has continued the negative trend of 2014 in 2015. Trade volume in DSE has decreased by more than 13 %, whereas the market share of IFICSL has



decreased by 0.15%, which is insignificant compared to the extent to which the market has shrunk. Despite the fact that the market has continued its negative trend in 2015 the management of IFICSL has survived the debacle by maintaining a prudent approach in preparing their accounts. This prudent approach has allowed the organization to remain profitable in the face of the turbulence and continuing recession in the capital market of Bangladesh.

#### **17.2. IFIC Money Transfer (UK) Limited:**

IFIC Money Transfer (UK) Limited, a fully owned subsidiary exchange company of IFIC Bank Limited was incorporated in UK and commenced its operation on 31<sup>st</sup> August 2011 to facilitate inward foreign remittance from United Kingdom. It was incorporated as a private company with Companies House of England and Wales under registration no. 07379137 on 16<sup>th</sup> September 2010. IFIC Bank Limited got permission from Bangladesh Bank for opening a fully owned subsidiary in UK. The Company (subsidiary) obtained Money Laundering registration on 17<sup>th</sup> January 2011 issued by HM Customs and Excise. The Company got registration from Financial Services Authority on 16<sup>th</sup> June 2011 under Payment Services Regulations 2009. It commenced operation on 31<sup>st</sup> August 2011. The Registered Office is located at Ferrari House, 2<sup>nd</sup> Floor, 102 College Road, Harrow, Middlesex, United Kingdom HAI IES, London, UK.

#### **18. Corporate Branding & Publicity:**

The Bank undertook various activities in 2015 for making the IFIC Bank brand visible. The Bank carried out sustained corporate branding and promotional activities through multiple publicity channels - print, electronic and outdoor media.

In daily newspapers and magazines, the Bank published a good number of corporate and product advertisements for making the brand and products familiar with existing and potential customers. Special attention was given for the publicity of our house building loan (HBL) product named **IFIC Home Loan**.

To increase brand visibility, we sponsored the live program titled *Kemon Budget Chai* in NTV, live programme on *Ekushay Book Mela Sorasori, Rangtulite Muktijudhdho* on 26<sup>th</sup> March and a talk show in Channel I on the occasion of International Women's Day. The Bank also did branding of the news scroll and a documentary programme titled "*IFIC Bank Ei Banglaye*" in ATN News.

The bank set up 15 billboards in different places of

Dhaka for maintaining brand visibility and publicity of our Home Loan product. The Bank carried out branding at ATM booths, ATM machine screens and Bank branches throughout the country.

IFIC Bank was a co-sponsor of BATEXPO-2015 of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and sponsored a good number of programmes including Sufi Music Fest, Victory Day celebration and parade of Bangladesh Armed Forces Division at National Parade Ground.

The Bank celebrated the first day Bangla New Year – Pahela Baishakh in a festive mood by printing colourful banners, festoons, greeting cards and distributing traditional sweets to value clients and different stakeholders. We also celebrated the World Environment Day by planting Neem trees in the city.

The Bank received wide coverage in print and electronic media on different events and activities like Annual General Meeting (AGM), Annual Business Conference and opening of branches etc. We helped organize different events like product launching ceremony and awarding long serving employees.

#### **19. Corporate Social Responsibility:**

IFIC Bank undertook following activities in the field of CSR from January to December -2015 to address the need of common people for making a positive and meaningful contribution to the society:

1. IFIC Bank donated money for the treatment of burn victims and also established a modern High Dependency Unit (HDU) at the Burn & Plastic Surgery Unit of Dhaka Medical College Hospital.
2. IFIC Bank donated money to establish a Child Day Care Centre of Private Commercial Banks at Motijheel C/A in Dhaka.
3. IFIC Bank handed over a total of 25,000 pieces of blankets to Prime Minister's Relief Fund and also distributed blankets among the poorest people in different districts through bank's branches.
4. IFIC Bank donated money to the Nepalese Ambassador in Dhaka for the victims of devastating earthquake.
5. The Bank organized a program for planting of Neem-tree saplings on the occasion of World Environment Day on 05 June 2015
6. Dhaka University students and teachers received stipends and research grants from the IFIC Bank Trust Fund.
7. The Bank donated money in different schools of underprivileged children and orphanage.



8. The Bank rewarded meritorious children of the employees for their brilliant results in SSC/ equivalent and H.S.C./equivalent examinations

## 20. Business Focus:

The principal activities of the Bank are banking and related businesses under the Bank Company Act, 1991 (Amended up-to 2013). The core banking businesses include accepting deposits and granting loans and advances out of those deposits and earning profit through creating value from gap between interest paid on deposits and interest earned on loans and advances. The depositors supply funds for loans and advances. The Bank collects deposits through deposit mobilization strategy comprising various deposit products. The Bank's central revenue producing activities include all kinds of commercial banking products and services to the customers including project finance, working capital finance and trade finance for corporate customers, SME loans to small traders & businesses, house building loan, car loan as well as wide range of life-style and need based loans for retail customers. The Bank has been able to develop state-of-the-art IT platform and online banking systems facilitating any branch banking, Mobile banking, SMS banking, internet banking, any time banking for 24 hours a day and 7 days a week through ATMs.

2015 has been a year of significant progress for us. Building on our consistent track record of growth, the Bank shall continue to deliver a strong performance, both operationally and financially.

Our aim is to build a business that is durable for the long term, one that creates value for shareholders and also acts responsibly in the interests of the wider communities in which we operate. We believe that those businesses that achieve sustainable growth have an appetite for change and a commitment to constant renewal in all that they do.

## 21. Shares of IFIC Bank Limited:

The Authorized Capital and the Paid-up Capital of the Bank stood at BDT 20,000.00 million and BDT 5,034.12 million respectively as on 31 December 2015. A total number of 482,748,477 shares are recorded with the Central Depository System (CDS), while 20,663,940 shares still remain in scrip form till the Balance Sheet date.

The consolidated Net Asset Value (NAV) per share was BDT 24.57 as on 31 December 2015 which was BDT 25.58 as on 31 December 2014. The consolidated Earnings per Share (EPS) were BDT 2.10 for the year

ended on 31 December 2015 as against BDT 3.51 as on 31 December 2014. The Market Capitalization of IFIC was BDT 10,672.34 million at the end of the year 2015 as against BDT 11,425.27 million at the end of the year 2014.

## 22. Dividend:

To strengthen the capital base of the Bank, the Board of Directors in its 673<sup>rd</sup> Meeting held on 27 April 2016 has recommended 12% Stock Dividend for the Shareholders for the year 2015 subject to approval of the Shareholders in the 39<sup>th</sup> Annual General Meeting.

## 23. Appointment of External Auditors:

In the 38<sup>th</sup> Annual General Meeting of the Bank, "A" graded Chartered Accountants, M/s. M. J. Abedin & Co, Chartered Accountants were appointed as External (Statutory) Auditors of the Bank for the year 2015 till conclusion of the next Annual General Meeting.

## 24. Rotation of Directors:

In order to comply with the provision mentioned under Section 91(2) of the Company Act, 1994 and Clause Nos. 109 & 110 of the Articles of Association of the Bank, at least one third of the Directors shall retire from the Office in the 39<sup>th</sup> Annual General Meeting.

As per Clause No. 111 of the Articles of Association of the Bank, the retiring Directors are eligible for re-election.

## 25. Dependability for Internal Control & Financial Reporting:

The Board has collective responsibility for the management, direction and performance of the Bank and provides leadership within a framework of prudent and effective controls which enables risk to be appropriately assessed and managed. The Board sets the strategic direction, ensuring that the necessary resources are in place for the Company to meet its objectives and deliver sustainable performance.

The Board takes a long term outlook and sees itself as responsible to a wide range of stakeholders, whilst pursuing its objectives in a manner consistent with its statutory duties, for the benefit of the Bank's members as a whole.

The Directors of the Board are selected on the criteria of proven skill and ability in their particular field of endeavor and a diversity of outlook and experience which directly benefits the operation of the Board as the custodian of the business.

The Board of Directors of the Bank is accountable for Bank's system of internal control. It has set appropriate



policies on internal control and seeks regular assurance that the system is functioning effectively. Through the establishment of the Audit Committee, the Board of Directors regularly monitors the adequacy & effectiveness of internal control system of the Bank.

Growth through inclusive banking
Excellence in customer service
Safeguard asset quality
Technology driven banking
Product innovation
Operational efficiency

The MANCOM also reviews the overall effectiveness of the control system of the Bank & provides a certificate on yearly basis to the Board of Directors on the effectiveness of internal control policies, practices & procedures.

As per directives of Bangladesh Bank, a special meeting of the Board of Directors is arranged annually for reviewing the compliance/implementation status of the observations/recommendations of Bangladesh Bank's comprehensive inspection report of the Bank.

According to the Company Law, the Directors are responsible for the preparation of the annual financial statements. The annual financial statements conform to Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and fairly present the affairs of the Bank and its subsidiaries as at the end of the financial year, profit & loss and cash flows for that period.

Accounting policies supported by judgments, estimates and assumptions in compliance with BAS and BFRS are applied on the basis that the Bank shall continue as a going concern. Systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

Based on the information and explanations given by management and the internal auditors, the Directors are of the opinion that the internal financial controls are adequate and that the financial records may be relied upon for preparing the financial statements in accordance with BAS and BFRS, and to maintain accountability for the Bank's assets and liabilities.

The Directors have a reasonable expectation that the Bank and its subsidiaries will have adequate resources

to continue in operational existence and as a going concern for the foreseeable future.

## 26. Acknowledgement:

The success of this Bank is mainly attributable to the support and co-operation from the different group of stakeholders. With the sincere and devoted efforts of all the Executives, Officials and members of the staff, IFIC Bank has made remarkable progress in the year 2015. The Board of Directors takes this opportunity to thank all of them for their dedicated services. The Board expresses its profound gratitude to the Government of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies and Firms, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited and Central Depository Bangladesh Limited for their continued support and co-operation to the Bank. The Board also thanks all for their unwavering continued co-operation and hope that their valuable support will remain intact in future. The Board gratefully acknowledges the support provided by all valued customers who have been with us in the course of our journey. The Board also place on record its thanks and gratitude the valued contribution made by all the patrons and well-wishers of the Bank in attaining its sustainable growth and progress. The Board also expresses its appreciations to M/s. M. J. Abedin & Co, the External Auditors of the Bank, for their efforts for timely completion of audit of the Financial Statements of the Bank. The Board of Directors further extends thanks to both the print and electronic media personnel for extending media coverage to the Bank's various activities and events throughout the year.

Last but not the least, the Board expresses its thanks to the respected Shareholders and assures them that the Bank will continue to add to the Shareholders' value through gradual growth of business and sustained customers' satisfaction, in which they have placed trust and confidence.

For and on behalf of the Board of Directors



**Salman F Rahman**  
Chairman





# REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee of the Board of Directors of IFIC Bank Limited was lastly re-constituted by the Board of Directors of the Bank in its 664<sup>th</sup> Meeting held on 14 December 2015 with the following 02 (Two) Members:

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Mr. A. R. M. Nazmus Sakib

Chairman

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Mr. Arijit Chowdhury

Member

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The Company Secretary of the Bank is the Secretary of the Executive Committee of the Board.

The above mentioned Executive Committee of the Board was formed in line with the directives of BRPD Circular No. 11 dated 27 October 2013.

The Terms of Reference of the Executive Committee, in addition to the roles and responsibilities mentioned in the BRPD Circular No. 11 dated 27 October 2013, as approved by the Board follows:

- a. All business proposals other than large loans are placed before the Executive Committee for consideration and approval.
- b. Purchase of electric/electronic equipments, computers and its accessories, air- conditioners, generators and vehicles are also considered and approved by the Committee.

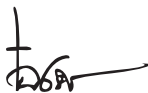
However, the decisions of the Executive Committee as recorded in the Minutes of the Meetings are placed before the Board after confirmation in the subsequent Meetings for ratification.

Due to unavoidable circumstances, only 01 (One) Meeting of the Executive Committee was held during the year 2015 where a total of 08 nos. proposals/issues were considered/decided by the Committee.

The particulars of attendance of the members of the Executive Committee are given below:

Name of the Director	Position	Total number of meetings held during 2015	Total attendance	Remarks
Mr. A. R. M. Nazmus Sakib	Chairman	01	01	
Mr. Arijit Chowdhury	Member	01	01	

The Executive Committee expresses its sincere thanks to the Members of the Board and the Management of IFIC Bank Limited for their support and guidance in the course of carrying out the duties and responsibilities of the Committee. The Executive Committee also expresses its satisfaction regarding the roles and responsibilities discharged by the Management of the Bank.



**A. R. M. Nazmus Sakib**  
Chairman, Executive Committee





# REPORT ON THE ACTIVITIES OF THE AUDIT COMMITTEE

The Audit Committee of the Board of Directors of IFIC Bank Limited was lastly re-constituted by the Board of Directors in its 657<sup>th</sup> Meeting held on 16 September 2015 in accordance with the directives of the BRPD Circular No. 11 dated 27 October 2013 issued by Bangladesh Bank and the Notification of Bangladesh Securities and Exchange Commission vide No. SEC/CMRRCD/2006-158/134/admin/44 dated 07 August 2012.

The Audit Committee of the Board is comprised of 03 (three) members from the Board of Directors including 02 (two) Independent Directors. The composition of the present Audit Committee of the Board is as follows:

Mr. Monirul Islam	Independent Director	- Chairman
Mr. Anwaruzzaman Chowdhury	Independent Director	- Member
Mr. Jalal Ahmed	Director	- Member

The Company Secretary of the Bank is the Secretary of the Audit Committee of the Board.

The Audit Committee is a sub-committee of the Board of Directors and reports on its activities on quarterly basis to the Board of Directors. The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities, which includes but is not limited to implementation of the objectives, strategies, risk mitigation, and overall business plans set by the Board for effective functioning of the Bank. The Committee also reviews the financial reporting process, the system of internal control and management of financial & operational risks through the Internal Control process.

The Audit Committee of the Board usually sits once in every month.

A total of 10 (ten) Audit Committee Meetings were held during the year 2015.

The particulars of attendance of the members of the Audit Committee are given below:

Name of the Director	Position	Total number of meetings held during 2015	Total attendance	Remarks
<b>Mr. Monirul Islam</b>	Chairman	10	10	Directors who could not attend any meeting were granted leave of absence.
<b>Mr. Anwaruzzaman Chowdhury</b> (Since 16 September 2015)	Member	04	02	
<b>Mr. Jalal Ahmed</b>	Member	10	10	
<b>Mr. Syed Anisul Huq</b> (Upto 16 June 2015)	Member	04	01	

The Audit Committee, in the above 10 (ten) meetings, discussed many issues, some of which were:

- Risk Based Internal Audit & Inspection Plan for-2015;
- Statement of Fraud & Forgeries occurred in the Bank upto 31.12.2014;
- Summary Report of Brief Highlight on Audit & Inspection Report of the Branches conducted by Internal Control & Compliance Division;
- Summary Report on Comprehensive Inspection on Kawranbazar, Banani, Rangpur, Nozu Miah Hat, Poradah, Takerhat, Shariatpur, Benapole, Bagerhat and Taherpur Branches conducted by the Bangladesh Bank Inspection Team;
- Status of Compliance on irregularities & lapses/errors & omissions observed in Internal Audit & Inspection Reports of 18 (eighteen) Branches conducted for the Quarter ended as on 31.12.2014;
- Summary Report on SME/Surprise Inspection on Narayanganj, Konabari, Shetab-gonj and Mymensingh Branches conducted by the Bangladesh Bank Inspection Team;
- Appointment of External (Statutory) Auditors;
- Auditors' Report and Audited Financial Statements as at end for the year ended 31st December, 2014;
- Management Report on the Financial Statements for the year ended 31st December, 2014;
- Un-audited Financial Statements as at and for the First-Quarter (Q-1) ended 31 March, 2015;

- Recommendation of Bangladesh Bank Special Inspection Report- i) Credit Risk Management, ii) Foreign Exchange Risk Management, iii) Asset Liability Management, iv) Internal Control & Compliance and v) ICT Security;
- Statement of Fraud & Forgeries occurred in the Bank upto 31.03.2015;
- Summary Report on Foreign Exchange Business & Transaction on Motijheel, Federation, Gulshan, Narayanganj, Khulna, Bogra, Noapara & Laldighi Branches conducted by the Bangladesh Bank Inspection Team;
- Un-audited Financial Statements as at and for the Half-Year (H1) ended 30 June, 2015;
- Statement of Fraud & Forgeries occurred in the Bank upto 30.06.2015;
- Appraisal on the Structure/Organogram of the Internal Control & Compliance Division (ICC Division) of the Bank;
- Un-audited Financial Statements as at and for the Third Quarter (Q-3) ended 30 September 2015;
- Summary Report on Comprehensive Inspection on Motijheel, Gulshan, Rangpur, Mymensingh, Dinajpur and Boro Bazar Branches conducted by the Bangladesh Bank Inspection Team;
- Summary Report of Brief Highlight on Audit & Inspection Reports of Hathazari, Malibagh, Khatunganj, Subid Bazar, Benapole, Jessore, Rangpur, Rajshahi, Bajitpur, Takerhat, Pallabi, Kushtia, Islampur, Pragati Sarani, Tongi SME/Krishi Branches conducted by Internal Control & Compliance Division;
- Statement of Fraud & Forgeries occurred in the Bank upto 30.09.2015;
- Annual Report on the Health/Overall status of IFIC Bank Limited for the year 2014;
- Summary Report of Brief Highlight on Audit & Inspection Reports of the Branches conducted by Internal Control & Compliance Division;
- Summary Report on Comprehensive Inspection on Dhanmondi, Shantinagar, Bogra, Pragati Sarani, Barisal and Ghorasal Branches conducted by the Bangladesh Bank Inspection Team.

From our assessment of the various internal audit reports, it appears that IFIC Bank Limited maintained effective Internal Control on its overall activities during the year 2015.



**Monirul Islam**  
Chairman, Audit Committee



# REPORT OF THE RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Board of Directors of IFIC Bank Limited was lastly re-constituted by the Board of Directors of the Bank in its 664<sup>th</sup> Meeting held on 14 December 2015 with the following 03 (three) Members:

Mr. Jajal Ahmed	Chairman
Mr. Monirul Islam	Member
Mr. A. R. M. Nazmus Sakib	Member

The Company Secretary of the Bank is the Secretary of the Risk Management Committee of the Board.

The above mentioned Risk Management Committee of the Board was formed in line with the directives of BRPD Circular No. 11 dated 27 October 2013.

The Risk Management Committee, as authorized by the Board, performs as per roles and responsibilities mentioned in the BRPD Circular No. 11 dated 27 October 2013.

During the year 2015, 05 (Five) Meetings of the Risk Management Committee were held where a total of 124 nos. proposals/issues were considered/decided by the Committee.

The particulars of attendance of the members of the Risk Management Committee are given below:

Name of the Director	Position	Total number of meetings held during 2015	Total attendance	Remarks
Mr. Jalal Ahmed	Chairman	05	05	
Mr. Monirul Islam	Member	05	05	
Mr. A. R. M. Nazmus Sakib	Member	05	05	

However, the decisions of the Risk Management Committee as recorded in the Minutes of the Meetings are placed before the Board on quarterly basis.

The Risk Management Committee expresses its sincere thanks to the Members of the Board and the Management of IFIC Bank Limited for their support and guidance in the course of carrying out the duties and responsibilities of the Committee. The Risk Management Committee also expresses its satisfaction regarding the roles and responsibilities discharged by the Management of the Bank.



**Jalal Ahmed**  
Chairman, Risk Management Committee

## CORPORATE GOVERNANCE PRACTICES

Corporate Governance indicates the policies and procedures applied by us to attain certain sets of our objectives, corporate missions and visions with regard to shareholders, employees, customers, suppliers and different regulatory agencies and the community at large. The role of governance is to maximize shareholders' wealth. Corporate Governance depends on managerial performance as well as a consideration of social responsibility, the socio-cultural-environmental dimension of business procedure, legal and ethical practices with a focus on customers and other stakeholders of our organization.

We are committed to excellence in corporate governance, transparency and accountability. This is essential for the long term performance and sustainability of our Company, and to protect and enhance the interests of our shareholders and other stakeholders.

Our governance framework plays an integral role in supporting our business. It provides the structure through which our strategy and business objectives are set, our performance is monitored, and the risks we face are managed. It includes a clear framework for decision making and accountability across our business and provides guidance on the standards of behavior we expect from our people.

We regularly review our governance arrangements as well as developments in the market practices, expectations and regulation to establish good corporate governance in our Bank. We have modernized our governance system and implemented the rules as several prudential regulations specifying qualification of a Bank Director and a Chief Executive Officer and most importantly three Circulars/Circular Letters issued by Bangladesh Bank on 27 October 2013 in connection with formation and responsibilities of Board of Directors of a Bank Company to comply with the existing rules and regulations in line with the Bank Company Act, 1991 (Amended upto 2013) as well as corporate governance guidelines issued by Bangladesh Securities and Exchange Commission.

**We consider good corporate governance to be a prerequisite for value creation and reliability:**

- Governance principles;
- Transparency in business transactions;
- Statutory and legal compliances;
- Protection of shareholders' interests;
- Commitment to values and ethical conduct of business;
- Applying values to create value.

## Members' Meetings

The supreme authority in the Bank's affairs, within the limits established by the Articles of Association and statutory law, rests with legitimate meetings of the Members of the Bank. The Bank's Annual General Meeting is held within statutorily allowed time every year and may also hold any other meeting, as and when required. At Members' meeting, each share carries one vote. Decisions at Members' meetings are taken by majority vote unless there are contrary provisions in the Bank's Articles of Association or statutory law. Although Members acting through the forum of the General Meeting exercise ultimate check over a company, they do not interfere with the exercise of powers which are vested in the Board.

## The Board of Directors

The Board of Directors, collectively, is the supreme authority in the Bank's affairs between Members' meetings. They owe a duty to the shareholders and exercise care, skill and diligence in discharging their responsibilities and in exercising the powers vested in them.

The key purpose of the Board of Directors of IFIC Bank Limited is to ensure the company's prosperity by collectively directing the company's affairs, whilst meeting the appropriate interests of its shareholders and other stakeholders. In addition to business and financial issues, the Board deals with challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics and ensures that its organization and operation are, at all times, in correct and appropriate order. The Board is, among other things, responsible for setting business objectives, strategies and business plans, formulating risk policies, confirming key aspects of the Bank's internal organization and making decisions on the establishment of branches. As a mechanism of budgetary control, the Board approves budget and reviews the business plan on quarterly basis so as to give directions as per changing economic and market environment. The Board also reviews the policies and guidelines issued by Bangladesh Bank and gives directions for their due compliance. Furthermore, Board of Directors develops and reviews corporate governance framework as well as recommends to the shareholders to appoint an external auditor.

## Composition of the Board

The Board of IFIC Bank Limited consists of seven Members including the Managing Director as Executive Director and ex-officio member of the

Board. As per the guidelines of Bangladesh Bank and as well as in compliance with the Bangladesh Securities and Exchange Commission's corporate governance guidelines, there are two Independent Directors in the Board.

### **Re-election of Directors**

In compliance with the Companies Act and Bank's Articles of Association, each Director, other than the Managing Director, retires by rotation once in every three years and is required to stand for re-election by the shareholders at the Annual General Meeting.

### **Independent Director**

To comply with the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission, the Board of Directors appointed two Independent Directors in the Board and the appointment was approved by the shareholders in the Annual General Meeting. A full compliance report of the said guidelines is provided hereafter.

### **Board Meetings**

During the year 2015, there were 27 meetings of the Board. The attendance by each director at the Board Meeting held during the year is provided hereafter.

### **Executive Committee**

As approved by Bangladesh Bank, the Board has its Executive Committee. The committee comprises of two Members from the Board. In order to have functioning and quick disposal of credit proposals, the Board has delegated authority to Executive Committee of the Board to approve proposal within certain limit and it is observed to be effective to accelerate the various decisions which otherwise had to wait for Board meeting. Due to unavoidable circumstances, the committee met only once during the year 2015. The report of the Executive Committee is deployed herebefore.

### **Audit Committee**

Audit Committee of the Board of a bank can play an effective role in providing a bridge between the Board and the Management, Shareholders, Depositors and other Stakeholders and help in ensuring efficient, safe and sound banking practices. Role of the audit committee is also important in evolving an effective procedure for financial reporting disclosure, developing a suitable internal control system and maintaining liaison with internal and external auditors to minimize various business risks.

As guided by Bangladesh Bank, the Audit Committee assists the Board in fulfilling its oversight responsibilities

including implementation of the objectives, strategies and overall business plans set by the Board for effective functioning of the Bank. The Committee reviews the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Bank's process for monitoring compliance with laws and regulations and its own code of business conduct. The report is given herebefore.

### **Risk Management Committee**

To assist the Board of Directors in fulfilling its oversight responsibilities and to play effective role in minimizing current and future risks arising on the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reorganization for enhancement of institutional efficiency and other relevant policy matters, the Risk Management Committee has been constituted. The Risk Management Committee in Management level has also been reorganized. The report of the Risk Management Committee is deployed herebefore.

### **Directors' Remuneration**

The non-executive directors (Directors other than the Managing Director) of the Board representing shareholders do not take any remuneration or reimbursement of any expenses for attending Board meeting or for any other purpose. The Board members receive only BDT 8,000.00 for attending the Board/Committee meetings. The fees given to the directors are disclosed in the note to the financial statements.

### **Management**

The Managing Director, as directed by the Board of Directors, is the Chief Executive Officer (CEO) of the Bank. In terms of the financial, business and administrative authorities vested upon him by the Board, the CEO discharges his own responsibilities. He remains accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management. He also ensures that Bank's accounts and finances conform to applicable laws and accepted standards. Therefore, being empowered by the Board, the Managing Director leads the Management consisting of the executives of the Bank. Management functions through several committees headed by the Managing Director or empowered executives of the Bank. The committees are MANCOM, ALCO, Risk Management and Basel Committee etc. Management enjoys absolute power in respect of recruitment, posting and promotion of manpower in accordance with Bangladesh Bank's guidelines. In addition, Board has delegated adequate

administrative, business and financial power to the Management for quick and efficient discharge of Bank's activities.

### **Financial, Statutory and Regulatory Reporting and Compliance**

In the preparation of quarterly, semi-annual and annual financial statements, the Bank has complied with the requirements of the Companies Act 1994, Bank Company Act, 1991 (Amended upto 2013) and rules & regulations of Bangladesh Bank, BSEC and stock exchanges. Status of various compliances is given hereafter.

#### **Internal Control**

The Board of Directors acknowledges their overall responsibility for the Bank's system of internal control and for reviewing its effectiveness. Internal control is an ongoing process for identifying, evaluating and managing the significant risks faced by the Bank. The Bank has taken all-out efforts to mitigate all sorts of risk as per guidelines issued by Bangladesh Bank. Internal Control & Compliance Division, Risk Management and Credit Risk Management Unit are working towards mitigation of operational and compliance risks of the Bank.

#### **External Audit**

M/s. M. J. Abedin & Co, Chartered Accountants is the statutory auditors of the Bank. They do not provide any other accounting, taxation or advisory services to the Bank except certification of cash incentives payable to the exporters, if any.

#### **Audit and inspection by Bangladesh Bank**

Bangladesh Bank also undertakes audit & inspection at the Bank at their determined intervals. Compliance with observations and recommendations made by Bangladesh Bank help the Bank to improve internal control, risk management, corporate governance and regulatory compliance maximizing benefit for all stakeholders.

#### **Proclamation to our Shareholders**

The Bank acknowledges and takes necessary steps to provide shareholders with all relevant and reliable information to allow them to make informed judgment and decisions. Regulated path and way are completely obeyed for appropriate and effective communication. All relevant information is placed in website of the Bank for convenience of the shareholders. Moreover, as per BSEC's guidelines, all the price sensitive information having possible impact on share prices of the Bank are communicated to the shareholders by publication in the national dailies and to the DSE,

CSE, and BSEC through official letters for appearance in their websites. Quarterly Financial Statements are communicated to all the Members through DSE, CSE and BSEC as well as publication of the same in at least two widely circulated national dailies. Half-yearly Financial Statements are directly communicated to all Members. Audited yearly financial statements are published through Annual Report and the report is furnished to the shareholders as well as regulators. Finally, we arrange Annual General Meeting as our statutory duty to give our shareholders parliamentary session to communicate their assertions about the Bank. All the suggestions or recommendations made by the Members in the AGM or any time during the year are taken very seriously for compliance and better corporate governance of the Bank.

#### **Credit Ratings**

The Bank is rated by Credit Rating Agency of Bangladesh (CRAB) Limited. They have retained both the long term rating of the Bank to "AA2" and short term rating at "ST-2" which is valid upto June 30, 2016.

#### **Compliance of Regulatory Guidelines**

The Bangladesh Securities and Exchange Commission (BSEC) issued Corporate Governance Guidelines (Notification dated 07 August 2012) for the companies listed with stock exchanges on 'comply' basis. Through the said notification, BSEC has asked the listed companies to report the compliance status of the said notification in the Annual Report. Compliance Report on the said Corporate Governance Guidelines is given hereunder.

### **Compliance Report on BSEC's Notification**

The Bangladesh Securities and Exchange Commission (BSEC) requires all listed companies to report on the compliance of the conditions describes in BSEC's Notification dated 07 August 2012 on 'comply' basis. The Board of Directors of IFIC Bank Limited has taken appropriate steps to comply with the conditions as detailed hereunder:



## Annexure-I

## Compliance of Condition No. 1.5 (xx): Board Meetings held during the year 2015 and attendance by each Director:

SL No	Name of the Directors	Position	No. of Meetings held	No. of Meetings attended	Remarks
01.	Mr. Salman F Rahman	Chairman	27	27	Directors who could not attend any meeting were granted leave of absence by the Board.
02.	Mr. Mohammad Lutfar Rahman (Upto 28.10.2015)	Director	19	-	
03.	Mr. Monirul Islam	Independent Director	27	27	
04.	Mr. Syed Anisul Huq (Upto 16.06.2015)	Independent Director	11	01	
05.	Mr. Mohammed Nayem Syed (Upto 16.06.2015)	Independent Director	11	03	
06.	Mr. Anwaruzzaman Chowdhury (Since 18.07.2015)	Independent Director	11	02	
07.	Mr. Jalal Ahmed	Govt. Nominated Director	27	26	
08.	Mr. A. R. M. Nazmus Sakib	Govt. Nominated Director	27	24	
09.	Mr. Arijit Chowdhury	Govt. Nominated Director	27	25	
10.	Mr. M. Shah Alam Sarwar	Managing Director & CEO	27	27	

## Annexure-II

## Compliance of Condition 1.5 (xxi): The pattern of Shareholding as on 31 December 2015

- (a) Parent/Subsidiary/Associated companies and other related parties: Nil
- (b) Directors, Chief Executive Officer (CEO), Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children:

SL	Name of the Directors	Shares held	Name of the Spouses	Shares held
01.	Mr. Salman F Rahman	*10,071,085	Mrs. Syeda Rubaba Rahman	* 3,466,212
02.	Mr. Monirul Islam	Nil	Mrs. Rifat Sultana	Nil
03.	Mr. Anwaruzzaman Chowdhury	Nil	Mrs. Holy Begum Chowdhury	Nil
04.	Mr. Jalal Ahmed**	Nil	Mrs. Farah Diba Ahmed	Nil
05.	Mr. A.R. M. Nazmus Sakib**	Nil	Mrs. Fetematuj Jahera	Nil
06.	Mr. Arijit Chowdhury**	Nil	Mrs. Sangita Chowdhury	Nil

\* The ownership of 10,002,532 nos. shares of Mr. Salman F Rahman and 3,466,212 nos. Shares of Mrs. Syeda Rubaba Rahman lying pending with the Appellate Division of the Supreme Court of Bangladesh 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 164,860,306 nos. shares of the Bank.

Managing Director & CEO and his spouse and minor children	- Mr. M. Shah Alam Sarwar	Nil
Company Secretary and his spouse and minor children	- Mr. A. K. M. Mozharul Hoque	Nil
Chief Financial Officer and his spouse and minor children	- Mr. Dilip Kumar Mandal	Nil
Head of Internal Audit and his spouse and minor children	- Mr. S. M. Abdul Hamid	Nil

(c) Executives (Top five salaried employees of the company, other than stated in 1.5 (xxi)(b):

SL	Designation	Name	Shares held
01.	Deputy Managing Director & CRO	Mr. M. M. Haikal Hashmi	Nil
02.	Deputy Managing Director & COO	Mr. Raihan Ul Ameen	Nil
03.	Deputy Managing Director (Branch Banking)	Mr. Fariduddin Al Mahmud	2,435
04.	Deputy Managing Director (Business)	Mr. Shah Md. Moinuddin	Nil
05.	Senior Executive Vice President	Mr. Md. Bader Kamal	Nil

(d) Shareholders holding ten percent (10%) or more voting interest in the Company: Govt. of the People's Republic of Bangladesh holds 164,860,306 nos. shares which is 32.75 percent of the total outstanding shares of the Bank.

#### Annexure-III

Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

#### Report under condition no. 7 (ii)

Condition No.	Title	Compliance Status (✓ has been put in the appropriate column)		Remarks (if any)
		Complied	Non - complied	
1	<b>Board of Directors:</b>			
1.1	Board's Size: Number of Board Members shall not be less than 5 (five) and more than 20 (twenty)	✓		
1.2	<b>Independent Directors:</b>			
1.2 (i)	At least one fifth (1/5) of the total number of Directors of Board shall be Independent Directors	✓		
1.2 (ii)	<b>Independent Directors means a Director:</b>			
1.2 (ii) (a)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	✓		
1.2 (ii) (b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or Director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company	✓		
1.2 (ii) (c)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	✓		

Condition No.	Title	Compliance Status (✓ has been put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1.2 (ii) (d)	Who is not a Member, Director or Officer of any Stock Exchange	✓		
1.2 (ii) (e)	Who is not a shareholder, Director or Officer of any Member of Stock Exchange or an intermediary of the capital market	✓		
1.2 (ii) (f)	Who is not a partner or an Executive or was not a partner or an Executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	✓		
1.2 (ii) (g)	Who shall not be an Independent Director in more than 3 (three) listed companies	✓		
1.2 (ii) (h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a Bank or a Non-Bank Financial Institution (NBFII);	✓		
1.2 (ii) (i)	Who has not been convicted for a criminal offence involving moral turpitude	✓		
1.2 (iii)	The Independent Director(s) shall be appointed by the Board of Directors and approved by the Shareholders in the Annual General Meeting (AGM)	✓		
1.2 (iv)	The post of Independent Director(s) cannot remain vacant for more than 90 (ninety) days			No Vacancy occurred
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	✓		
1.2 (vi)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	✓		
1.3	<b>Qualification of Independent Director:</b>			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	✓		
1.3 (ii)	The person should be a Business Leader/Corporate Leader/ Bureaucrat/University Teacher with Economics or Business Studies or Law background/ Professionals like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/ professional experiences	✓		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission			N/A
1.4	<b>Chairman of the Board &amp; Chief Executive Officer (CEO):</b>			
1.4	The Chairman of the Board and the Chief Executive Officer shall be different individuals. The Chairman shall be elected from among the directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO	✓		

Condition No.	Title	Compliance Status (✓ has been put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1.5	<b>The Directors' Report shall include the following additional statements:</b>			
1.5 (i)	Industry outlook and possible future developments in the industry	✓		
1.5 (ii)	Segment-wise or product-wise performance	✓		
1.5 (iii)	Risks and concerns	✓		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	✓		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	✓		
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	✓		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments			N/A
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc			N/A
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report			N/A
1.5 (x)	Remuneration to Directors including Independent Directors	✓		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	✓		
1.5 (xii)	Proper books of account of the issuer company have been maintained	✓		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	✓		
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed	✓		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored	✓		
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed	✓		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained	✓		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	✓		

Condition No.	Title	Compliance Status (✓ has been put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1.5 (xix)	Reason for non declaration of dividend			N/A
1.5 (xx)	The number of Board meetings held during the year and attendance by each Director shall be disclosed	✓		
1.5 (xxi)	<b>Pattern of shareholding and name wise details (disclosing aggregate number of shares):</b>			
1.5 (xxi)(a)	Parent/Subsidiary/Associated Companies and other related parties	✓		
1.5 (xxi)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children	✓		
1.5 (xxi)(c)	Executives (top five salaried employees other than stated in 1.5 (xxi)(b))	✓		
1.5 (xxi)(d)	Shareholders holding ten percent (10%) or more voting interest in the company	✓		
1.5 (xxii)	<b>In case of the appointment/re-appointment of a director the company shall disclose:</b>			
1.5 (xxii)(a)	A brief resume of the director	✓		
1.5 (xxii)(b)	Nature of his/her expertise in specific functional areas	✓		
1.5 (xxii)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	✓		
2	<b>Chief Financial Officer (CFO), Head of Internal Audit (HIA) and Company Secretary (CS):</b>			
2.1	Appointment of CFO, HIA and CS and defining their respective roles, responsibilities & duties	✓		
2.2	The CFO and the CS shall attend the meetings of the Board of Directors	✓		
3	<b>Audit Committee:</b>			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors	✓		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	✓		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	✓		
3.1	<b>Constitution of the Audit Committee:</b>			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members	✓		Constituted as per BB's circular
3.1 (ii)	The Board of Directors shall appoint Members of the Audit Committee who shall be Directors of the Company and shall include at least 1 (one) Independent Director	✓		
3.1 (iii)	All Members of the Audit Committee should be "financially literate" and at least 1 (one) Member shall have accounting or related financial management experience	✓		

Condition No.	Title	Compliance Status (✓ has been put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
3.1 (iv)	Expiration of the term of service of Audit Committee members making the number lower than 3(three) and fill up the vacancy(ies) by the Board not later than 1 (one) month from the date of vacancy(ies)	✓		
3.1 (v)	The Company Secretary shall act as the Secretary of the Committee	✓		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) Independent Director	✓		
3.2	<b>Chairman of the Audit Committee:</b>			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an Independent Director	✓		
3.2 (ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM)	✓		Shall be invited to remain present
3.3	<b>Role of Audit Committee:</b>			
3.3 (i)	Oversee the financial reporting process	✓		
3.3 (ii)	Monitor choice of accounting policies and principles	✓		
3.3 (iii)	Monitor Internal Control Risk management process	✓		
3.3 (iv)	Oversee hiring and performance of external Auditors	✓		
3.3 (v)	Review along with the Management, the Annual Financial Statements before submission to the Board for approval	✓		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	✓		
3.3 (vii)	Review the adequacy of internal audit function	✓		
3.3 (viii)	Review statement of significant related party transactions submitted by the Management	✓		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory Auditors	✓		
3.3 (x)	Disclosure of Audit Committee about the uses/applications of IPO funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/ prospectus			N/A
3.4	<b>Reporting of the Audit Committee:</b>			
3.4.1	<b>Reporting to the Board of Directors:</b>			
3.4.1 (i)	Reporting to the Board of Directors on the activities of the Audit Committee	✓		
3.4.1(ii)(a)	Reporting to Board of Directors on conflicts of interests			N/A

Condition No.	Title	Compliance Status (✓ has been put in the appropriate column)		Remarks (if any)
		Complied	Non - complied	
3.4.1(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system			N/A
3.4.1(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations; and			N/A
3.4.1(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately			N/A
3.4.2	Reporting to BSEC (if any material impact on the financial condition & results signed by the Chairman and disclosed in the Annual Report)			N/A
3.5	Reporting to the Shareholders of Audit Committee activities, which shall be signed by the Chairman and disclosed in the Annual Report	✓		
4	<b>External/Statutory Auditors</b> The issuer Company should not engage its external/statutory Auditors to perform the following services of the Company namely:			
4 (i)	Appraisal or valuation services or fairness opinions	✓		
4 (ii)	Financial information systems design and implementation	✓		
4 (iii)	Book-keeping or other services related to the accounting records or Financial Statements	✓		
4 (iv)	Broker-dealer services	✓		
4 (v)	Actuarial services	✓		
4 (vi)	Internal audit services; and	✓		
4 (vii)	Any other service that the Audit Committee determines.	✓		
4 (viii)	No partner or employees of the external Audit Firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		
5	<b>Subsidiary Company:</b>			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company	✓		
5 (ii)	At least 1 (one) Independent Director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company	✓		
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	✓		
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	✓		
5 (v)	The Audit Committee of the holding company shall also review the Financial Statements, in particular the investments made by the subsidiary company	✓		

Condition No.	Title	Compliance Status (✓ has been put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
6	<b>Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):</b>			
6 (i)	The CEO and CFO shall certify to the Board that they have reviewed Financial Statements for the year and that to the best of their knowledge and belief	✓		
6 (i) (a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	✓		
6 (i) (b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	✓		
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct	✓		
7	<b>Reporting and Compliance of Corporate Governance:</b>			
7 (i)	Obtaining certificate from a practicing Professional Accountant/Secretary regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report	✓		
7 (ii)	Directors' statement in the directors' report whether the company has complied with these conditions.	✓		



## CEO AND CFO'S DECLARATION TO THE BOARD

Date: 27 April 2016

To  
The Board of Directors  
IFIC Bank Limited  
Head Office, Dhaka

**Subject: Certification of Managing Director and Chief Financial Officer (CFO) to the Board.**

As per BSEC Notification Number SEC/CMRRCD/2006-158/134/Admin/44, dated 7 August 2012, we the undersigned do hereby certify that:

- (i) We have reviewed financial statements for the year and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.



Chief Financial Officer



Managing Director & CEO



**Rahman Rahman Huq**  
Chartered Accountants  
9 Mohakhali C/A (11th & 12th Floors)  
Dhaka 1212  
Bangladesh

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**Certificate**  
on  
**Compliance with Conditions of Corporate Governance Guidelines to  
the Shareholders of  
International Finance Investment and Commerce Bank Limited**

We were engaged by International Finance Investment and Commerce Bank Limited (the "Company") to provide certification whether the Company has complied with the conditions of corporate governance guidelines issued by the Bangladesh Securities and Exchange Commission in its notification number SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 and SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 (the "conditions of corporate governance guidelines") for the year ended 31 December 2015.

**The Company's Responsibilities**

Those charged with governance and management of the Company are responsible for complying with the conditions of corporate governance guidelines. Those charged with the governance of the Company are also responsible for stating in the director's report whether the Company has complied with the conditions of corporate governance guidelines.

**Our Responsibilities**

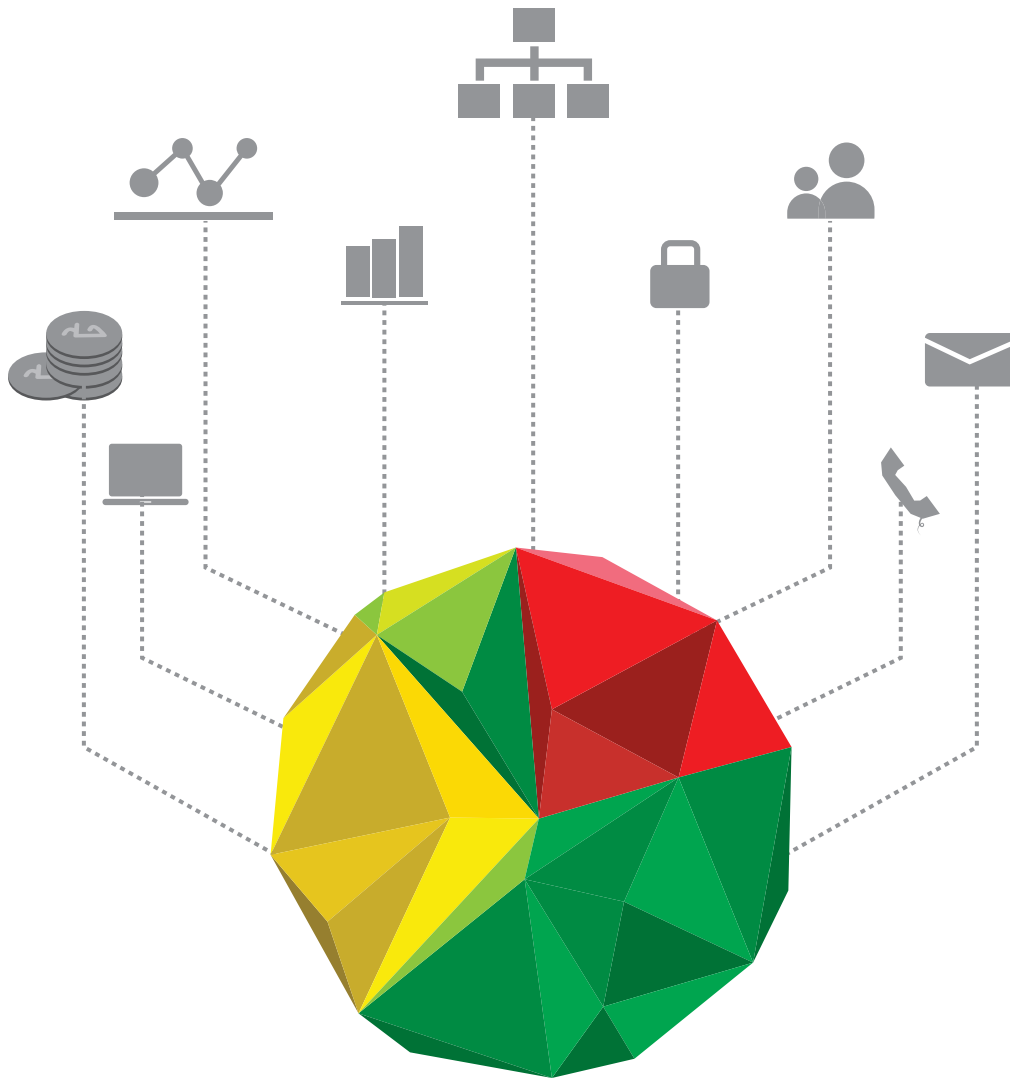
Our responsibility is to examine the Company's status of compliance with the conditions of corporate governance guidelines and to certify thereon in the form of an independent assurance conclusion based on the evidence obtained. For the purpose of the engagement, we comply with ethical requirements; including independence requirements, and plan and perform our procedures to obtain assurance whether the Company has complied with the conditions of corporate governance guidelines.

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

**Conclusion**

In our opinion, the Company has complied with the conditions of corporate governance guidelines for the year ended 31 December 2015.

Dhaka, 11 MAY 2016



# MANAGEMENT DISCUSSION & ANALYSIS

## BUSINESS ENVIRONMENT

### Global Economic Outlook

The global economic growth for 2015 is projected to be 3.1 percent, slightly lower than the actual 3.4 percent growth in 2014. However, global economic growth in 2016 is expected to increase to 3.6 percent in light of the modest recovery in advanced economies and higher growth prospects for emerging markets and developing economies. In the advanced economies, growth is expected to be 2.0 percent in 2015 and increase to 2.2 percent in 2016. However, growth in emerging markets and developing economies is projected for 2015 at 4.0 percent, 0.6 percentage point lower than in 2014, but expected to increase to 4.5 percent in 2016. The forecast of modest economic growth in advanced economies reflects the gradual acceleration of economic activity in the US as well as the euro area supported by lower fuel prices, higher employment, monetary easing, higher investment, etc. and the restoration of the Japanese economy towards a positive growth path. The growth in emerging market and developing economies in 2015 is expected to decline as a result of lower commodity prices, slower capital inflows, embargoes and conflicts in a number of countries and the gradual fall in growth in China.

### Developments in the Bangladesh Economy

Growth in the Bangladesh economy continued average of 6.2% over the last decade which is well above the global economic growth rate. In FY15, Bangladesh graduated to the status of a lower middle income country from the low income country, and to OECD Export Credit Eligibility group 5, which is just below India but ahead of all other South Asian neighbours. Despite political doldrums, structural constraints and global volatility, Bangladesh economy remained resilient and recorded a 6.5 percent growth of GDP in FY15. Higher growth of industry sector along with satisfactory growth of services sector helped to achieve this satisfactory growth of the overall economy. The growth of agriculture sector was lower in FY15 compared to the preceding fiscal year due to the lower growth in crops and horticulture sub-sector.

During FY15, the average inflation showed a downward trend due to favorable international commodity price movements and sound macroeconomic management. A cautious yet growth and investment friendly monetary policy stance was implemented during FY15. Bangladesh Bank maintained policy continuity

by keeping the policy rates unchanged to dispel the inflationary pressure and support economic growth. Broad money (M2) registered a 12.4 percent growth in FY15 against the target set at 16.5 percent and the actual growth of 16.1 percent in FY14. Total domestic credit decreased from 11.6 percent in FY14 to 10.1 percent in FY15. Private sector credit growth was 13.2 percent in FY15 which was slightly higher compared to the preceding fiscal year but remained lower against the targeted growth rate of 15.5 percent. On the other hand, the growth of credit to the public sector registered a negative growth rate at 2.5 percent in FY15 against the target set at a 25.3 percent increase. The growth of export fell from 12.1 percent in FY14 to 3.3 percent in FY15 but the growth of imports increased from 8.9 to 11.3 percent during the same period. The higher growth of imports compared to exports led to an increase in trade deficit to the tune of USD 9,917 million in FY15 from USD 6,794 million in FY14. Workers' remittances growth stood at 7.5 percent in FY15 compared to 1.5 percent negative growth in FY14. A surplus in the overall balance of payments was maintained despite a deficit in current account balance.

### Growth Performance

The growth of **agriculture sector** decreased to 3.0 percent in FY15 from 4.4 percent in FY14 due to the lower growth in crops and horticulture sub-sector.

**Industry sector** growth increased to 9.6 percent in FY15 from 8.2 percent in FY14. In fact, the rate of growth of all sub-sectors of industry sector increased in FY15 compared to FY14. The most notable increase was in the case of small scale manufacturing sub-sector.

**Services sector** growth increased slightly to 5.8 percent in FY15 from 5.6 percent in FY14. This was driven by the higher growth of financial intermediations; public administration and defense; health and social works; real estate, renting and other business activities; education; hotel and restaurants; and community, social and personal services sub-sectors.

### Savings and Investment

Gross fixed investment as a percentage of GDP increased marginally to 29.0 percent in FY15 from 28.6 percent in FY14. Within gross fixed investment, public investment grew faster than the private investment. As a result, the share of public investment in GDP increased from 6.6 percent in FY14 to 6.9 percent in FY15, the share of private investment increased slightly from 22.0 to 22.1 percent of GDP over the



same period. The national savings as a percentage of GDP decreased slightly from 29.2 percent in FY14 to 29.1 percent in FY15. Domestic savings as a percentage of GDP increased from 22.1 percent in FY14 to 22.3 percent in FY15. The domestic savings-investment gap as a percentage of GDP increased to 6.7 percent in FY15 from 6.5 percent in FY14.

### Price developments

The average inflation rate (base: FY06=100) decreased to 6.4 percent at the end of FY15 from 7.4 percent at the end of FY14. This was driven by decrease in food inflation from 8.6 percent at the end of FY14 to 6.7 percent at the end of FY15. On the other hand, non-food inflation showed a gradual increase and stood at 6.0 percent in June 2015 compared with 5.5 percent in June 2014. Point-to-point inflation also decreased to 6.3 percent in FY15 from 7.0 percent in FY14.

### Money and Credit Developments

In FY15, Bangladesh Bank pursued a cautious but growth supportive monetary policy. The policy stance for FY15 was designed in line with the target of 7.3 percent real GDP growth in a scenario of 6.5 percent annual average CPI inflation. To keep the inflation at target level, BB continued to pursue a restrained policy stance in both H1 and H2 of FY15 and policy rates namely repo and reverse repo rates were kept unchanged at 7.25 and 5.25 percent respectively.

The weighted average interest rate on bank advances and deposits declined to 11.7 percent and 6.8 percent respectively at the end of FY15 from 13.1 percent and 7.8 percent respectively at the end of FY14. The spread between them also narrowed slightly to 4.9 percent from 5.3 percent over the same period as lending rates declined more than deposit rates. Lending rates declined due to sluggish domestic credit demand and part of which was met by overseas loans.

### Public Finance

The Government has undertaken a range of regulatory and structural fiscal measures to strengthen revenue collection and widen fiscal space through public expenditure control. The overall budget deficit (excluding grants) to GDP ratio increased from 3.6 percent in FY14 to 5.0 percent in FY15. However, domestic financing of the budget deficit increased to 3.6 percent of GDP in FY15 from 2.8 percent of GDP in FY14. The growth of total revenue increased from 9.6 percent in FY14 to 16.4 percent in FY15. Consequently, revenue-GDP ratio increased from 10.5 percent to 10.8 percent over the same period. Public expenditure as a percentage of GDP increased from 14.0 percent in

FY14 to 15.8 percent in FY15. It grew by 27.3 percent in FY15 compared to 8.2 percent in FY14. Current expenditure in FY15 accounted for 8.4 percent of GDP which was 8.2 percent in FY14.

### External Sector

The export earnings (including EPZ) continued to increase from USD 29,777 million in FY14 to USD 30,768 million in FY15. During the same time total import payments increased from USD 36,571 million to USD 40,685 million. Trade deficit increased to USD 9,917 million in FY15 from USD 6,794 million in FY14. Current account balance registered a deficit of USD 1,645 million in FY15, which was a surplus of USD 1,406 million in FY14. The capital and financial account continued to register surplus and rose to USD 5,791 million in FY15 from USD 3,453 million in FY14. The overall balance of payments registered a surplus of USD 4,373 million in FY15, which was USD 5,483 million in FY14. Gross international foreign exchange reserves stood at USD 25,021 million at the end of FY15 representing 7.4 months of import cover.

## FINANCIAL REVIEW

### Based on separate financial statements

During the year 2015, IFIC continued to focus on profitable growth by leveraging our rebalanced funding mix to grow our loan portfolio, improving the credit quality of our loan portfolio, automation and risk management.

### Operating results of the Bank

Despite political doldrums in the 1st half of 2015, the Bank achieved net profit after tax of BDT 887 million in the year 2015. Net interest income increased by 10.45% and stands at BDT 3,746 million in the year 2015 from BDT 3,392 million in the year 2014 due to increase in interest-earning assets by 17.34%.

Non-interest income increased by 2.07%, BDT 4,291 million in the year 2015 from BDT 4,204 million in the year 2014. The increase in non-interest income was primarily due to 13.15% increase in Exchange gain from revaluation of foreign currency (FC) BDT 671 million in the year 2015 from BDT 593 million in the year 2014 and 23.42% increase in rebate from foreign correspondent, BDT 65 million in the year 2015 from BDT 52 million in 2014. Other operating income increased slightly by 0.62%, BDT 501 million in the year 2015 from BDT 498 million in the year 2014.

Operating expenses was BDT 4,391 million in the year 2015 and BDT 4,423 million in the year 2014. Salaries



and allowances expenses decreased by BDT 242 million which is offset by increase in Rent, taxes, insurance, electricity, legal expense, postage, stamp, telecommunication, etc. by BDT 49 million, Charges on loan losses by BDT 70 million, Depreciation and repair of bank's assets by BDT 40 million and Other expenses by BDT 53 million. These increases of expenses are mainly due to expansion of business and opening of 9 new branches during the year 2015. The specific provision for loans and advances of BDT 1,735 million, provision for diminution in value of investments of BDT 64 million have the most impact in profit for the year 2015.

The following table demonstrates the operating results for the periods indicated:

	BDT in million		
	2015	2014	% Change
Interest income	12,653	11,858	6.70%
Interest paid on deposits, borrowings etc.	8,907	8,467	5.20%
<b>Net interest income</b>	<b>3,746</b>	<b>3,392</b>	<b>10.45%</b>
Non-interest income	4,291	4,204	2.07%
<b>Total operating income</b>	<b>8,037</b>	<b>7,595</b>	<b>5.81%</b>
Total operating expenses	4,391	4,423	-0.71%
<b>Operating profit before provision and taxes</b>	<b>3,646</b>	<b>3,173</b>	<b>14.90%</b>
<b>Total Provision</b>	<b>2,031</b>	<b>496</b>	<b>309.68%</b>
<b>Profit before taxes</b>	<b>1,615</b>	<b>2,677</b>	<b>-39.68%</b>
Provision for taxation	728	1,132	-35.71%
<b>Net profit after taxation</b>	<b>887</b>	<b>1,545</b>	<b>-42.58%</b>

### Key ratios

The following table demonstrates the financial ratios for the periods indicated:

	2015	2014
Return on equity (ROE) <sup>1</sup>	7.96%	15.66%
Return on assets (ROA) <sup>2</sup>	0.53%	1.07%
Earnings per share (EPS) <sup>3</sup>	1.76	3.07
Net assets value per share	23.15	24.28
<b>Net operating cash flow per share</b>	<b>(3.42)</b>	<b>10.17</b>
Non-interest income to total operating income ratio	53.39%	55.35%
Cost to income ratio <sup>4</sup>	54.64%	58.23%

1. Return on equity is the ratio of net profit after tax to the average closing balance of equity.

2. Return on assets is the ratio of net profit after tax to closing balance of total assets.

3. Comparative figure has been restated due to issuance of stock dividend during the year 2015.

4. Cost represents operating expense. Income represents net interest income and non-interest income.

### Net interest income, operating margin and spread analysis

The following table demonstrates the net interest income and spread analysis for the periods indicated:

	2015	2014	% Change
Interest income	12,653	11,858	6.70%
Interest expense	8,907	8,467	5.20%
<b>Net interest income</b>	<b>3,746</b>	<b>3,392</b>	<b>10.45%</b>
Average interest-earning assets	142,169	121,156	17.34%
Net interest margin	2.64%	2.80%	-5.87%
Yield on average assets	10.13%	11.14%	-9.10%
Interest expense to average assets	5.32%	5.87%	-9.35%
Administrative cost	2.62%	3.07%	-14.44%





	2015	2014	% Change
Operating Margin	2.18%	2.20%	-0.98%
Return on Advance	11.87%	13.51%	-12.14%
Cost of Deposit	6.80%	7.62%	-10.76%
Spread	5.07%	5.89%	-13.92%

Net interest income increased by 10.45%, BDT 3,746 million in the year 2015 from BDT 3,392 million in the year 2014. However, net interest margin stands at 2.64% in the year 2015 from 2.80% in the year 2014 due to decrease in return on advance and lower interest from other interest earning assets.

The yield on average assets is 10.13% in the year 2015 and 11.14% in the year 2014, interest expense to average assets decreased to 5.32% in the year 2015 from 5.87% in the 2014 mainly due to lower rate of interest. The operating margin is consistent 2.18% in the year 2015 and 2.20% in the year 2014.

Spread decreased to 5.07% in 2015 from 5.89% in 2014 though both cost of deposit and return on advance has decreased but the decrease of return on advance was higher than the decrease of cost of deposit which resulted decrease in spread in 2015.

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.

### Other income excluding net interest income

The following table demonstrates the principal components of non-interest income for the periods indicated:

	BDT in million		
	2015	2014	% Change
Investment income	2,375	2,377	-0.10%
Commission, exchange and brokerage	1,414	1,328	6.49%
Other operating income	501	498	0.62%
<b>Total non-interest income</b>	<b>4,291</b>	<b>4,204</b>	<b>2.07%</b>

Non-interest income primarily includes investment income, commission, exchange, fee related income and other operating income. The non-interest income increased by 2.07%, BDT 4,291 million in the year 2015 from BDT 4,204 million in the year 2014 due to increase in income from exchange gain from revaluation of foreign currency.

Income from investment includes income from sale/maturity of investments in government securities and accrual of income from investments at the end of the period. Moreover, it includes dividend and capital gain from listed and un-listed securities of shares and mutual fund nature. Interest income from long term investment in terms of bond and debentures are also part of this income.

### Commission, exchange and brokerage

Commission, exchange and brokerage income primarily includes fees and commission from corporate clients such as loan processing fees and transaction banking fees and fees from retail customers such as loan processing fees, fees from credit cards business, account maintenance charges etc.

Income from commission, exchange and brokerage increased by 6.49%, BDT 1,414 million in the year 2015 from BDT 1,328 million in the year 2014 primarily due to an increase in income from Exchange gain from revaluation of FC, Rebate from foreign correspondent, commission on letter of guarantee, loan processing fees, transaction banking fees, fees from credit card business and commercial banking fees.

### Other operating income

Other operating income increased to BDT 501 million in fiscal 2015 from BDT 498 million in the year 2014 with no such significant growth in any of the reportable areas.

### Non-interest expense

The following table demonstrates the principal components of non-interest income for the periods indicated.

	BDT in million		
	2015	2014	% Change
Salaries and allowances	2,206	2,448	-9.87%
Rent, taxes, insurance, electricity, etc.	667	622	7.18%
Postage, stamp, telecommunication, etc.	113	110	2.13%
Stationery, printing, advertisement, etc.	173	175	-0.99%
Depreciation and repair of bank's assets	438	398	10.07%
Other operating expenses	794	669	18.64%
<b>Total operating expenses</b>	<b>4,391</b>	<b>4,423</b>	<b>-0.71%</b>

Operating expense (non-interest expenses) primarily include salaries and allowances, rent, taxes, insurance, electricity, etc.; postage, stamp, telecommunication, etc.; stationary, printing, advertisement, etc.; depreciation and repair of bank's assets; and other expenses. Operating expenses (non-interest expenses) decreased slightly by 0.71%, BDT 4,391 million in the year 2015 from BDT 4,423 million in the year 2014.

### Salaries and allowances

Salaries and allowances decreased by 9.87%, BDT 2,206 million in the year 2015 from BDT 2,448 million in the year 2014. Salaries and allowances decreased due to decrease in performance bonus by BDT 50 million and contribution to gratuity fund by BDT 270 million. Moreover, the number of employees decreased to 2,489 at 31 December 2015 from 2,527 at 31 December 2014.

### Other operating expenses

Other operating expenses primarily include rent, tax's, insurance, electricity, etc.; postage, stamp, telecommunication, etc.; stationary, printing, advertisement, etc.; depreciation and repair of bank's assets; and other expenses. Other operating expenses increased by 18.64%, BDT 794 million in the year 2015 from BDT 669 million in the 2014. The increase in other operating expenses was primarily due to expansion of branch network. The number of branches increased to 129 at 31 December 2015 from 120 at 31 December 2014.

### Provision for loans, investments and other assets

The following table demonstrates the components of Provision kept for loans, investments and other assets for the periods indicated:

	BDT in million		
	2015	2014	% Change
Provision for loans, investments and other assets			
Specific provision for classified loans and advances	1,735	406	327.56%
General provision for loans and advances	205	260	-21.15%
Provision for Off-Shore Banking Unit (OBU)	1	4	-75.00%
Provision for off-balance sheet exposures	-	50	-100.00%
Provision for diminution in value of investments	64	(250)	125.60%
Other provisions	26	26	0.00%
<b>Total Provision</b>	<b>2,031</b>	<b>496</b>	<b>309.68%</b>

Provisions are made by the Bank on standard, special mention, sub-standard and doubtful assets at rates prescribed by Bangladesh Bank. Provisions on loans and advances were made at the borrower level in accordance with the loan provisioning policy of Bangladesh Bank.

Provisions for loans, advances and other assets is made of BDT 2,031 million in the year 2015 which mainly represents provision for non-performing and standard loans and advances. Provision for non-performing loans and advances stands at BDT 1,735 million in 2015 primarily due to increase in additions to NPLs in the corporate portfolio, resulting in a higher provision requirement. The NPL ratio is 6.46% at 31 December 2015 and 4.95% at 31 December 2014.







Provision for diminution in value of investments increased to a charge of BDT 64 million in the year 2015 from a release of BDT 250 million in the year 2014.

### Provision for taxation for the year

The income tax expense decreased by 35.71%, BDT 728 million in the year 2015 from BDT 1,132 in the year 2014. The effective tax rate increased, 58.82% in the 2015 from 48.19% in the year 2014. The increase in effective tax rate was primarily due to increase in non deductible expenses.

The Central Bank of Bangladesh, through its BRPD Circular dated 21 December 2011, instructed the banks to create deferred tax liability (DTL) and assets (DTA), as a matter of prudence. In accordance with these guidelines, the Bank created a DTL of BDT 201 million for temporary difference between carrying value and tax base of fixed assets outstanding at 31 December 2015 and DTA of BDT 1,042 million for temporary difference between carrying value and tax base of provision for loans and advances and reported in the financial statements at a net basis. As a result deferred tax income of BDT 222 million in 2015 and BDT 158 million in 2014 was recognised in the financial statements.

### Financial position of the Bank

Total assets of the Bank increased by 14.07%, BDT 178,334 million at 31 December 2015 from BDT 156,339 million at 31 December 2014 as total loans and advances increased by 20.52%, BDT 123,269 million at 31 December 2015 from BDT 102,282 million at 31 December 2014 primarily due to an increase in major business segments of retail advances, agricultural and corporate advances.

Total deposits increased by 13.16%, BDT 146,820 million at 31 December 2015 from BDT 129,746 million at 31 December 2014. Savings bank deposits increased by 33.37%, BDT 24,496 million at 31 December 2015 from BDT 18,366 million at 31 December 2014. Current deposits and other accounts increased by 12.59%, BDT 17,411 million at 31 December 2015 from BDT 15,465 million at 31 December 2014. Term deposits increased by 19.82%, BDT 83,400 million at 31 December 2015 from BDT 69,602 million at 31 December 2014. The NPL ratio is 6.46% at 31 December 2015 and 4.95% at 31 December 2014.

The Bank continued to expand its branch network in Bangladesh. Branch network of the Bank in Bangladesh increased to 129 branches at 31 December 2015 from 120 branches at 31 December 2014. ATM network of the Bank increased to 61 ATMs at 31 December 2015 from 50 ATMs at 31 December 2014 along with 2000 plus ATM under Q-Cash Network all over the country. Moreover, being all debit and credit cards under VISA network, customer can use VISA branded ATMs all over the world with reasonable relevant fees.

From 1 January 2015, the Bank was subject to Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III) as per section 13(2) of the Bank Companies Act, 1991(amended up to 2013), BRPD circular no. 18 dated 21 December 2014. The total capital adequacy ratio (CAR) of the Bank in accordance with RBCA guidelines on Basel III was 10.07% at 31 December 2015 (with a Tier-1 capital adequacy ratio of 8.96% [Y2014: 8.69%]) to 10.14% at 31 December 2014.

The following table demonstrates the principal components of assets at the dates indicated:

### Assets

	BDT in million		
	2015	2014	% Change
Cash	11,861	10,399	14.06%
Balance with other banks and financial institutions	5,711	12,043	-52.58%
Money at call and on short notice	-	1,450	-100%
<b>Investments</b>	<b>28,498</b>	<b>22,845</b>	<b>24.74%</b>
Government securities	23,597	17,217	37.05%
Other investments	4,901	5,628	-12.92%
<b>Loans and advances</b>	<b>123,269</b>	<b>102,282</b>	<b>20.52%</b>
Loans, cash credits, overdrafts, etc.	114,236	94,533	20.84%
Bills purchased and discounted	9,033	7,749	16.56%
Fixed assets including premises, furniture and fixtures	3,230	2,929	10.28%
Other assets	5,392	4,017	34.23%

## Cash

Cash includes cash in hand and balances with Bangladesh Bank and its agent banks, including Cash at ATMs. Cash increased to BDT 11,861 million at 31 December 2015 from BDT 10,399 million at 31 December 2014 primarily due to increase in balances with Bangladesh Bank, offset, in part, by a decrease in deposits with other banks and term money lent.

## Balance with other banks and financial institutions

Balance with other banks and financial institutions includes current deposit account, special notice deposit account, fixed deposit account with banks and NBFIs. Balance with other banks and financial institutions decreased to BDT 5,711 million at 31 December 2015 from BDT 12,043 million at 31 December 2014 primarily due to decrease in fixed deposits account balance with Investment Corporation of Bangladesh.

## Investments

Total investments increased by 24.74%, BDT 28,498 million at 31 December 2015 from BDT 22,845 million at 31 December 2014, primarily due to an increase in investment in government securities by BDT 6,380 million. Investment in 91 days treasury bills increased by 258.18%, BDT 4,308 million at 31 December 2015 from BDT 1,203 million at 31 December 2014 and Investment in treasury bonds increased by 42.61%, BDT 13,379 million at 31 Dec 2015 from BDT 9,382 million at 31 Dec 2014.

## Loans and advances

Loans and advances increased by 20.52%, BDT 123,269 million at 31 December 2015 from BDT 102,282 million at 31 December 2014 primarily due to increase in corporate, agricultural and retail advances. Corporate advances increased by 18.15%, BDT 88,764 million at 31 December 2015 from BDT 75,129 million at 31 December 2014. Agricultural credit increased by 801.97%, BDT 2,213 million at 31 December 2015 from BDT 245 million at 31 December 2014. Consumer credit increased by 9.03%, BDT 5,413 million at 31 December 2015 BDT 4,965 million at 31 December 2014.

## Fixed assets including premises, furniture and fixtures

Fixed assets including premises, furniture and fixtures increased significantly to 3,230 million at 31 December 2015 from BDT 2,929 million at 31 December 2014 primarily due to expansion of branch network, installation of Mobile Banking Software and recognition of capital work in progress for building under construction and up-gradation of core banking system (CBS). Computer equipment increased by 34.59%, BDT 209 million at 31 December 2015 from BDT 156 million at 31 December 2014. Electrical and gas equipment increased by 8.88%, BDT 147 million at 31 December 2015 from BDT 135 million at 31 December 2014. Vehicles (purchased & leased) of the Bank increased by 1.25%, BDT 81 million at 31 December 2015 from BDT 80 million at 31 December 2014. Software increased by 19.59%, BDT 91 million at 31 December 2015 from BDT 76 million at 31 December 2014 mainly due to upgradation of MISYS-core banking system (CBS). Building under construction and up-gradation of core banking system (CBS) is recognised and reported under 'Capital working progress' until the construction and up-gradation works are completed and the asset is ready for intended use which stood at BDT 847 million.

## Other assets

Other assets includes stationery and stamps, suspense account, advance, deposit and prepayments, secured interest on investment & other income receivable, investment in subsidiaries, revaluation account FDBP, deferred tax assets, accounts receivable others. Other assets increased mainly due to increase in advance, deposits and prepayments BDT 2,217 million at 31 December 2015 from BDT 1,125 million at 31 December 2014, increase in Deferred tax assets BDT 841 million at 31 December 2015 from BDT 619 million at 31 December 2014 and increase in Off-shore banking unit BDT 146 million at 31 Dec 2015 from BDT 67 million at 31 Dec 2014.

## Non-banking assets

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 million as non banking assets in the year 2013 and no movement in 2015 since 2013.



## Liabilities

The following table demonstrates the principal components of liabilities and shareholders' equity at the dates indicated:

	BDT in million		
	2015	2014	% Change
Borrowing from other banks, financial Institutions and agents	7,201	5,621	28.10%
<b>Deposit and other accounts</b>	<b>146,820</b>	<b>129,746</b>	<b>13.16%</b>
Current deposits and other accounts	17,412	15,465	12.59%
Bills payable	1,474	1,875	-21.41%
Savings bank deposits	24,496	18,366	33.37%
Fixed Deposits	103,439	94,040	9.99%
Other liabilities	12,659	10,343	22.39%
<b>Total liabilities</b>	<b>166,680</b>	<b>145,711</b>	<b>14.39%</b>
Capital / Shareholders' equity			
Paid up capital	5,034	4,377	15.00%
Statutory reserve	4,232	3,910	8.26%
General Reserve	155	56	178.05%
Revaluation reserve against securities	41	2	2527.16%
Revaluation reserve against fixed assets	115	115	0.00%
Surplus in Profit and Loss Account	2,076	2,168	-4.27%
<b>Total shareholders' equity</b>	<b>11,654</b>	<b>10,628</b>	<b>9.65%</b>
<b>Total liabilities and shareholders' equity</b>	<b>178,334</b>	<b>156,339</b>	<b>14.07%</b>

### Borrowing from other banks, financial Institutions and agents

Borrowing from other banks, financial Institutions and agents includes balances from inside and outside banks, FIs and agents. Borrowings balance stands at BDT 7,201 million at 31 December 2015 due to increase in short-term borrowings from different banks and refinance from Bangladesh Bank.

### Deposit and other accounts

Deposits increased by 13.16%, BDT 146,820 million at 31 December 2015 from BDT 129,746 million at 31 December 2014. Deposits consisting of fixed and others nature increased to BDT 103,439 million at 31 December 2015 from BDT 94,040 million at 31 December 2014, while savings bank deposits increased to BDT 24,496 million at 31 December 2015 from BDT 18,366 million at 31 December 2014 and current deposits & other accounts increased to BDT 17,412 million at 31 December 2015 from BDT 15,465 million at 31 December 2014.

### Other liabilities

Other liabilities mainly includes provision for loans and advances, provision for taxes, interest suspense and other operational liabilities. Other liabilities balance stands at BDT 12,659 million at 31 Dec 2015 from BDT 10,343 at 31 December 2014 mainly due to increase in expansion of business of the Bank.

### Capital / Shareholders' equity

Capital and shareholders' equity increased to BDT 11,654 million at 31 December 2015 from BDT 10,628 million at 31 December 2014 primarily due to accretion to paid up capital through declaration of stock dividend by 15% on paid up capital for the year 2014, statutory reserve by 20% on profit before tax of the year 2015, revaluation reserve against securities, offset, in part, by the impact of Surplus in profit and loss account for the year 2015.

### Capital Adequacy Under Basel –III

In order to make the banks' capital adequacy assessment more risk sensitive and to abide by the international norms and practices, Bangladesh Bank took the initiative to implement Basel –III framework and issued final Basel III guidelines, applicable with effect from 01 January 2015 in a phased manner till the end of 2019 as per the

transitional arrangement. The Basel III rules on capital consist of measures on improving the quality, consistency and transparency of capital, enhancing risk coverage, introducing a supplementary leverage ratio, reducing pro-cyclicality and promoting counter-cyclical buffers and addressing systemic risk and inter-connectedness.

At 31 December 2015, the Bank is required to maintain minimum Tier-1 capital ratio of 5.50%, and minimum total Capital to Risk-weighted Asset Ratio (CRAR) of 10.00%. Under Pillar 1 of Bangladesh Bank's guidelines on Basel III, the Bank follows the standardised approach (on the basis of ECAI's assessment and specific risk weight by Bangladesh Bank) for measurement of credit risk, standardised approach measurement of market risk and basic indicator approach for measurement of operational risk.

The following table demonstrates a comparative analysis of the capital adequacy position computed in accordance with Basel III guidelines of Bangladesh Bank at 31 December 2015.

BDT in million

	2015	2014	% Change
<b>Common Equity Tier 1 (going-concern capital):</b>			
Paid-up capital	5,034	4,377	15.0%
Statutory reserve	4,233	3,910	8.3%
General reserve	155	56	178.0%
Retained earnings	2,076	2,168	-4.2%
	<b>11,498</b>	<b>10,511</b>	<b>9.4%</b>
<b>Regulatory Adjustments:</b>			
Deduction from Tier-1 Capital	(990)	(816)	21.3%
<b>Total Common Equity Tier 1 Capital</b>	<b>10,508</b>	<b>9,695</b>	<b>8.4%</b>
<b>Tier-2 (Gone-Concern Capital):</b>			
General Provision	1,259	1,076	17.0%
Revaluation Reserves as on 31 December 2014	58	58	0.0%
Provision for off Balance Sheet Exposure	-	479	
	<b>1,317</b>	<b>1,613</b>	<b>-18.4%</b>
<b>Regulatory Adjustments:</b>			
Revaluation Reserves for Fixed Assets, Securities & Equity	(12)	-	
<b>Total Admissible Tier-2 Capital</b>	<b>1,305</b>	<b>1,613</b>	<b>-19.1%</b>
<b>Total Regulatory Capital</b>	<b>11,813</b>	<b>11,308</b>	<b>4.5%</b>
Risk-Weighted Assets (RWA) for Credit Risk	100,698	95,081	5.9%
Risk-Weighted Assets (RWA) for Market Risk	5,404	6,329	-14.6%
Risk-Weighted Assets (RWA) for Operational Risk	11,212	10,164	10.3%
<b>Total Risk-Weighted Assets (RWA)</b>	<b>117,314</b>	<b>111,574</b>	<b>5.1%</b>
Tier-I Capital to Risk-Weighted Assets (RWA)	8.96%	8.69%	3.1%
Tier-II Capital to Risk-Weighted Assets (RWA)	1.11%	1.45%	-23.1%
<b>Capital to Risk-weighted Asset Ratio (CRAR)</b>	<b>10.07%</b>	<b>10.14%</b>	<b>-0.6%</b>
Minimum Capital Requirement	11,731	11,157	5.1%
Surplus	82	151	-45.9%

The information displayed above shows that the Bank is able to meet Basel III capital requirements with Tier-1 capital ratio of 8.96% against the current minimum Tier-1 capital requirement of 5.50% and Capital to Risk-weighted Asset Ratio (CRAR) of 10.07% against the minimum total capital requirement of 10.00%.

At 31 December 2015, consolidated Tier-1 capital ratio was 9.16% against the current requirement of 5.50% and total consolidated Capital to Risk-weighted Asset Ratio (CRAR) was 10.24% against the current requirement of 10.00%.





## **Movement in the capital funds and risk weighted assets**

Capital increased by BDT 504 million to BDT 11,813 million at 31 December 2015 from BDT 11,308 million at 31 December 2014 primarily due to accretion to paid up capital through declaration of stock dividend by 15% on paid up capital, statutory reserve by 8.3% and general provision by 17%.

RWA for credit risk increased by BDT 5,617 million to BDT 100,698 million at 31 December 2015 from BDT 95,081 million at 31 December 2014 due to increase of BDT 20,941 million in loans and advances and off-balance sheet items in different categories.

RWA for market risk decreased by BDT 925 million, BDT 5,404 million at 31 December 2015 from BDT 6,629 million at 31 December 2014 for decrease in equities and foreign exchange position due to decrease in RWA for general market risk by BDT 333 million (capital charge of BDT 33.30 million) and for specific market risk by BDT 333 million (capital charge of BDT 33.3 million).

The RWA for operational risk at 31 December 2015 was BDT 11,212 million (capital charge of BDT 1,121 million). The operational risk capital charge is computed based on 15% of average of previous three financial years' gross income.

## **Internal assessment of capital**

The capital management framework of the Bank includes a comprehensive internal capital adequacy assessment process (ICAAP) conducted annually, which determines the adequate level of capitalisation necessary to meet regulatory requirements and current and future business needs, including under stressed scenarios. The ICAAP is formulated at standalone bank level. The internal capital adequacy assessment process encompasses capital planning for a five year time horizon, identification and measurement of material risks and the relationship between risk and capital.

The capital management framework is complemented by the risk management framework, which includes a comprehensive assessment of material risks. Stress testing, which is a key aspect of the ICAAP and the risk management framework, provides an insight on the impact of extreme but plausible scenarios on the Bank's risk profile and capital position. Based on the Bangladesh Bank issued stress testing framework, the Bank conducts stress tests on various portfolios and assesses the impact on the capital ratios and the adequacy of capital buffers for current and future periods. The Bank periodically assesses and refines its stress tests in an effort to ensure that the stress scenarios capture material risks as well as reflect possible extreme market moves that could arise as a result of market conditions. The business and capital plans and the stress testing results of the group entities are integrated into the ICAAP.

Based on the ICAAP, the Bank determines the level of capital that needs to be maintained to cover the risks under SRP e.g. residual risk, concentration risk, interest rate risk in the banking book, liquidity risk, reputation risk, strategic risk, settlement risk, appraisal of core risk management practice, environmental and climate change risk as well as other material risks by considering the following in an integrated manner:

- strategic focus, business plan and growth objectives;
- regulatory capital requirements as per Bangladesh Bank guidelines;
- assessment of material risks and impact of stress testing;
- perception of credit rating agencies, shareholders and investors;
- future strategy with regard to investments or divestments in subsidiaries; and
- evaluation of options to raise capital from domestic and overseas markets, as permitted by Bangladesh from time to time.

## **Asset quality and condition**

### **Loan concentration**

The Bank follows a policy of portfolio diversification and evaluates its total financing in a particular sector in light of its forecasts of growth and profitability for that sector. The Bank's Credit Risk Management Division and Risk Management Unit (RMU) monitors all major sectors of the economy and specifically tracks sectors in which the Bank has loans outstanding. The Bank seeks to respond to economic weakness through active portfolio management, by restricting exposure to weak sectors and increasing exposure to the segments that are growing and have been resilient.

The following tables demonstrates the composition of the Bank's gross loans and advances (net of write-offs) at the dates indicated:

	BDT in million			
	2015		2014	
	Amount	%	Amount	%
Agriculture Industries	2,003	1.62%	1,417	1.39%
Jute Industries	1,296	1.05%	997	0.97%
Textile Industries	8,119	6.59%	5,482	5.36%
Garments Industries	18,336	14.88%	14,868	14.54%
Chemical and Chemical Products	372	0.30%	391	0.38%
Cement Industries	368	0.30%	155	0.15%
Bricks & Ceramic	887	0.72%	903	0.88%
Food Products & Processing	1,228	1.00%	4,316	4.22%
Engineering & Metal	5,594	4.54%	4,408	4.31%
Drugs & Pharmaceuticals	935	0.76%	-	0.00%
Hospital & Clinics	125	0.10%	129	0.13%
Paper & Paper Products Industries	296	0.24%	450	0.44%
Other Small Industries	11,498	9.33%	8,278	8.09%
IT Sector	3,243	2.63%	3,820	3.73%
Other Service Industries	4,890	3.97%	5,591	5.47%
Trade & Commerce	26,273	21.31%	22,938	22.43%
IFIC Securities Ltd.	1,295	1.05%	1,200	1.17%
Transport	896	0.73%	747	0.73%
Construction Firms/Companies	4,547	3.69%	3,913	3.83%
Housing Societies/Companies	9,908	8.04%	9,306	9.10%
Cold Storage	89	0.07%	111	0.11%
Non-Banking Financial Institutions	700	0.57%	638	0.62%
Consumer Finance	6,239	5.06%	5,647	5.52%
Energy	4,973	4.03%	3,563	3.48%
Telecommunication	5,525	4.48%	1,542	1.51%
Others	3,633	2.95%	1,472	1.44%
<b>Total</b>	<b>123,269</b>	<b>100.00%</b>	<b>102,282</b>	<b>100.00%</b>

### Classification of loans

The Bank classifies its assets as performing and non-performing in accordance with Bangladesh Bank's guidelines. Under Bangladesh Bank's guidelines, an asset is classified as non-performing if any amount of interest or principal remains overdue for more than 90 days, in respect of term loans. In respect of overdraft or cash credit, an asset is classified as non-performing if the account remains out of order for a period of 90 days and in respect of bills, if the account remains overdue for more than 90 days.

Bangladesh Bank has separate guidelines for rescheduled loans. A classified loan or advance can be rescheduled by re-scheduling of principal repayments and/or the interest element, but must be separately reported to Bangladesh as a rescheduled asset.

The following table demonstrates, at the dates indicated, information regarding the asset classification of the Bank's gross non-performing loans & advances including bills purchased and discounted (net of write-offs, interest suspenses).





	BDT in million		
	2015	2014	% Change
<b>Non-performing loans and advances</b>			
Sub-standard	1,209	595	103.15%
Doubtful	1,282	704	82.09%
Bad & loss	5,471	3,762	45.43%
<b>Total Non-performing loans and advances</b>	<b>7,962</b>	<b>5,061</b>	<b>57.32%</b>

The following table demonstrates information regarding the Bank's non-performing loans and advances (NPLs) at the dates indicated:

	BDT in million				
	Gross NPL	Provision	Interest suspense	NPL coverage	Net NPL
31 December 2014	5,061	1,966	2,673	4,640	421
31 December 2015	7,962	2,700	3,218	5,918	2,044

At 31 December 2015, gross NPLs were BDT 7,962 million compared to BDT 5,061 million at 31 December 2014. Net NPLs (net off provision for NPL and interest suspense) were BDT 2,044 million at 31 December 2015 compared to BDT 421 million at 31 December 2014. During the year 2015, the Bank has written-off NPLs of BDT 1,224 million as against BDT 289 million in the year 2014.

NPL coverage ratio of the Bank was 74.33% at 31 December 2015 and 91.68% at 31 December 2014. At 31 December 2015, total general provision held against standard loans and advances was BDT 1,282 million.

### Consolidated financial performance

The consolidated profit after tax including the results of operations of the Bank's subsidiaries decreased by 40.11% , BDT 1,057 million in the year 2015 from BDT 1,765 million in the year 2014 primarily due to decrease in the profit of IFIC Bank Limited. The consolidated return on equity (ROE) decreased to 2.24% in the year 2015 from 4.19% in the year 2014.

Profit after tax of IFIC Securities Limited decreased to BDT 10.04 million in the year 2015 from BDT 22.57 million in the year 2014.

Profit after tax of IFIC Money Transfer (UK) Limited was BDT 5.97 million in the year 2015 as against BDT 1.22 million in the year 2014.

The following table sets forth the profit/(loss) of the Bank's subsidiaries for the periods indicated:

	BDT in million		
	2015	2014	% Change
IFIC Securities Limited	10.04	22.57	-55.51%
IFIC Money Transfer (UK) Limited	5.97	1.22	389.39%

## HUMAN CAPITAL (WITH TRAINING & DEVELOPMENT):

Learning & Development is one of the major sources to stay competitive in this shifting environment. IFIC Bank Limited has always been committed to its employee development and IFIC designed and implement training and development plans to ensure appropriate employee knowledge and skills for performing their current jobs as well as future responsibilities. In 2015, 5,113 participants attended in 262 Training Programs on different areas where total number of officers and executives in IFIC is 2,035 only. This implies that each employee received two or more training in 2015 on an average.

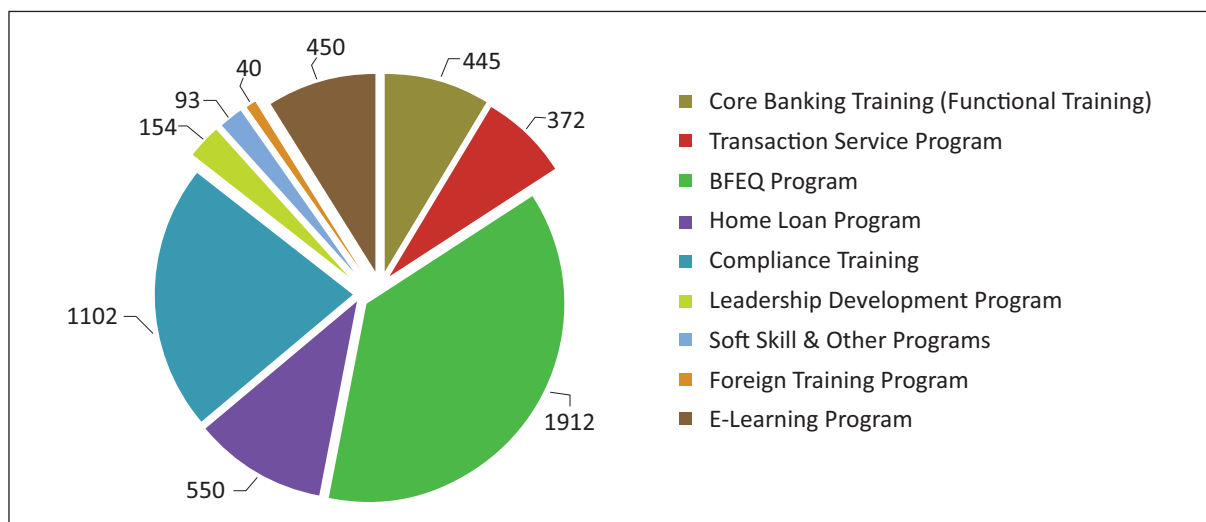
These programs can be divided in accordance with following nine aspects:

- Core Banking Training (Functional Training)
- Transaction Service Program (To facilitate One Stop Transaction Service Model)
- BFEQ Program (Core Banking Software Up-gradation Program)
- Home Loan Program (To facilitate promoting Bank's Home Loan product)
- Compliance Training
- Leadership Development Program
- Soft Skill Development Program & Others
- Foreign Training Program
- E-Learning Course

### Program Category wise no. of Participants in 2015

In 2015, to acquaint the employees with the upgraded

version of the Core Banking Software – BankFusion, 72 training programs were carried out wherein 1,912 participants attended. Besides, 372 participants attended in 17 training programs on 'Transaction Service' to facilitate the One Stop Transaction Service Model. Moreover, to promote the IFIC Bank Home Loan product of the bank 14 training programs were arranged where 550 participants attended. We also arranged Customized Credit and Foreign Trade training in collaboration with BIBM for our Credit and Trade Processing desk officials in addition to several In-house and External programs on General Banking, Credit, SME, Trade Processing and other functional banking related topics. Exclusive Foundation Training Programs for Management Trainees and other new joiners were conducted. Four Leadership Development Programs named 'Coaching & Mentoring' were organized in collaboration with Malaysian Institute of Management (MIM) and two programs were organized in collaboration with Sensei International for the executives and potential leaders. We also ensured training on compliance issues such as Money Laundering Prevention Act-2012 & Amendment Act-2015, Anti Terrorism Act-2009 & Amendment Act-2013, Integrated Supervision System (ISS) covering all branches and Head Office. Besides these, some general programs were also conducted on Soft Skills Development, IT, HR and Finance and Accounts for relevant desk officials. We have sent a good number of participants abroad for attending foreign training on different topics like Leadership, Strategic Management, Credit, Trade Processing, IT etc. In addition to that, we have re-launched 4 E-Learning courses on Credit and Trade Processing for 450 participants.





## **EMPLOYEES BENEFITS & PROGRAM:**

Human Resource Management Division faces substantial challenges in formulating “Compensation & Benefits strategy” to keep the HR budget under control through efficient utilization of resources and maintaining the jobs in the right salary (pay) brackets. Management of IFIC Bank believes that these efforts on excellent Salary & Benefits Strategy does not just differentiate the organization from the others on the employment side, it also brings the differentiation into the organization as well as the employees and top talents feel their success accordingly. In line with the Management’s mission & vision, Human Resource Management always conducts both formal & informal benefits survey to make the same competitive which can be elucidated in the following sensible arenas:

### **Pay Package**

Pay package, an effective tool that really attracts the potential employees keeping into account of the macro economic factors like cost of living expenditures, industry practices, Bank capability etc. The Bank’s overall competitive strategy ensures the nominal salary adjustment by cost of living adjustment which in fact ensures purchasing capacity of the employees.

### **Pay for Performance**

The introduction of modern and effective performance appraisal system based on the theory of Management by Objectives (MBO) triggers the performance of the employees. Moreover, Balanced Scorecard model has been followed in designing individual employees Key Performance Indicators (KPI) which reflect the overall business performance of IFIC Bank.

### **Other Benefits of the Employees**

IFIC Bank provides a number of benefits to keep the employees motivation level high and Staff House Building Loan, Staff Car Loan, Salary Overdraft & Staff Salary Loan are parts of the compensation & benefits policy. As a part of long term service benefits, Provident Fund, Gratuity Fund, Earned Leave Encashment, Welfare Fund are provided as per compensation & benefits policy. All those facilities are designed in such a way so that employees will have a handsome amount of benefits after the retirement to enjoy a decent life with family.

## **Process Re-engineering for Compensation & Benefits**

As a part continuous process re-engineering, Leave Fare Assistance (LFA), Salary Overdraft (OD), Car Reimbursement are being processed through system to slash the processing time & cost. Furthermore, Key Performance Indicators (KPI) for Performance Appraisal of all eligible employees has come under the purview of HR Software for speedy processing.

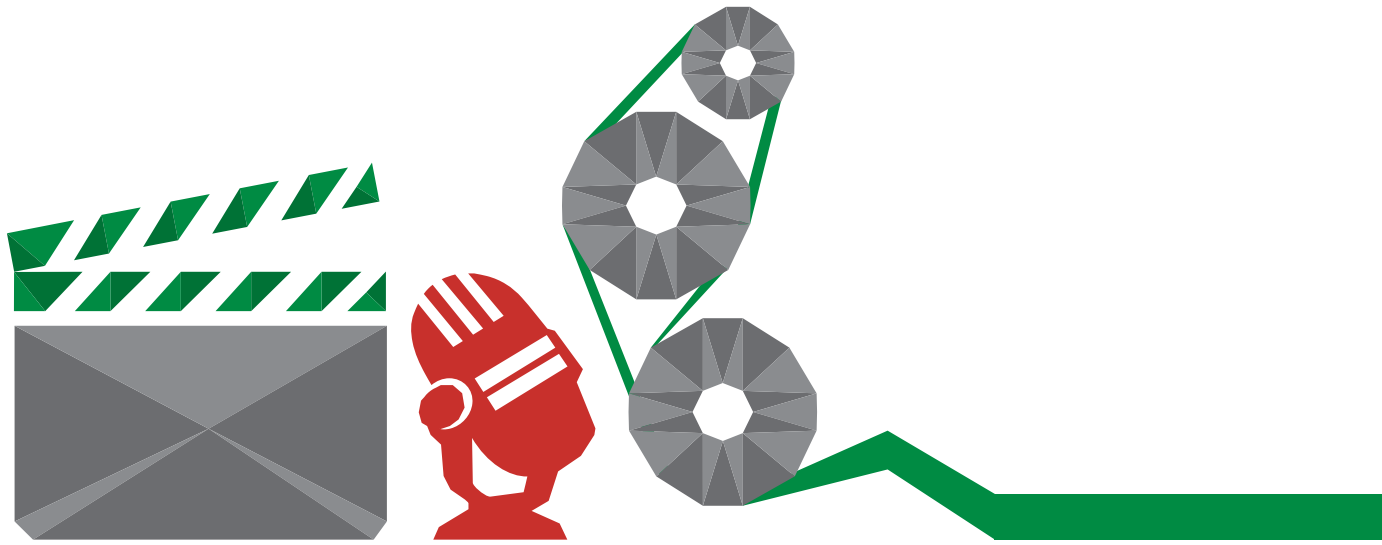
### **Human Resource Accounting**

In IFIC Bank, the objective of practicing Human Resource Accounting is not merely the recognition of the value of all resources used by the Bank, but it also includes the management of human resource which will ultimately ensure quality of services. Human Resource Accounting helps the Management to justify the cost invested for employees towards their recruitment, training, payment of salaries & other benefits paid and in return knowing their contribution to organization towards its profitability and achievement of organizational goals.

### **Employee Recognition & Awards**

In the year 2015, IFIC Bank has organized Long Service Award & Employee Engagement Program for the employees who have completed 30 years long services and 25 years long services in the bank. These recognition programs have motivated the awardees for long associations with the bank for their significant contributions and will also inspire other employees to contribute more towards profitability and growth of the bank.





# MEDIA HIGHLIGHTS 2015

# Atiur urges banks to increase CSR activities

STAFF REPORTER

Bangladesh Bank Governor Atiur Rahman yesterday urged the bank owners to increase their corporate social responsibility (CSR) activities to develop skilled man power in the country.

"I have been asking the country's banking sector for infrastructure development of the universities and welfare for teachers and students as part of their CSR," BB governor said.

Atiur said this while addressing as chief guest at a cheque hand over programme of IFIC Bank Trust Fund for Research and Stipend for teachers and student of the university at Nabab Nawab Ali Chowdhury Senate Bhaban of Dhaka University.

A total of 37 students from different disciplines of DU yesterday received IFIC Bank Trust Fund scholarships for their outstanding academic results. Besides, seven young teachers and other three meritorious students have received IFIC Bank research grants for their research activities.



Bangladesh Bank Governor Atiur Rahman (2nd from left), Dhaka University Vice Chancellor Prof AAMS Arefin Siddique (2nd from right), Managing Director of IFIC Bank Ltd Shah A Sarwar (left), among others attend a cheque hand over programme of IFIC Bank Trust Fund for Research and Stipend for teachers and student of the university at Nabab Ali Senate Bhaban at Dhaka University in the capital yesterday.

ment activities particularly for DU teachers and student.

"Till date from 2011, the IFIC bank contributed Tk.9.40 crore for CSR activities. Of which 58 per cent of CSR has been spent for education sector," central bank governor added. He further said the central bank directed the banking sector to spend at least 30 per cent of CSR fund for education sector.

About the high rate of inter-

## IFIC Bank Trust Fund for Research and Stipend distributed among Dhaka University teachers and students

number of factors like infrastructure, power and energy

there is constraint of fund for research and the researchers can not conduct their research work properly for this.

About the education quality of DU, vice chancellor said the present situation is better compared to earlier.

"We need support form private sector to build up world class graduate our university. We still produce world class graduate from this university not for only



IFIC Bank Deputy Managing Director and CFO SM Abdul Hamid and Independent Television CEO and The Independent Editor M Shamsur Rahman exchanging documents after signing an agreement in the city recently.

PHOTO: BANK

# IFIC Bank, Independent TV ink mobile banking deal

The Financial Express



Senior Vice President & Head of Retail Banking of IFIC Bank Ferdousi Begum and President of Oxford International School, an English medium school in the city, Md Shakawat Hossain exchanging documents after signing an MoU on behalf of their respective organisations in the city recently. Under the deal, IFIC Bank will offer all types of banking services to teachers, students and employees of the school. Deputy Managing Director & Head of Branch Banking of IFIC Bank Fariduddin Al Mahmud, among others, was present at the MoU signing ceremony.



IFIC Bank has recently organised a three-day training on 'Transaction Services' at its Training Institute at Motijheel in the city recently. Deputy Managing Director & Head of Branch Banking Fariduddin Al Mahmud inaugurated the programme, which was participated by a total of 33 officers from different branches. The inaugural session was also attended by VP & Head of HR Development & Training Institute AK Mojibur Rahman.



IFIC Bank Managing Director and CEO Md Shah Alam Sarwar and NIBPS Project Director Prof Abul Kalam signing a MoU at the institute in the city on Thursday in presence of BB Governor Dr Atiur Rahman.

PHOTO: BANK

# IFIC Bank, NIBPS to set up HDU

Business Desk

Governor Dr Atiur Rahman, said a press release.

IFIC Bank Limited and National Institute

BB Deputy Governor SK Sur

The Financial Express



Teachers and students of Dhaka University Tuesday received research grants and stipends from IFIC Bank Trust Fund during a simple function at Nabab Nawab Ali Chowdhury Senate Hall of the varsity. Presided over by Vice Chancellor of Dhaka University Professor Dr. A A M S Arefin Siddiqui, the function was attended by Governor of Bangladesh Bank Dr. Atiur Rahman as the Chief Guest.

# DU teachers, students receive IFIC Bank Trust Fund grants

বাণিক বাণী



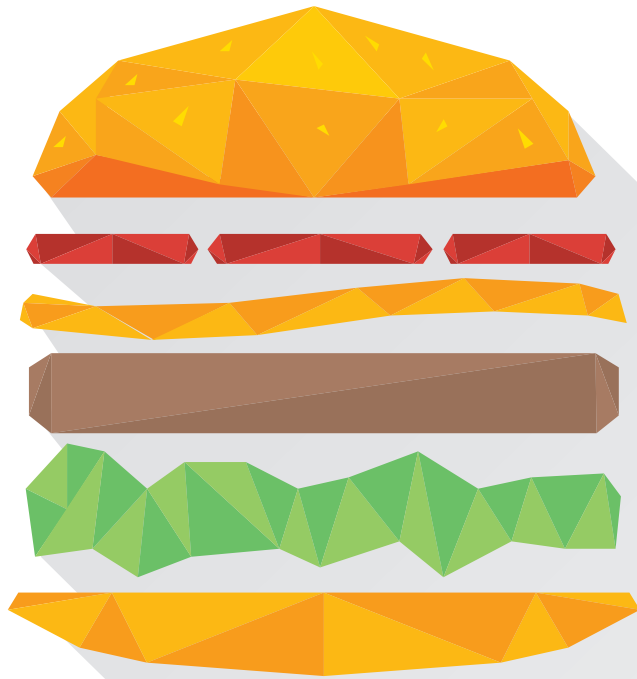
## সংগ্রাম করে এ পর্যন্ত এসেছি

মোকদ্দেসা বেগম  
 ১০০০০০ টাকা  
 ৫,০০,০০০/-  
 ১৯৯২ খ্রিস্টাব্দে ৩১শে মার্চ

The Financial Express



IFIC Bank has recently organised a three-day training on 'Transaction Services' at its Training Institute at Motijheel in the city recently. Deputy Managing Director & Head of Branch Banking Fariduddin Al Mahmud inaugurated the programme, which was participated by a total of 33 officers from different branches. The inaugural session was also attended by VP & Head of HR Development & Training Institute AK Mojibur Rahman.

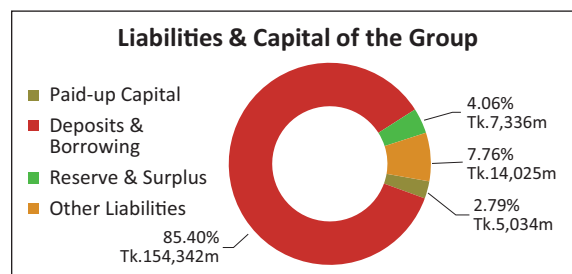
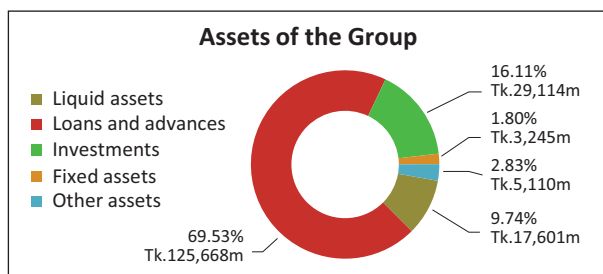
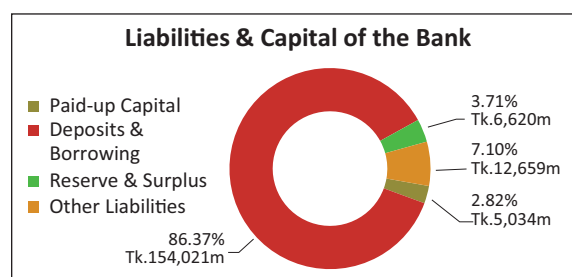
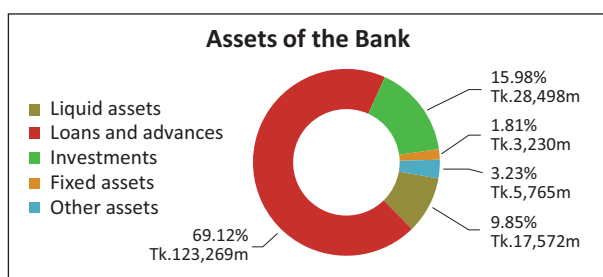
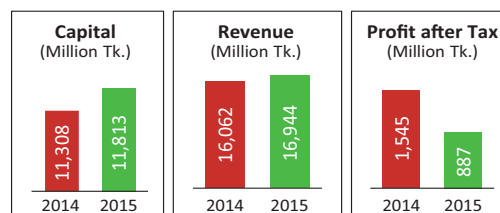


# SHAREHOLDERS' INFORMATION

## FINANCIAL HIGHLIGHTS

BDT in million

Particulars	Bank			Group		
	2015	2014	Change	2015	2014	Change
<b>Financial Performance during the year</b>						
Interest income	12,652.96	11,858.39	6.70%	12,720.24	11,924.20	7%
Profit before provision and tax	3,645.71	3,172.82	14.90%	3,851.83	3,408.20	13%
Provision for loans and assets	2,030.74	495.68	309.68%	2,050.58	499.34	311%
<b>Profit after provision before tax</b>	<b>1,614.96</b>	<b>2,677.14</b>	<b>-39.68%</b>	<b>1,801.25</b>	<b>2,908.85</b>	<b>-38%</b>
Tax including deferred tax	727.98	1,132.41	-35.71%	744.11	1,143.77	-35%
<b>Profit after tax</b>	<b>886.98</b>	<b>1,544.73</b>	<b>-42.58%</b>	<b>1,057.14</b>	<b>1,765.08</b>	<b>-40%</b>
<b>Financial Position at the end of the year</b>						
Total shareholders' equity	11,654.21	10,628.12	9.65%	12,370.38	11,198.63	10.46%
Total eligible capital	11,813.12	11,308.45	4.46%	12,578.21	11,879.80	5.88%
Deposits	146,819.71	129,745.81	13.16%	146,848.21	129,863.05	13.08%
Loans and advances	123,268.67	102,282.15	20.52%	125,668.04	104,419.40	20.35%
Investments	28,497.86	22,845.26	24.74%	29,113.75	23,332.14	24.78%
Property, plant and equipment	3,230.37	2,929.32	10.28%	3,244.88	2,946.85	10.11%
<b>Total assets</b>	<b>178,333.95</b>	<b>156,338.64</b>	<b>14.07%</b>	<b>180,737.39</b>	<b>158,345.76</b>	<b>14.14%</b>
<b>Per Share Information</b>						
Earnings per share (Taka)	1.76	3.07	-42.67%	2.10	3.51	-40.17%
Dividend (%)	12%	15%	-20.00%	12%	15%	-20.00%
Net assets value per share (Taka)	23.15	24.28	-4.65%	24.57	25.58	-3.94%
<b>Ratios (%)</b>						
Capital to Risk-weighted Asset Ratio	10.07%	10.14%	-0.65%	10.24%	10.21%	0.27%
Statutory Liquidity Ratio	18.79%	17.21%	9.23%	18.79%	17.21%	9.23%
Non performing loans	6.46%	4.95%	30.53%	6.46%	4.95%	30.53%
Return on average equity	7.96%	15.66%	-49.17%	8.97%	16.77%	-46.51%
Return on average assets	0.53%	1.07%	-50.52%	0.62%	1.21%	-48.35%
<b>Credit Rating</b>						
Long Term	AA2	AA2				
Short Term	ST-2	ST-2				
<b>Others</b>						
Number of employees	2,489	2,527				
Number of branches	129	120				



## FIVE YEARS PERFORMANCE OF THE BANK

### Key Financial Indicators

BDT in million except percentage & number

Particulars	2015	2014	2013	2012	2011
<b>Financial Position Matrix</b>					
Authorized capital	20,000	20,000	20,000	20,000	5,350
Paid-up capital	5,034	4,377	3,807	3,460	2,768
Shareholders' equity	11,654	10,628	9,098	7,753	6,568
Deposits	146,820	129,746	110,464	92,433	73,106
Borrowings	7,201	5,621	3,493	874	1,419
Total liabilities	166,680	145,711	122,919	106,975	84,939
Loans and advances	123,269	102,282	84,110	77,160	64,641
Investments	28,498	22,845	21,171	15,671	12,199
Fixed assets	3,230	2,929	2,383	2,342	2,204
Interest earning assets	151,499	132,838	109,474	94,235	78,675
Non-interest earning assets	26,835	23,500	22,588	20,494	12,866
Total assets	178,334	156,339	132,062	114,729	91,541
Total off-balance sheet items	47,779	47,824	42,304	36,502	36,232
<b>Financial Performance Matrix</b>					
Interest income	12,653	11,858	11,111	10,443	6,696
Interest expenses	8,907	8,467	8,494	7,637	4,655
Net interest income (NII)	3,746	3,392	2,617	2,806	2,041
Non-interest income	4,291	4,204	3,911	3,372	3,547
Administrative expenses	4,391	4,423	3,581	3,068	2,870
Investment income	2,375	2,377	2,170	1,814	1,778
Operating profit	3,646	3,173	2,948	3,110	2,718
Provision for loans and assets	2,031	496	240	1,720	857
Profit before tax	1,615	2,677	2,708	1,390	1,861
Provision for Taxation	728	1,132	1,362	285	1,113
Profit after tax	887	1,545	1,346	1,105	748
<b>Trade Business Matrix</b>					
Foreign Exchange Business	205,923	193,982	183,791	179,162	168,087
Import	87,307	85,326	84,899	80,710	71,517
Export	96,080	89,894	83,118	84,147	83,846
Remittance	22,537	18,762	15,774	14,305	12,724
Guarantee Business	8,687	5,773	6,159	5,329	4,428
<b>Capital Measure Matrix (under Basel-III)</b>					
Risk weighted assets (RWA)	117,314	111,574	92,915	77,799	76,856
Common Equity Tier 1 Capital	10,508	9,695	8,324	6,738	6,569
Admissible Tier-2 Capital	1,305	1,613	1,307	1,185	1,215
Total Regulatory Capital	11,813	11,308	9,631	7,923	7,784
Common Equity Tier 1 to RWA	8.96%	8.69%	8.96%	8.66%	8.55%
Tier 2 Capital to RWA	1.11%	1.45%	1.41%	1.52%	1.58%
Capital to Risk-weighted Asset Ratio (CRAR)	10.07%	10.14%	10.37%	10.18%	10.13%
<b>Credit Quality Matrix</b>					
Non-performing/classified loans (NPLs)	7,962	5,061	3,168	4,096	2,578
Specific Provision for classified loans	2,700	1,966	1,620	2,210	1,002
General Provision for unclassified loans	1,282	1,076	812	753	793
NPLs to total loans	6.46%	4.95%	3.77%	5.31%	3.99%

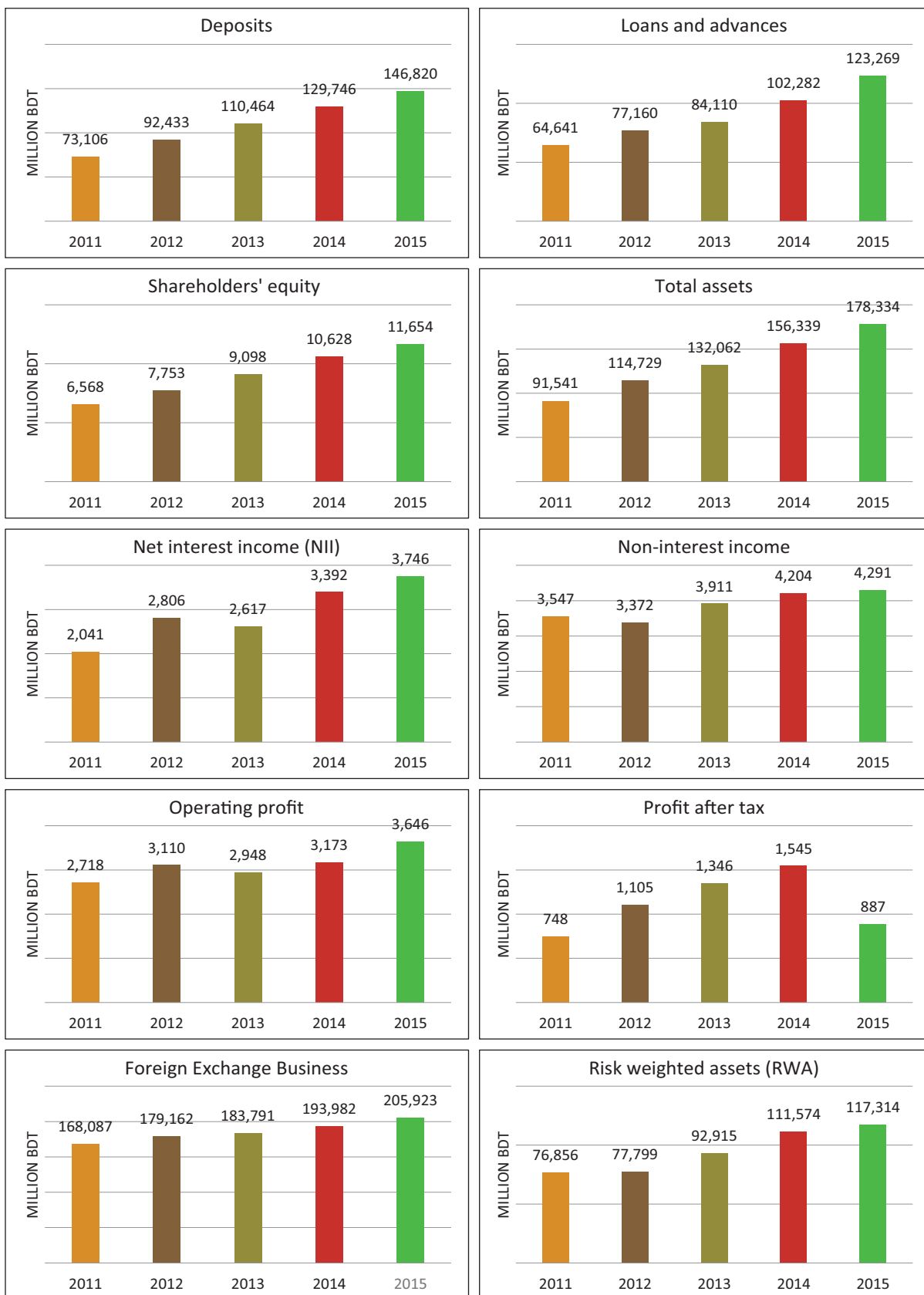




BDT in million except percentage & number

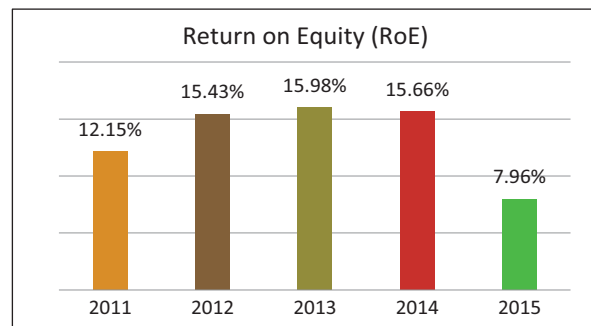
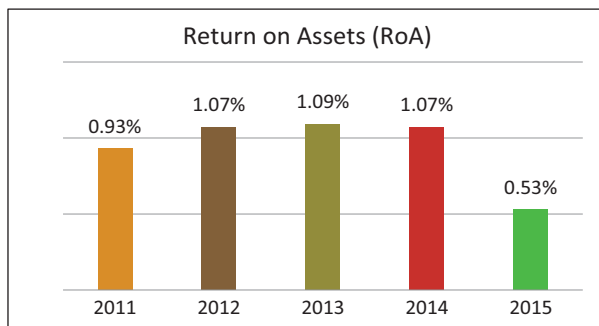
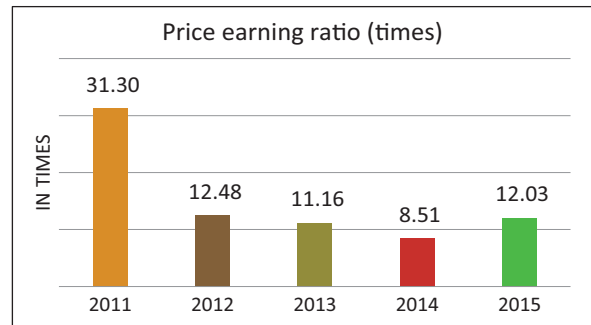
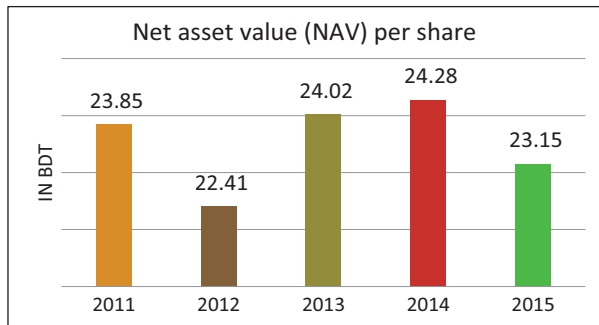
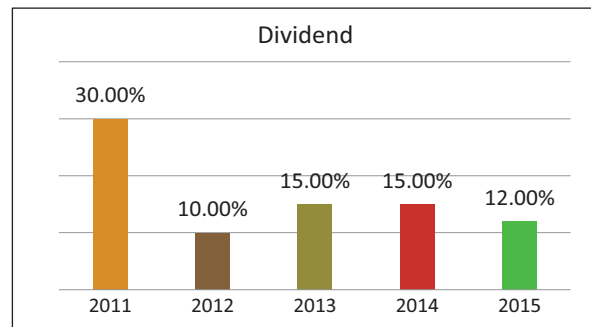
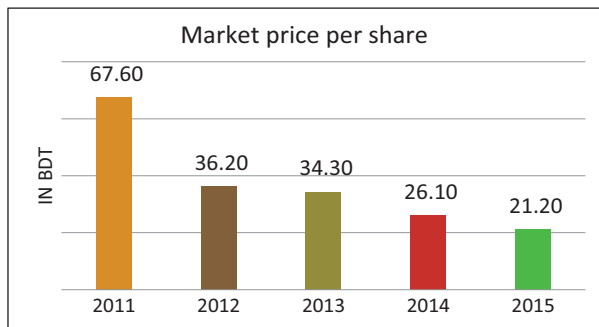
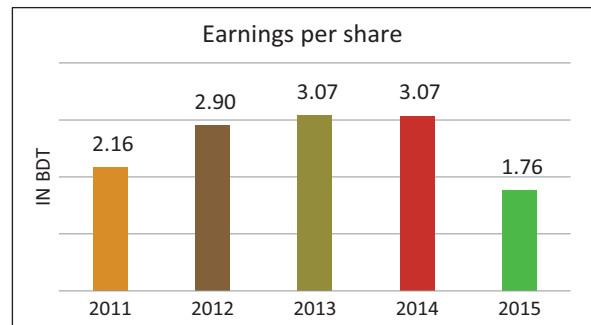
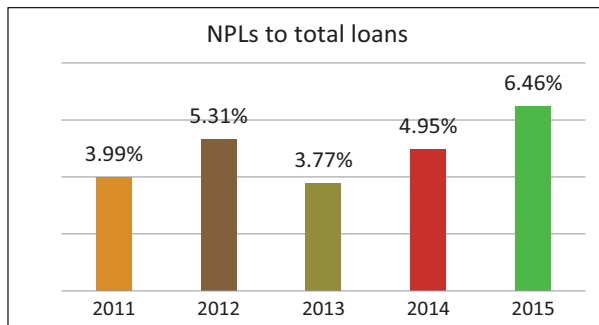
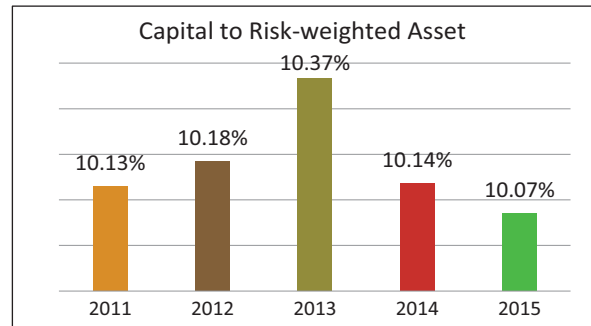
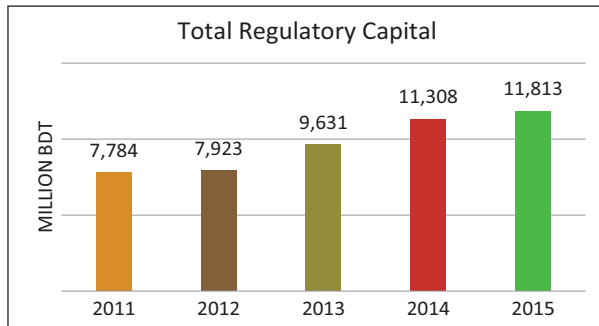
Particulars	2015	2014	2013	2012	2011
<b>Share Information Matrix</b>					
Number of shares outstanding (million)	503.41	437.75	380.65	346.05	276.84
Number of shareholders	35,949	44,444	49,196	40,295	38,007
Market price per share (BDT)	21.20	26.10	34.30	36.20	67.60
Operating profit per share (BDT)	7.24	7.25	7.74	8.99	9.82
Earnings per share (BDT)	1.76	3.07	3.07	2.90	2.16
Dividend	12.00%	15.00%	15.00%	10.00%	30.00%
Cash	0.00%	0.00%	0.00%	0.00%	5.00%
Stock	12.00%	15.00%	15.00%	10.00%	25.00%
Dividend coverage ratio (times)	1.47	2.35	2.36	3.19	0.90
Market capitalization	10,672	11,425	13,056	12,527	18,714
Net asset value (NAV) per share (BDT)	23.15	24.28	24.02	22.41	23.85
Price earning ratio (times)	12.03	8.51	11.16	12.48	31.30
<b>Profitability Ratio (%)</b>					
Return on average assets (RoA)	0.53%	1.07%	1.09%	1.07%	0.93%
Return on average equity (RoE)	7.96%	15.66%	15.98%	15.43%	12.15%
Loan to deposit ratio	83.96%	78.83%	76.14%	83.48%	88.42%
Net interest margin on average earning assets	2.64%	2.80%	2.57%	3.25%	2.97%
Yield on average assets	10.13%	11.14%	12.17%	13.40%	12.72%
Interest expense to average assets	5.32%	5.87%	6.88%	7.40%	5.78%
Administrative cost to average assets	2.62%	3.07%	2.90%	2.97%	3.56%
Operating margin	2.18%	2.20%	2.39%	3.02%	3.37%
Cost to income ratio	54.64%	58.23%	54.86%	49.66%	51.36%
Gross profit ratio	47.43%	47.29%	43.46%	44.72%	54.55%
<b>Liquidity Ratio (%)</b>					
Cash reserve ratio (CRR) maintained	6.56%	6.58%	6.00%	6.15%	6.15%
Statutory liquidity ratio (SLR) maintained	18.79%	16.72%	24.56%	20.97%	20.97%
<b>Other information (Figure in Number)</b>					
Number of employees	2,489	2,527	2,574	2,422	2,383
Number of branches	129	120	112	106	99
Number of correspondent banks	497	471	464	401	387
Number of ATMs	59	50	50	46	12
Number of deposit account	667,785	544,198	389,592	387,150	310,057
Number of loan account	34,414	33,056	29,315	22,981	21,974
Average deposit	138,283	120,105	101,449	82,770	63,883
Average borrowings	6,411	4,557	2,184	1,147	710
Average loans & advances	112,775	93,196	80,635	70,901	56,102
Average total assets	167,336	144,200	123,396	103,135	80,553
Average earning assets	142,169	121,156	101,855	86,455	68,786
Average equity	11,141	9,863	8,426	7,161	6,158

## GRAPHICAL PRESENTATION





## GRAPHICAL PRESENTATION



## DIRECTORS' SHAREHOLDING STATUS

Sl.	Name of the Directors	Status	% of Share as at 31 Dec 2015	Closing Position	Opening Position
1	Mr. Salman F Rahman	Chairman	2.00	*10,071,085	8,757,466
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	32.75	164,860,306	143,356,788
5	Mr. A. R. M. Nazmus Sakib **	Govt. nominated Director			
6	Mr. Arijit Chowdhury **	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. However, Mr. Arijit Chowdhury was withdrawn from the Board of the Bank on 6 January 2016.

## DISTRIBUTION OF SHAREHOLDING

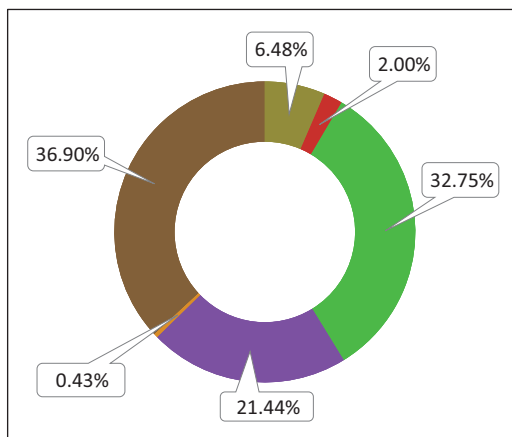
As on 31 December 2015 total holding of shares by the Sponsors, Directors & Government is 41.23% which are tradeable subject to prior intimation to the BSEC & the Stock Exchanges and the rest 58.77% are in free float.

Category	2015			2014		
	No. of Shares held	%	BDT	No. of Shares held	%	BDT
Sponsors	32,642,018	6.48	326,420,180	28,384,369	6.48	283,843,690
Directors	10,071,085	2.00	100,710,850	21,144,946	4.83	211,449,460
Government	164,860,306	32.75	1,648,603,060	143,356,788	32.75	1,433,567,880
Institutions	107,931,225	21.44	1,079,312,250	85,229,919	19.47	852,299,190
Foreign Investors	2,148,621	0.43	21,486,210	1,862,135	0.43	18,621,350
General Investors	185,759,162	36.90	1,857,591,620	157,771,771	36.04	1,577,717,710
<b>Total</b>	<b>503,412,417</b>	<b>100.00</b>	<b>5,034,124,170</b>	<b>437,749,928</b>	<b>100.00</b>	<b>4,377,499,280</b>

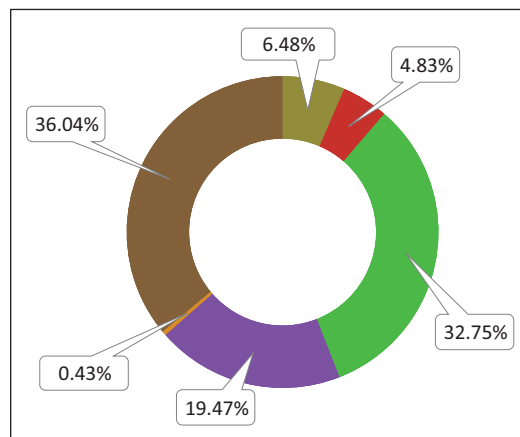
\* Mr. Salman F Rahman being a Sponsor Director, his shares is shown against Directors Category.

\*\* 03 (Three) Directors are nominated to the Board of the Bank by the Ministry of Finance, Govt. of the People's Republic of Bangladesh against its holding of 32.75% shares in the Company.

Shareholding Status (%) : 2015



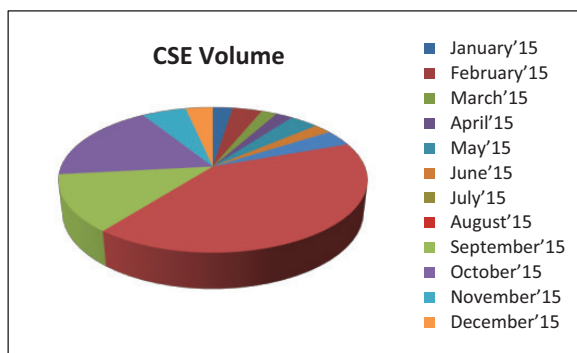
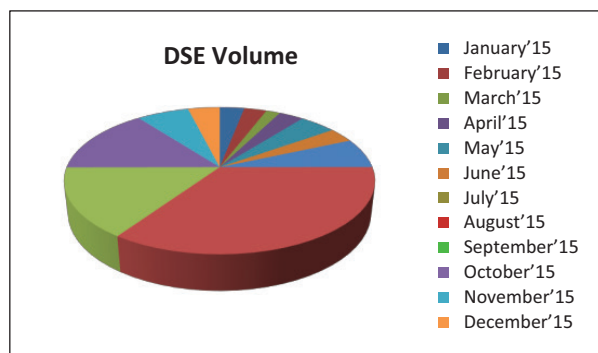
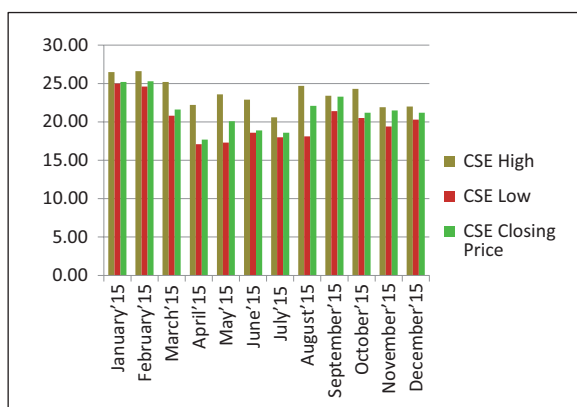
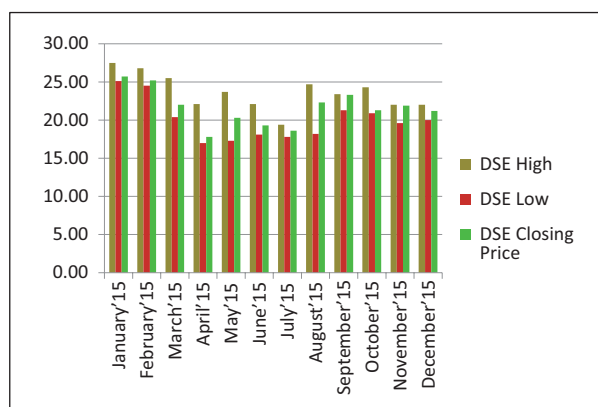
Shareholding Status (%) : 2014



## MARKET PRICE INFORMATION

Monthly High, Low & Close price and volume of Company's shares traded on Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE) during the year 2015;

Month	DSE				CSE				Total Volume on DSE & CSE
	High	Low	Closing Price	Volume	High	Low	Closing Price	Volume	
January'15	27.50	25.10	25.70	3,781,121	26.50	25.00	25.20	174,395	3,955,516
February'15	26.80	24.50	25.20	3,442,265	26.60	24.60	25.30	257,734	3,699,999
March'15	25.50	20.40	22.00	2,136,814	25.20	20.80	21.60	135,952	2,272,766
April'15	22.10	17.00	17.80	3,804,078	22.20	17.10	17.70	145,855	3,949,933
May'15	23.70	17.30	20.30	5,636,091	23.60	17.30	20.10	246,014	5,882,105
June'15	22.10	18.10	19.30	3,981,827	22.90	18.60	18.90	153,975	4,135,802
July'15	19.40	17.80	18.60	8,113,210	20.60	18.00	18.60	251,173	8,364,383
August'15	24.70	18.20	22.30	42,810,536	24.70	18.10	22.10	2,868,397	45,678,933
September'15	23.40	21.30	23.30	19,000,335	23.40	21.40	23.30	884,170	19,884,505
October'15	24.30	20.90	21.30	18,114,118	24.30	20.50	21.20	1,241,826	19,355,944
November'15	22.00	19.60	21.90	8,011,218	21.90	19.40	21.50	388,047	8,399,265
December'15	22.00	20.00	21.20	4,866,511	22.00	20.30	21.20	236,577	5,103,088



## FINANCIAL CALENDAR

Although Bank makes its all out effort to observe the below mentioned dates, all the future dates are provisional and subject to change.

19 April 2016	Compliance under Listing Regulation 19(1)
27 April 2016	Approval of audited Financial Statements for the year ended 31 December 2015
27 April 2016	Disclosure on Price Sensitive Information
12 June 2016	Record Date for 39 <sup>th</sup> AGM
22 June 2016	Notice for 39 <sup>th</sup> Annual General Meeting
14 July 2016	39 <sup>th</sup> Annual General Meeting
4 <sup>th</sup> week of July 2016	12% Stock Dividend distribution for the year 2015
10 May 2016	Announcement of first quarter (Q1) financial results
Last week of July 2016	Announcement of second quarter (Q2) financial results
Last week of October 2016	Announcement of third quarter (Q3) financial results

## OTHER INFORMATION

### Stock Details

Particulars	DSE	CSE
Stock Symbol	IFIC	IFIC
Company Code	11103	22010
Listing Year	1986	1997
Market Category	A	A
Electronic Share	Yes	Yes
Face Value (Taka)	10.00	10.00
Market Lot (number)	1	1
Total Number of Securities	503,412,417	503,412,417

## REDRESSAL OF INVESTORS' COMPLAINTS

Investors are warmly treated at IFIC. Complaints received from the investors are handled promptly with utmost care to mitigate/resolve the issues at the earliest.

### Availability of Annual Report 2015 and Information about IFIC

Annual Report 2015 and other information about IFIC Bank may be viewed on Bank's website at [www.ificbankbd.com](http://www.ificbankbd.com). Copies of Annual Report 2015 also submitted to the Bangladesh Securities and Exchange Commission, Bangladesh Bank, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd. and the Registrar of Joint Stock Companies & Firms.

### Investors' Inquiries

All correspondences with regard to share matters and other related issues to be made to the following address:

#### The Company Secretary

##### IFIC Bank Limited

Head Office

BDBL Bhaban (19<sup>th</sup> floor)

8 Rajuk Avenue, Dhaka-1000

Tel No.: 02-9563020 (Hunting)

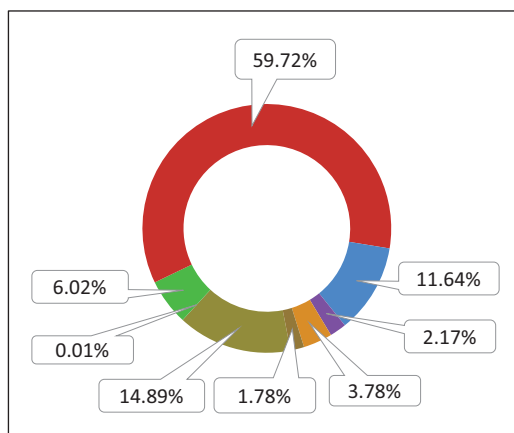
Fax No. 02-9554102



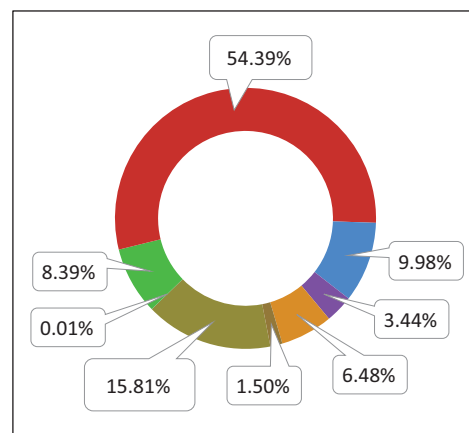
## VALUE ADDED STATEMENT

Value added is a measure of wealth creation by IFIC Bank Limited through its banking and other financial services for its stakeholders. Value added is measured as gross revenue from banking and other financial services minus the cost of services. It provides a useful and interesting alternative to a traditional income statement.

Distribution of Value Addition-2015



Distribution of Value Addition-2014



## Value Added Statement

BDT in million

	2015		2014	
<b>Value added by banking services</b>				
Gross income from banking services	16,943.77		16,062.14	
Less: Provision for loans and advances	2,030.74		495.68	
<b>Net Value Added</b>	<b>14,913.03</b>		<b>15,566.46</b>	
<b>Distribution of value addition</b>	<b>2015</b>	<b>%</b>	<b>2014</b>	<b>%</b>
Income Tax	727.98	4.88%	1,132.41	7.27%
VAT, Custom Duty and Others	169.22	1.13%	173.48	1.11%
<b>To the Government</b>	<b>897.20</b>	<b>6.02%</b>	<b>1,305.89</b>	<b>8.39%</b>
Salaries and benefits	2,219.91	14.89%	2,461.22	15.81%
Director's remuneration	1.02	0.01%	1.18	0.01%
<b>To employees &amp; directors</b>	<b>2,220.92</b>	<b>14.89%</b>	<b>2,462.39</b>	<b>15.82%</b>
To depositors as interest	8,906.75	59.72%	8,466.64	54.39%
To supplier and other vendors	1,735.48	11.64%	1,553.15	9.98%
<b>To depositors and suppliers</b>	<b>10,642.23</b>	<b>71.36%</b>	<b>10,019.79</b>	<b>64.37%</b>
Statutory Reserve	322.99	2.17%	535.43	3.44%
Retained earnings	563.99	3.78%	1,009.31	6.48%
Depreciation	265.70	1.78%	233.65	1.50%
<b>Retentions for future business growth</b>	<b>1,152.68</b>	<b>7.73%</b>	<b>1,778.39</b>	<b>11.42%</b>
<b>Total Wealth Distributed and Retained</b>	<b>14,913.03</b>	<b>100.00%</b>	<b>15,566.46</b>	<b>100.00%</b>

## ECONOMIC VALUE ADDED (EVA) STATEMENT

Economic Value Added (EVA) is a measure of profitability which takes into consideration the cost of total invested equity. It focuses on managerial effectiveness in a given year. Economic value added measures the residual income for the business that remains after all businesses costs including the opportunity cost of employed capital of the bank. EVA depends on both operating efficiency as well as balance sheet management. Shareholders/equity providers are always conscious about their return on capital invested. As a commercial banking company, we are deeply concern for delivery of value to all of our shareholders/equity providers. The economic value added is calculated by taking a company's net profit after tax, adding with it, the amount of provision charged against profit to absorb the losses inherent in the investments.

Particulars	BDT in million	
	2015	2014
Shareholders' equity	11,654.21	10,628.12
Add: Accumulated provision for loans and advances & other assets	5,161.22	4,132.50
<b>Total capital employed</b>	<b>16,815.43</b>	<b>14,760.62</b>
<b>Average capital employed</b>	<b>15,788.02</b>	<b>13,777.33</b>
<b>Earnings</b>		
Profit after tax	886.98	1,544.73
Add: Provision and written-off	3,024.45	749.36
	<b>3,911.43</b>	<b>2,294.09</b>
Average cost of equity (based on weighted average rate of 10 years treasury bond issued by Bangladesh Government) plus 2% risk premium	9.25%	13.00%
Cost of average capital employed	1,460.39	1,791.05
<b>Economic value added</b>	<b>2,451.04</b>	<b>503.04</b>

## MARKET VALUE ADDED STATEMENT

Market Value Added (MVA) is the difference between the current market value of the bank and the capital contributed by shareholders. It reflect the banks performance which is evaluated based on share price. Positive and higher MVA indicate that the bank has created substantial wealth for its shareholders. On the other hand negative MVA indicate that wealth of the bank is lower than the capital contributed by the investors.

Particulars	2015	2014
Face Value per share (in Taka)	10.00	10.00
Market Value per share (in Taka)	21.20	26.10
Number of shares (in million)	503.41	437.75
Market value (in million Taka)	10,672.34	11,425.27
Book value (in million Taka)	5,034.12	4,377.50
<b>Market value added (in Taka)</b>	<b>5,638.22</b>	<b>7,047.77</b>

## DuPont ANALYSIS

Particulars	Formula	2015	2014
Return on Equity (ROE)	Profit margin*Asset turnover*Equity multiplier	7.61%	14.53%
Net Profit Margin	Net income after tax/Total operating revenue	5.23%	9.62%
Total Asset Turnover	Total operating revenue/Total Assets	9.50%	10.27%
Equity Multiplier	Total Assets/Total Equity Capital	15.30	14.71



## MANAGING CREDIT CONCENTRATION RISK

Credit concentration risk may arise from a single large exposure or from multiple exposures with the potential to produce losses large enough (relative to bank's capital, total assets or overall risk level) to threaten a bank's health or ability to its core operation. Concentration risk is managed according to HHI set by Bangladesh Bank and other parameters/techniques by industrial sectors, geographical location wise and single borrower exposure, group wise exposure and top borrower wise exposure. Credit concentrations are monitored in each of the businesses and concentration limits that are material to the bank are reviewed and approved by board at least annually by the Credit Management Division.

### Market Concentration Risk

When the investment portfolio of bank is concentrated within a few instruments or any instrument of few sectors, market concentration risk arises from financial instrument wise investment, sector wise investment in listed shares and currency wise investment of foreign exchange portfolio.

Credit Concentration of a bank may be pre-planned and part of its business philosophy. However, banks should make greater efforts to identify and limit concentration risk or to demand appropriate risk premiums. IFIC Bank has in place effective internal policies, systems and controls to identify, measure, monitor and control credit/market risk concentrations. The Bank always tries to minimize concentration risk possibilities within the capital coverage. However, BB reserves the right to require higher levels of capital for individual banks with excessive concentration risk. Concentration risk can be considered from either a macro (systemic) or a micro (idiosyncratic) perspective.

### Area/Regional Concentration

IFIC Bank segregates its total exposure according to Geographical location i.e. division- wise to identify the concentration lies in divisions and give utmost effort to bring down area concentration of the loan portfolio for the sustainability of the Bank. IFIC Bank is aware of concentration risk which may hinder the business growth of the bank.

#### Area/Regional Credit concentration as on December, 2015

BDT in million

Name of Area	Total Loans & Advances	% of Total loans
Dhaka division	95,187.26	77.22%
Chittagong division	16,068.89	13.04%
Sylhet division	883.82	0.72%
Rajshahi division	5,369.26	4.36%
Khulna division	2,930.92	2.38%
Barisal division	463.87	0.38%
Rangpur division	2,364.65	1.92%
<b>Total Loan</b>	<b>123,268.67</b>	<b>100.00%</b>

### Single Name Concentration Risk

Single-name concentration risk, i.e., the firm specific (idiosyncratic) risk in a credit portfolio arises from the credit risk of large borrowers. Firm specific risk comprises the risks resulting from the potential default of a single borrower or a legally or financially connected group of borrowers. By contrast, systematic risk – the second risk component of a credit portfolio – comprises all of the risks affecting several legally independent borrowers or the entire portfolio.

### Sectoral Credit Concentration

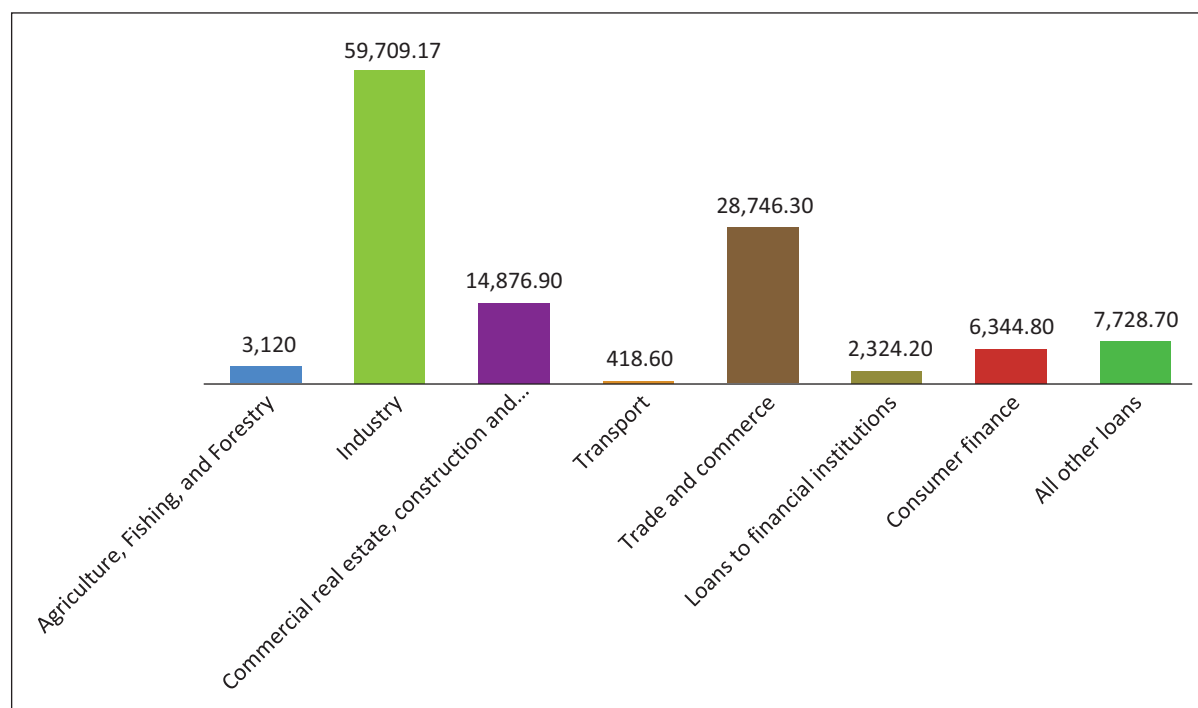
Sectoral concentration in credit portfolios can be broken down into concentration in certain sectors of industry and concentration in individual regions. While commercial credit risk models, used widely in the financial sector, usually measure both kinds of sectoral concentration using a similar methodology, there are many differences from a theoretical point of view. By contrast, concentration risk from exposures to industry sectors arises from credit dependencies between enterprises, resulting from a common sector affiliation and the prevailing economic environment in that sector. IFIC Bank always monitors and analyzes the Bank's sectoral exposures with

the Banking Industries sectoral exposures and tries to reduce the concentration of a specific sector which may turn into potential risk due to instability in the country or economy.

BDT in million

Sl.No.	Name of Sector	Outstanding of Loans	% of Loans
A	Agriculture, Fishing, and Forestry	3,120.00	2.53%
B	Industry	59,709.17	48.44%
	1) Large Industry	39,371.57	31.94%
	2) Small, medium, cottage, and micro-industries	7,113.60	5.77%
	3) Service industries	13,224.00	10.73%
C	Commercial real estate, construction and land development loans	14,876.90	12.07%
D	Transport	418.60	0.34%
E	Trade and commerce	28,746.30	23.32%
	1) Whole sale & Retail Trade	7,843.00	6.36%
	2) Export Finance	4,964.40	4.03%
	3) Import Financing	11,987.50	9.72%
	4) Other Trade & Commerce	3,951.40	3.21%
F	Loans to financial institutions	2,324.20	1.89%
	1) Loans to NBFIs	0.90	0.00%
	2) Loans to insurance companies	20.50	0.02%
	3) Loans to merchant banks and brokerage houses	2,302.90	1.87%
G	Consumer finance	6,344.80	5.15%
H	All other loans	7,728.70	6.27%
	<b>Total Loans and Advance</b>	<b>123,268.67</b>	<b>100.00%</b>

Sectoral Credit of IFIC Bank







## Concentrations of micro contagion

Interdependencies between enterprises owing to bilateral business relations also contribute to the emergence of risks. Concentration in firms which are connected through business relations is more risky than lending to enterprises without such ties. This is also referred to as micro contagion. This kind of concentration risk at the micro level is, in terms of the strength of dependencies, positioned between single-name concentration and sectoral concentration.

## Concentration in liabilities

Concentration in liabilities, such as a concentration of certain refinancing instruments or of investors or depositors, may also play an important role. These concentrations belong more to a bank's general liquidity risk, however.

## Concentration in IT System

Against the backdrop of and increased reliance on complex IT systems and operations in the financial sector, there is the heightened risk of cyber-attacks and system disruptions as well. In this regard, IFIC Bank has a strong capability to protect the technology risk management and is ready to handle IT security incidents and system failures. Concentration risk is also inherent in the area of operational risk, for example, through dependence on a particular IT system.

## Techniques for Managing Concentration Risk

IFIC Bank uses a variety of techniques to manage concentration risk. Among the most important methods are:

**Risk Appetite:** The Bank defines its appetite for concentration risk in a Board approved document.

**Limits:** The Bank has not only internal limits for large exposures and connected counterparty exposures, but also has sectoral and other limits.

**Authorities:** The Bank has segregated higher levels of authority to approve new credits or other exposures as the exposure approaches the limit.

**Portfolio Management:** The Bank monitors credit risk concentrations continuously and closely to correct for new concentration risks that may arise in the near future.

**Capital Buffers:** The Bank is maintaining its regulatory capital above BB's required limits to handle increased concentration risk. On the other hand, the Bank is maintaining increase in loan loss provisions could offer protection against linked failures of counterparties for mitigation the risks..

## How to identify Concentration risk

Identification of concentration risk should be commensurate with the size of the institution, the levels of inherent concentrations, and the importance of the activity to the institution. The basic building block of a good identification system is the ability to store and access data. Systems should also apply some controls to help ensure the data is entered as accurately as possible. Information related to the attributes of the loans such as loan type, balances, limits, rates, dates; to the characteristics of the borrower; name, credit score, etc., and information related to the collateral such as address, value, and senior liens should be accessible for analysis.

If an institution does not have this data capability in house it should contract with a third party provider and of course, conduct proper due diligence on any such vendor to ensure confidential information is handled appropriately and the vendor is generally operating in a safe and sound manner.

## How to measure Concentration risk

The Board should establish policies which address concentration risk limits. The board should take into account company strategy, economic conditions, and net worth levels in setting such limits.

Most financial institutions will have limits or not to exceed thresholds for certain common concentrations, such as by lines of business, types/sectors of lending, geography, ratings/grades segments, and to a single borrower or related set of borrowers. These thresholds can be tracked as a percentage of the loan portfolio, the institution's total assets or the institution's net worth.

## How to monitor Concentration risk

Once appropriate risk management systems and policies are in place, management should actively monitor concentration risk through the use of regular formal reporting. Larger institutions will probably find it beneficial to have a committee focus their attention and expertise on monitoring this reporting.

Management should also have a plan of action in place if concentrations levels approach or exceed established



thresholds. For example:

- Curtailing marketing efforts
- Increasing rates and or raising approval criteria
- Reducing related policy limits;
- Transferring risk to other parties; and/or
- Closing down the product completely or until concentrations levels have subsided.

### Conclusion

All banks have credit concentrations risk. In some cases, Credit concentrations may be unavoidable due to a lender's limited geographic footprint combined with its market's dependence on a relatively few employers or industries. Whatever the reason, it is incumbent on management and the RMC of Board to ensure that the bank has an effective process in place to identify, measure, monitor, and control concentration risk. The RMC of Board also needs to ensure that the bank maintains adequate capital relative to concentration risks. Above all the Bank should always to bring down the concentration risk at their level best.

## DETAILS OF ACCOUNTS RESTRUCTURED

BDT in Million

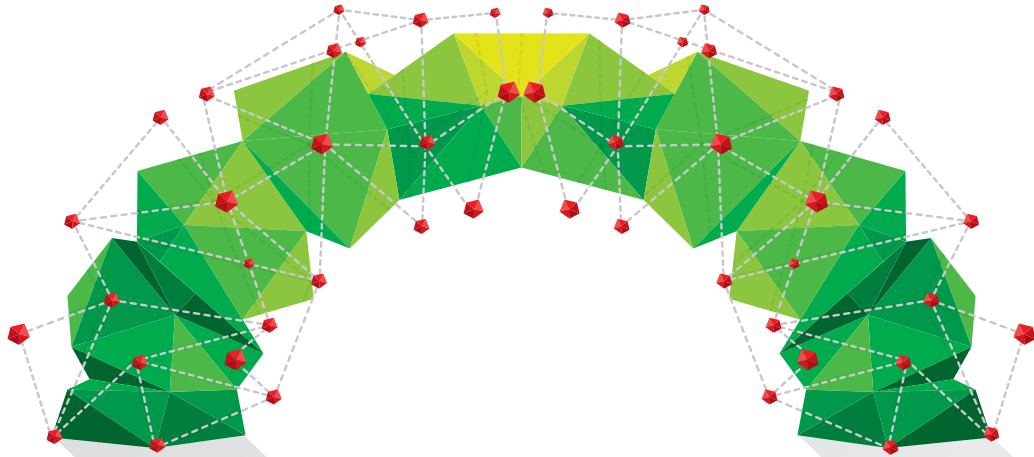
Date	No. of Restructured Accounts	Amount
1/31/2015	0	0
2/28/2015	6	191.02
3/31/2015	2	26.17
4/30/2015	2	3.24
5/31/2015	5	180.84
6/30/2015	3	298.03
7/31/2015	2	26.77
8/31/2015	0	0
9/30/2015	9	164.10
10/31/2015	3	39.8
11/30/2015	1	0.67
12/31/2015	13	140.9
<b>Total</b>	<b>46</b>	<b>1,071.54</b>

## ASSET DISCLOSURE GIVEN ON FINANCE LEASE

No. of Account	Lease Finance Net (as on 31 December 2015)
191	BDT 524.32M



# GLIMPSES OF THE 38<sup>TH</sup> AGM







## MARKET DISCIPLINE - DISCLOSURES ON RISK BASED CAPITAL (UNDER PILLAR 3 OF BASEL III FRAMEWORK)

**For the year ended 31 December 2015  
(As per Guideline of Bangladesh Bank) (Consolidated basis)**

### **Background**

In order to make the bank's capital adequacy assessment more risk sensitive and to abide by the international norms and practices, Bangladesh Bank took the initiative to implement Basel –III framework. Banks in Bangladesh have gone live under Basel–III since 1 January 2015. These disclosures under Pillar III of Basel III are made following 'Guidelines on Risk Based Capital Adequacy (RBCA) - Revised Regulatory Capital Framework for banks in line with Basel III' for banks. These quantitative and qualitative disclosures are intended to complement the Minimum Capital Requirement (MCR) under Pillar I and Supervisory Review Process (SRP) under Pillar II of Basel III. The purpose of these disclosures is to present relevant information on the adequacy of capital in relation to overall risk exposures of the Bank so that the market participants can assess the position and direction of the Bank in making economic decisions.

### **A) Scope of application**

Qualitative Disclosures	
(a)	<p>The name of the top corporate entity in the group to which this guidelines applies.</p> <p>The Risk Based Capital Adequacy and related disclosures are applicable for International Finance Investment &amp; Commerce Bank Limited (IFIC Bank Limited) which is the top corporate entity of the group.</p> <p><b>IFIC Bank Limited</b> denoted as International Finance Investment and Commerce Bank Limited, 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 &amp; 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 general public.</p> <p>At present, the Bank has 129 branches and 55 own ATM booths. The Bank has an Off-shore Banking Unit (OBU) located at Dhaka and also two wholly owned subsidiary companies namely IFIC Securities Limited and IFIC Money Transfer (UK) Limited. Moreover, the Bank has investment in two joint venture companies in abroad namely Nepal Bangladesh Bank Limited and Oman International Exchange LLC. The Bank has also investment in another company in abroad namely NIB Bank Limited, Pakistan.</p>

Qualitative Disclosures	
(b)	<p>An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).</p>

**Brief Description of the Subsidiaries:**

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. It acquired membership of Dhaka Stock Exchange Limited for brokerage transaction vide Security Exchange Commission certificate no. 3.1/DSE-192/2009/316 dated 1 January 2009. The main objective of the company is to carry on the business of stock brokers/ dealers in relation to shares and securities dealings and other services as mentioned in the Memorandum and Articles of Association of the company. The operation of the company starts on 10 March 2011.
2. **IFIC Money Transfer (UK) Limited:** IFIC Money Transfer (UK) Limited was incorporated as a private limited company with Companies House in England and Wales under registration no. 07379137 on 16 September 2010. The company is a wholly owned subsidiary of IFIC Bank Limited. IFIC Bank Limited got permission from Bangladesh Bank for opening a fully owned subsidiary in UK. 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 is located at Ferrari House, 2<sup>nd</sup> Floor, 102 College Road, Harrow, Middlesex, United Kingdom HAI IES, London, UK.

**Brief Description of the Joint Ventures/ Associates of the Bank:**

1. **Nepal Bangladesh Bank Limited:** Nepal Bangladesh Bank Limited (NBBL) was incorporated in Nepal and registered with Office of Company Registrar (50-050/051, Dated January 14, 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 6th June 1994. IFIC's investment in the share capital of NBBL is 40.91%.
2. **Oman International Exchange LLC:** Oman International Exchange LLC (OIE), 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.

Qualitative Disclosures		
		<p><b>Brief Description of Off-shore Banking Unit:</b> 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 01 (one) Off-shore Banking Unit in Bangladesh. The OBU is governed under the rules and regulations of Bangladesh Bank.</p> <p><b>Basis for Consolidation:</b> The quantitative disclosures are made on the basis of consolidated audited financial statements of the bank and its subsidiaries as at and for the year ended December 31, 2015. The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standards 27: <i>Separate Financial Statements</i> and Bangladesh Financial Reporting Standards 10: <i>Consolidated Financial Statements</i>. The consolidated financial statements are prepared to a common financial year ended 31 December 2015. 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.</p>
(c)	Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	Transfer of funds or regulatory capital can be performed as per directives of the regulatory bodies.

Quantitative Disclosures		
(d)	The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.	Nil.

## B) CAPITAL STRUCTURE

Qualitative Disclosures		
(a)	Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1 or Tier 2.	Under Basel-III capital adequacy framework, total regulatory capital of a bank are categorized into two tiers: (1) Tier 1 Capital (going-concern capital), and (2) Tier-2 Capital (gone-concern capital). The Tier 1 Capital is further subdivided into (a) Common Equity Tier 1 (CET1) and (b) Additional Tier 1. Total eligible regulatory capital of IFIC Bank Limited consists of partly CET1 Capital and partly Tier-2 Capital. The CET1 Capital of the bank comprises Paid-up Capital, Statutory Reserve, General Reserve and Retained Earnings. Paid-up Capital of the Bank is already above the minimum requirement of BDT 4,000.00 Million as per the directives of Bangladesh Bank. In addition, Tier-II Capital includes General Provision (limited to a maximum 1.25 percentage points of credit risk-weighted assets calculated under the standardized approach as per directives of Bangladesh Bank), and Revaluation Reserve of Fixed Assets and Securities (up to 50 percent). The Bank has the option of raising capital by issuing Rights Shares or Subordinated Bonds.



		Banks are required to maintain a capital conservation buffer of 0.625% during the year 2016, above the regulatory minimum capital requirement of 10%. No distribution of capital (i.e. paying dividends or bonuses in any form) is allowed in case capital level falls within the range between 10% to 10.625%. However, the bank will be able to conduct business as normal. Capital conservation buffer is applicable both at the solo level as well as at the consolidated level. As per the Bangladesh Bank instructions contained in BRPD letter No. BRPD(BFIS)661/14B(P)/2015-18014 dated 24 December 2015, Deferred Tax Assets arising out of Specific Provision on Classified Loans is allowable to a maximum of 5% as Common Equity Tier-1 Capital (CET-1) while calculating CET-1 as per Basel III.
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#### Quantitative Disclosures

(b)	The amount of Regulatory capital, with separate disclosure of:	
	CET1 Capital	<i>Million BDT</i>
	Fully Paid-up Capital	5,034.12
	Statutory Reserve	4,232.50
	General Reserve	155.07
	Retained Earnings	2,817.32
	<b>Total [A]</b>	<b>12,239.02</b>
	Additional Tier 1 Capital	[B] Nil
	<b>Total Tier 1 Capital</b>	<b>[C]=[A]+[B] 12,239.02</b>
	Tier 2 Capital	
	General Provision	1,282.30
	Revaluation Reserves as on 31 December 2014 (50% of Fixed Assets and Securities)	58.45
	<b>Total [D]</b>	<b>1,340.75</b>
(c)	Regulatory Adjustments/ Deductions from capital	
	Deferred tax assets (DTA) <sup>1</sup>	989.87
	Revaluation Reserves for Fixed Assets, Securities & Equity Securities (Phase-in deductions)	11.69
	<b>Total [E]</b>	<b>1,001.56</b>
(d)	<b>Total eligible capital</b>	<b>[F]=[C]+[D]-[E] 12,578.21</b>

### C) CAPITAL ADEQUACY

Qualitative Disclosures		
(a)	A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities.	According to BB Guidelines IFIC Bank is assessing Risk Based Capital Adequacy under Basel-III from 01 January 2015. Under Basel-III framework the capital requirement is determined for Credit Risk and Market Risk under Standardized Approach and Operational Risk under Basic Indicator Approach and summed-up to determine total Risk Weighted Assets and thereafter the Minimum Capital Requirement (MCR). The Bank assesses the capital requirement considering the existing size of portfolio, concentration of portfolio to different risk weight groups, asset quality, profit trend etc. on quarterly rest. The Bank also forecasts the adequacy of capital in terms of its capacity of internal capital generation, maintaining the size of the portfolio, asset quality, conducting credit rating of the borrowers, segregation of portfolio to different risk weight groups etc.

<sup>1</sup> As per the Bangladesh Bank instructions contained in BRPD letter No. BRPD(BFIS)661/14B(P)/2015-18014 dated 24 December 2015.

		IFIC Bank has maintained consolidated Capital to Risk-weighted Asset Ratio (CRAR) of 10.24% as on 31 December 2015, whereas Minimum Capital Requirement (MCR) is 10% from 01 January 2015 as per BRPD circular No.18 dated 21 December 2014. The Bank has thus maintained some excess capital than the minimum requirement of 10.0%. However, the Bank is continuously evaluating its capital position in comparison to its risk weighted asset's position and exploring ways and means to raise capital both internally and externally.												
<b>Quantitative Disclosures</b>														
(b)	Capital requirement for Credit Risk	<p style="text-align: right;"><i>In Million BDT</i></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">On-Balance Sheet</td> <td style="text-align: right;">90,067.37</td> </tr> <tr> <td>Off-Balance Sheet</td> <td style="text-align: right;">15,940.19</td> </tr> <tr> <td style="text-align: right;"><b>Total</b></td> <td style="text-align: right;"><b>106,007.56</b></td> </tr> </table>	On-Balance Sheet	90,067.37	Off-Balance Sheet	15,940.19	<b>Total</b>	<b>106,007.56</b>						
On-Balance Sheet	90,067.37													
Off-Balance Sheet	15,940.19													
<b>Total</b>	<b>106,007.56</b>													
(c)	Capital requirement for Market Risk	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Interest Rate Related Instruments</td> <td style="text-align: right;">Nil</td> </tr> <tr> <td>Equities</td> <td style="text-align: right;">540.04</td> </tr> <tr> <td>Foreign Exchange Position</td> <td style="text-align: right;">1.86</td> </tr> <tr> <td>Commodities</td> <td style="text-align: right;">Nil</td> </tr> <tr> <td style="text-align: right;"><b>Total</b></td> <td style="text-align: right;"><b>541.90</b></td> </tr> </table>	Interest Rate Related Instruments	Nil	Equities	540.04	Foreign Exchange Position	1.86	Commodities	Nil	<b>Total</b>	<b>541.90</b>		
Interest Rate Related Instruments	Nil													
Equities	540.04													
Foreign Exchange Position	1.86													
Commodities	Nil													
<b>Total</b>	<b>541.90</b>													
(d)	Capital requirement for Operational Risk	<b>1,139.18</b>												
(e)	Total capital, CET1 capital, Total Tier 1 capital and Tier 2 capital ratio:													
	• For the consolidated group	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Total Capital</td> <td style="text-align: right;"><b>Ratios</b> 10.24%</td> </tr> <tr> <td>CET1 Capital</td> <td style="text-align: right;">9.16%</td> </tr> <tr> <td>Total Tier 1 Capital</td> <td style="text-align: right;">9.16%</td> </tr> <tr> <td>Total Tier 2 Capital</td> <td style="text-align: right;">1.08%</td> </tr> </table>	Total Capital	<b>Ratios</b> 10.24%	CET1 Capital	9.16%	Total Tier 1 Capital	9.16%	Total Tier 2 Capital	1.08%				
Total Capital	<b>Ratios</b> 10.24%													
CET1 Capital	9.16%													
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	• For stand alone	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Total Capital</td> <td style="text-align: right;">10.07%</td> </tr> <tr> <td>CET1 Capital</td> <td style="text-align: right;">8.96%</td> </tr> <tr> <td>Total Tier 1 Capital</td> <td style="text-align: right;">8.96%</td> </tr> <tr> <td>Total Tier 2 Capital</td> <td style="text-align: right;">1.11%</td> </tr> </table>	Total Capital	10.07%	CET1 Capital	8.96%	Total Tier 1 Capital	8.96%	Total Tier 2 Capital	1.11%				
Total Capital	10.07%													
CET1 Capital	8.96%													
Total Tier 1 Capital	8.96%													
Total Tier 2 Capital	1.11%													
(f)	Capital Conservation Buffer	As per Bangladesh Bank Transitional Arrangements for implementation of Basel III, creation of Capital Conservation Buffer (CCB) has been made effective from January, 2016. However, Capital Conservation Buffer is not required for 2015.												
(g)	Available Capital under Pillar 2 Requirement	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right;"><i>In Million BDT</i></td> </tr> <tr> <td>Total Eligible Regulatory Capital [A]</td> <td style="text-align: right;">12,578.21</td> </tr> <tr> <td>Minimum Capital Requirement under Pillar 1 [B]</td> <td style="text-align: right;">12,281.84</td> </tr> <tr> <td>Capital Conservation Buffer[C]<sup>2</sup></td> <td style="text-align: right;">N/A</td> </tr> <tr> <td><b>Minimum Capital Requirement including CCB[D=B+C]</b></td> <td style="text-align: right;"><b>12,281.84</b></td> </tr> <tr> <td><b>Total [E=A - D]</b></td> <td style="text-align: right;"><b>296.37</b></td> </tr> </table>		<i>In Million BDT</i>	Total Eligible Regulatory Capital [A]	12,578.21	Minimum Capital Requirement under Pillar 1 [B]	12,281.84	Capital Conservation Buffer[C] <sup>2</sup>	N/A	<b>Minimum Capital Requirement including CCB[D=B+C]</b>	<b>12,281.84</b>	<b>Total [E=A - D]</b>	<b>296.37</b>
	<i>In Million BDT</i>													
Total Eligible Regulatory Capital [A]	12,578.21													
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Capital Conservation Buffer[C] <sup>2</sup>	N/A													
<b>Minimum Capital Requirement including CCB[D=B+C]</b>	<b>12,281.84</b>													
<b>Total [E=A - D]</b>	<b>296.37</b>													

<sup>2</sup> As per BB directive, it is applicable from January, 2016.

## D) Credit Risk

Qualitative Disclosures	
(a)	<p>The general qualitative disclosure requirement with respect to credit risk, including:</p> <ul style="list-style-type: none"> <li>• Definitions of past due and impaired (for accounting purposes)</li> </ul>
	<p>As per relevant Bangladesh Bank guidelines, the Bank defines the past due and impaired loans and advances for strengthening the credit discipline and mitigating the credit risk of the Bank. The impaired loans and advances are defined on the basis of (i) Objective/ Quantitative Criteria and (ii) Qualitative judgment. For this purpose, all loans and advances are grouped into four (4) categories, namely- (a) Continuous Loan (b) Demand Loan (c) Fixed Term Loan and (d) Short-term Agricultural &amp; Micro Credit.</p> <p><b>Definition of past due/overdue:</b></p> <ol style="list-style-type: none"> <li>1. Any Continuous Loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/ overdue from the following day of the expiry date;</li> <li>2. Any Demand Loan if not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date;</li> <li>3. In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue from the following day of the expiry date.</li> <li>4. The Short-term Agricultural and Micro-Credit if not repaid within the fixed expiry date for repayment will be considered past due/ overdue after six months of the expiry date. However, a continuous loan, demand loan or a term loan which will remain overdue for a period of 02 (two) months or more, will be put into the “Special Mention Account (SMA)”, the prior status of becoming the loan into impaired/classified/ nonperforming.</li> </ol> <p><b>Definition of impaired / classified /non-performing loans and advances are as follows:</b></p> <p><i>Continuous loan is classified as follows:</i>  <b>Substandard:</b> If it is past due /overdue for 3 (three) months or beyond but less than 6 (six) months;  <b>Doubtful</b> - If it is past due / overdue for 6 (six) months or beyond but less than 9 (nine) months;  <b>Bad/Loss</b> - If is past due / overdue for 9 (nine) months or beyond.</p> <p><i>Demand loan is classified as follows:</i>  <b>Substandard</b> - If it remains past due / overdue for 3 (three) months or beyond but not over 6 (six) months from the date of expiry or claim by the Bank or from the date of creation of forced loan;  <b>Doubtful</b> - If it remains past due / overdue for 6 (six) months or beyond but not over 9 (nine) months from the date of expiry or claim by the Bank or from the date of creation of forced loan;  <b>Bad/Loss</b> - If it remains past due / overdue for 9 (nine) months or beyond from the date of expiry or claim by the Bank or from the date of creation of forced loan.</p>

		<p><i>Fixed Term Loans are classified are as follows:</i></p> <p>In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the due date, the amount of unpaid installment(s) will be termed as 'past due or overdue installment'. In case of Fixed Term Loans: -</p> <p><b>Substandard</b> - If the amount of past due installment is equal to or more than the amount of installment(s) due within 03 (three) months, the entire loan will be classified as "Sub-standard".</p> <p><b>Doubtful</b> - If the amount of past due installment is equal to or more than the amount of installment(s) due within 06 (six) months, the entire loan will be classified as "Doubtful".</p> <p><b>Bad/Loss</b> - If the amount of 'past due installment is equal to or more than the amount of installment(s) due within 09 (nine) months, the entire loan will be classified as "Bad/Loss".</p> <p>In case of any installment (s) or part of installment (s) of a Fixed Term Loan amounting up-to Taka 10 lacs is not repaid within the due date, the classification is as under:</p> <p><b>Substandard</b> - If the amount of past due installment is equal to or more than the amount of installment (s) due within 6 (six) months, the entire loan will be classified as 'Sub- standard';</p> <p><b>Doubtful</b> - If the amount of past due installment is equal to or more than the amount of installment (s) due within 9 (nine) months, the entire loan will be classified as 'Doubtful';</p> <p><b>Bad/Loss</b> -If the amount of past due installment is equal to or more than the amount of installment (s) due within 12 (twelve) months, the entire loan will be classified as 'Bad/Loss'.</p> <p><i>Short-term Agricultural and Micro-Credit is classified as follows:</i></p> <p>The Short-term Agricultural and Micro-Credit will be considered irregular if not repaid within the due date as stipulated in the loan agreement. If the said irregular status continues, the credit will be classified as 'Substandard ' after a period of 12 months, as 'Doubtful' after a period of 36 months and as 'Bad/Loss' after a period of 60 months from the stipulated due date as per the loan agreement.</p>
	<ul style="list-style-type: none"> <li>• Description of approaches followed for specific and general allowances and statistical methods</li> </ul>	<p>The Bank is following the general and specific provision for loans and advances/investments on the basis of Bangladesh Bank guidelines issued from time to time (please refer to Annexure - I).</p>
	<ul style="list-style-type: none"> <li>• Discussion of the bank's credit risk management policy</li> </ul>	<p>The Board approves the credit policy, credit exposure limits and credit risk management policy keeping in view relevant Bangladesh Bank guidelines to ensure best practice in credit risk management and maintain quality of assets. Authorities are properly delegated ensuring checks and balance in credit operation at every stage, i.e. screening, assessing risk, identification, management and mitigation of credit risk as well as monitoring, supervision and recovery of loans with provision of early warning system. There is a separate credit risk management division for dedicated credit risk management, separate credit administration division for ensuring perfection of securities and credit monitoring and recovery division for monitoring and recovery of irregular loans. Internal control &amp; compliance division independently assess the quality of loans and compliance status of loans at least once in a year.</p>

Quantitative Disclosures		
(b)	Total gross credit risk exposures broken down by major types of credit exposure.	Please refer to Annexure – II.
(c)	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.	Please refer to Annexure – III.
(d)	Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	Please refer to Annexure – IV.
(e)	Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.	Please refer to Annexure – V.
(f)	By major industry or counterparty type:	
	• Amount of impaired loans and if available, past due loans, provided separately	Please refer to Annexure – VI.
	• Specific and general provisions	<b><i>In Million BDT</i></b>
		Specific provision 2,699.92 General provision 1,282.30
(g)	• Charges for specific allowances and charge-offs during the period	Specific provision 1,734.56 General provision 205.00
	<b>Non-Performing Assets ( NPAs):</b> <span style="float: right;"><b><i>In Million BDT</i></b></span>	
	Gross non-performing assets (NPAs)	7,962.05
	Non-Performing Assets (NPAs) to Outstanding Loans & advances	6.46%
	<b>Movement of Non-Performing Assets (NPAs)</b>	
	Opening balance	5,061.13
	Additions	8,190.74
	Reductions	(5,289.82)
	Closing balance	<b>7,962.05</b>
	<b>Movement of specific provisions for NPAs</b>	
	Opening balance	1,966.39
	Provisions made during the period	1,734.56
	Write-off	(993.71)
	Write-back of excess provisions	91.98
	Provision transferred to general reserve <sup>3</sup>	(99.3)
	Closing balance	<b>2,699.92</b>

<sup>3</sup> As per BRPD Circular No. 04 dated 29 January 2015, surplus provision against restructured large loan transferred to general reserve.

## E) EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS

Qualitative Disclosures										
(a)	<p>The general qualitative disclosure requirement with respect to equity risk, including:</p> <ul style="list-style-type: none"> <li>differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and</li> </ul>	<p>Differentiation between holdings of equities for capital gain and those taken under other objectives is being clearly identified. Investment in equity securities is broadly categorized into two parts:</p> <ol style="list-style-type: none"> <li><b>Quoted Securities</b> (Common or Preference Shares &amp; Mutual Fund) that are traded in the secondary market (Trading Book Assets).</li> <li><b>Unquoted securities</b> are categorized as banking book equity exposures which are further sub-divided into two groups: unquoted securities which are invested without any expectation that these will be quoted in near future, i.e. held to maturity (HTM), and securities those are acquired under private placement or IPO and are going to be traded in the secondary market after completing required formalities. Unquoted securities are valued at cost.</li> </ol> <p>The equity positions are reviewed periodically by the senior management.</p>								
	<ul style="list-style-type: none"> <li>discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.</li> </ul>	<p>Important policies covering equities valuation and accounting of equity holdings in the Banking Book are based on the use of the cost price method for valuation of equities. The primary aim is to invest in these equity securities for the purpose of capital gain by selling them in the future or held for dividend income. Dividends received from these equity securities are accounted for as and when received. Both Quoted and Un-Quoted equity securities are valued at cost and necessary provisions are maintained if the prices fall below the cost price. As per to Bangladesh Bank guidelines, the HFT equity securities are revalued once in each week using marking to market concept and HTM equity securities are amortized once a year according to Bangladesh Bank guideline. The HTM equity securities are also revalued if any, are reclassified to HFT category with the approval of the Board of Directors. Preference is given to purchase of shares of strong companies at face value through placement/ IPO.</p>								
Quantitative Disclosures										
(b)	<p>Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.</p>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; vertical-align: bottom;"><i>In Million BDT</i></th> </tr> </thead> <tbody> <tr> <td>Cost price of quoted shares</td> <td style="text-align: right;">2,926.45</td> </tr> <tr> <td>Fair value of quoted shares</td> <td style="text-align: right;">2,544.41</td> </tr> <tr> <td>Decrease in value</td> <td style="text-align: right; border-top: 1px solid black;">382.04</td> </tr> </tbody> </table>		<i>In Million BDT</i>	Cost price of quoted shares	2,926.45	Fair value of quoted shares	2,544.41	Decrease in value	382.04
	<i>In Million BDT</i>									
Cost price of quoted shares	2,926.45									
Fair value of quoted shares	2,544.41									
Decrease in value	382.04									

(c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	24.55
(d)	• Total unrealized gains (losses)	(391.71)
	• Total latent revaluation gains (losses)	Nil
	• Any amounts of the above included in Tier 2 capital.	Nil
(e)	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.	
	<b>Capital Charge on Equities</b>	<b><i>In Million BDT</i></b>
	Specific Risk	270.02
	General Market Risk	270.02
	<b>Total</b>	<b>540.04</b>

## F) INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

Qualitative Disclosures		
(a)	The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.	Interest Rate Risk is managed through the use of Gap analysis of rate sensitive assets and liabilities and monitored through prudential limits and stress testing. The IRRBB is monitored in movements/changes on a monthly basis and the impact on Net Interest Income is assessed. Interest rate risk is the risk where changes in market interest rates might adversely affect a bank's financial condition. Changes in interest rates affect both the current earnings (earnings perspective) as well as the net worth of the bank (economic value perspective). Re-pricing risk is often the most apparent source of interest rate risk for a bank and is often gauged by comparing the volume of a bank's asset that mature or re-price within a given time period with the volume of liabilities that do so. The short term impact of changes in interest rates is on the bank's Net Interest Income (NII). In a longer term, changes in interest rates impact the cash flows of the assets, liabilities and off-balance sheet items, giving rise to a risk to the net worth of the bank arising out of all re-pricing mismatches and other interest rate sensitive position. The ALCO formulates the policy and strategy depending on the market conditions to maximize Net Interest Income.
Quantitative Disclosures		
(b)	The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).	Please refer to Annexure – VII.

## G) MARKET RISK

Qualitative Disclosures		
(a)	Views of BOD on trading/ investment activities	<p>The trading/investment activities in the IFIC Bank Limited are managed cautiously so that maximum returns are obtained without taking undue risks. The Board approves all policies related to market risk, set limits and review compliance on a regular basis. The objective is to provide cost effective funding to finance asset growth and trade related transactions. Market risk is the possibility of losses of assets in the balance sheet and off-balance sheet positions arising out of volatility in market variables i.e., interest rate, exchange rate and price. Allocation of capital is required in respect of the exposure to risks deriving from changes in interest rates and equity prices in the bank's trading book, in respect of exposure to risks deriving from changes in foreign exchange rates and commodity price in the overall banking activity.</p> <p>The market risk covers the followings risks of the Bank's balance sheet:</p> <ol style="list-style-type: none"> <li>i. Interest rate risk</li> <li>ii. Equity price risk</li> <li>iii. Foreign exchange risk; and</li> <li>iv. Commodity price risk</li> </ol>
	Methods used to measure Market risk	<p>The Bank uses the Standardized (rule based) Approach to calculate the Market Risk for Trading Book Exposures. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risky sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for 'specific risk' and 'general market risk'.</p> <p>Maturity Method has been prescribed by Bangladesh Bank in determining capital against market risk. In the maturity method, long or short positions in debt securities and other sources of interest rate exposures, including derivative instruments, are slotted into a maturity ladder comprising 13 times-bands (or 15 times-bands in the case of low coupon instruments). Fixed-rate instruments are allocated according to the residual term to maturity and floating-rate instruments according to the residual term to the next re-pricing date. In Standardized (rule based) Approach the capital requirement for various market risks (interest rate risk, price, and foreign exchange risk) are determined separately.</p> <p>The total capital requirement in respect of market risk is the sum of capital requirement calculated for each of these market risk sub-categories. e.g.:</p> <ol style="list-style-type: none"> <li>i. Capital Charge for Interest Rate Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk;</li> <li>ii. Capital Charge for Equity Position Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk;</li> <li>iii. Capital Charge for Foreign Exchange Risk = Capital Charge for General Market Risk;</li> <li>iv. Capital Charge for Commodity Position Risk = Capital charge for General Market Risk.</li> </ol>



	Market Risk Management system	The Asset Liability Management Policy of the Bank as approved by the Board ensures effective management of the Market Risk through a well-structured Treasury function which includes a Front Office, Mid Office and Back Office and an ALCO body. The aim of the Market Risk Management System is to minimize the impact of losses on earnings due to market fluctuations.
	Policies and processes for mitigating market risk	<p>The policy contains sound Portfolio management procedures and best practices such as minimizing risks through diversification of portfolio. Policy for managing Market Risk has been set out by the Board of Directors of the Bank where clear instructions have been given to Loan Deposit Ratio, Whole Sale Borrowing Guidelines, Medium Term Funding, Maximum Cumulative Outflow, Liquidity Contingency Plan, Local Regulatory Compliance, Recommendation/ Action Plan etc. Furthermore, special emphasis has been put on the following issues for mitigating market risk:</p> <ul style="list-style-type: none"> <li>■ <b>Interest Rate Risk Management:</b> Treasury Division reviews the risks of changes in income of the Bank as a result of movements in market interest rates. In the normal course of business, the Bank tries to minimize the mismatches between the duration of interest rate sensitive assets and liabilities. Effective Interest Rate Risk Management is done as under: been put on the following issues for mitigating market risk: <ul style="list-style-type: none"> <li>i <b>Market Analysis:</b> Market analysis over interest rate movements are reviewed by the Treasury Division of the Bank. The type and level of mismatch interest rate risk of the Bank are managed and monitored from two perspectives, being an economic value perspective and an earnings perspective.</li> <li>ii <b>Gap Analysis:</b> ALCO has established guidelines in line with the central Bank's policy for the management of assets and liabilities, monitoring and minimizing interest rate risks at an acceptable level. ALCO in its regular monthly meeting analyzes Interest Rate Sensitivity by computing GAP i.e. the difference between Rate Sensitive Assets and Rate Sensitive Liability and take the decision of enhancing or reducing the GAP according to the prevailing market situation aiming to mitigate interest rate risk.</li> </ul> </li> <li>■ <b>Foreign Exchange Risk Management:</b> Risk arising from potential change in earnings resulted from exchange rate fluctuations, adverse exchange positioning or change in the market prices are considered as Foreign Exchange Risk. Treasury and International Division manage this risk in the following fashion: <ul style="list-style-type: none"> <li>i <b>Continuous Supervision:</b> The Bank's Treasury Division manages and controls day-to-day trading activities under the supervision of ALCO that ensures continuous monitoring of the level of assumed risks. Treasury Division monitors the foreign exchange price changes and Back Office of the Treasury Division verifies the deals and passes the entries in the books of account.</li> </ul> </li> </ul>

	<p>ii <b>Treasury Back Office separated from the Treasury Front Office:</b> Treasury Back Office is conducting its operation in separate locations apart from the Treasury Front Office. Treasury Back Office is responsible for currency transactions, deal verification, limit monitoring and settlement of transactions independently. Treasury Back Office gathers the market rates from an independent source other than dealers of the same organization, which helps to avoid any conflict of interest.</p> <p>iii <b>Mark-to-Market Method for Approved Securities and Foreign Exchange Revaluation:</b> All foreign exchange reserves and balances along with approved securities are revalued at Mark-to-Market method according to Bangladesh Bank's guidelines. Such valuations are made after a specific time interval as prescribed by Bangladesh bank.</p> <p>iv <b>Nostro Accounts:</b> Nostro accounts are maintained by the Bank with various currencies and countries. These Accounts are operated by the International Division of the Bank. All Nostro accounts are reconciled on a monthly basis. The management reviews outstanding entry beyond 30 days for settlement purpose.</p> <ul style="list-style-type: none"> <li>■ <b>Equity Risk Management:</b> Equity Risk is the risk of loss due to adverse changes in the market price of equities held by the Bank. Equity Risk is managed by the following fashion: <ul style="list-style-type: none"> <li>i <b>Investment Portfolio Valuation:</b> Mark-to-Market valuations of the share investment portfolio are followed in measuring and identifying risk. Mark-to-Market valuation is done against a predetermined cut loss limit.</li> <li>ii <b>Diversified Investment to minimize Equity Risk:</b> IFIC minimizes the Equity Risks by Portfolio diversification as per investment policy of the Bank.</li> </ul> </li> </ul> <p><b>Margin Accounts are monitored very closely:</b> Where Margin loan is allowed, security of investment, liquidity of securities, reliability of earnings and risk factors are considered and handled professionally.</p>
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#### Quantitative Disclosures

(b)	The capital requirements for:	<i>In Million BDT</i>
	■ Interest rate risk	Nil
	■ Equity position risk	540.04
	■ Foreign exchange risk	1.86
	■ Commodity risk	Nil

#### H) OPERATIONAL RISK

(a)	Views of BOD on system to reduce Operational Risk	IFIC Bank manages its operational risk by identifying, assessing, monitoring, controlling and mitigating the risk, rectifying operational risk events and implementing any additional procedures required for compliance with regulatory requirements. Operational risk management responsibilities are assigned to the senior management. Internal auditors are assigned for recording, identification and assessment of operational risks and to prepare reports for the Audit Committee.
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		<p>Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputation risk. It is inherent in every business organization and covers a wide spectrum of issues. The Board of Director (BOD) of the Bank and its Management firmly believe that this risk through a control based environment in which processes are documented, authorization is independent and transactions are reconciled and monitored. This is supported by an independent program of periodic reviews undertaken by internal audit, and by monitoring external operational risk events, which ensure that the group stays in line with industry best practice and takes account of lessons learned from publicized operational failures within the financial services industry.</p> <p>The BOD has also modified its operational risk management process by issuing high level standards, supplemented by more detailed formal guidance. This explains how the bank manages operational risk by identifying, assessing, monitoring, controlling and mitigating the risk, rectifying operational risk events, and implementing any additional procedures required for compliance with local regulatory requirements. The Bank maintains and tests contingency facilities to support operations in the event of disasters. Additional reviews and tests are conducted in the event that any branch of the bank is affected by a business disruption event, to incorporate lessons learned in the operational recovery from those circumstances. Plans have been prepared for the continued operation of the bank's business, with reduced staffing levels.</p> <p>Operational risk loss data are collected and reported to the senior management. Identifying, monitoring and recording of fraud, irregularities, unauthorized works, system breakdown, etc. are done by the Management and details of the untoward incidents are reported to the Bank's Audit Committee.</p>
	<p>Performance gap of executives and staffs</p>	<p>Human Resources Development is focused on recruitment and in-house training for both on the job and off the job Bank staff members through the Bank's Academy. IFIC Bank Training Academy, the oldest institution in the private sector, was conceived of as an in-house training center to take care of the training needs of the Bank internally. The academy is fully equipped with a professional library, modern training aids and professional faculty. The library has a huge number of books on banking, economics, accounting, management, marketing and other related subjects. 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 need. Frequently outreach programs are organized to meet demand for new and specialized skills.</p>

	<p>During its many years of existence, the Academy not only conducted courses, workshops and seminars as required by the Bank, but it also organized training programs for the Bank of Maldives, Nepal Bangladesh Bank Limited and Oman International Exchange LLC. In addition, the Academy has also the credit of organizing system of Bank of Maldives. In addition to conducting courses internally, The 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. The Academy also re-designs its courses, programs, etc., regularly to meet the requirement of new skills arising out of various directives, guidelines of the Central Bank and significant changes in the banking sector from time to time.</p> <p>Performance goals are most often attained by executives and staffs with a few exceptions. Every organization needs to effectively manage its human resources to get the maximum contribution from its employees.</p>
Potential external events	<p>Losses from external events, such as a natural disaster that damages a firm’s physical asset or electrical or telecommunications failures that disrupt business, are relatively easier to define than losses from internal problems, such as employee fraud and product flaws. It is needless to say that there are certain risk factors which are external in nature and can affect the business of the Bank. The factors discussed below can significantly affect the business:</p> <ul style="list-style-type: none"> <li>■ <b>External rules and regulations:</b> Potential for actual or opportunity loss due to failure to comply with laws or regulations, or as a result of changes in laws or regulations or in their interpretation or application.</li> <li>■ <b>Damage to assets:</b> Potential for loss or damage to physical assets and other property from natural disaster and other events.</li> <li>■ <b>Safety and security:</b> Potential for loss or damage to health or safety of staff, customers or third parties arising from the effects of external events.</li> <li>■ <b>External financial crime:</b> Potential for loss due to criminal acts by external parties such as fraud, theft and other criminal activity.</li> <li>■ <b>Political condition and general business:</b> IFIC’s performance greatly depends on the general economic conditions of the country. The effect of recession is still unfolding which may result to slow down in business environment. Political stability is must for growth in business activities.</li> <li>■ <b>Credit quality of borrowers:</b> Risk of deterioration of credit quality of borrowers is inherent in banking business. This could result due to the global economic crisis and supply side distortion. The changes in the import prices affected the commodity sectors and ship breaking industry. A deterioration in credit quality requires provisioning.</li> <li>■ <b>Basel-III implementation:</b> Basel-III is fully effective from 2015 and IFIC needs to be complied with respect to credit risk management, its supervision and establishment of effective internal control. The grading of the borrowers and its link with the capital required may slow down the credit expansion. The establishment of effective control requires more investment in technology and operating expenses are likely to increase.</li> </ul>

	<ul style="list-style-type: none"> <li>■ <b>Equity markets Volatility:</b> The Bangladesh Securities and Exchange Commission and the stock exchanges improved their supervisory role, but the equity market is still volatile. If volatility continues it is likely to affect the performance of the bank.</li> <li>■ <b>Changes in market conditions:</b> Changes in market conditions, particularly interest rates on deposits and volatility in the foreign exchange market are likely to affect the performance of the bank. Depositors are becoming increasingly price sensitive and any unilateral upward change by a bank will exert pressure on the interest rate structure of the banking sector. It is feared that wage earners remittances may decline due to fall in job opportunity in international market. Unless offset by export performances, there may be pressure in the foreign exchange market.</li> <li>■ <b>The litigation risk:</b> In the ordinary course of business, legal actions, claims by and against the bank may arise. The outcome of such litigation may affect the financial performance of the bank.</li> </ul>
Policies and processes for mitigating operational risk	The Operational Risk Management Policy adopted by the Bank outlines organizational structure and detailed processes for management of operational risk. The basic objective of the policy is to closely integrate operational risk management system into day-to-day risk management process of the bank by clearly assigning roles in effectively identifying, assessing, monitoring and controlling and mitigating operational risk. Operational risks in the Bank are managed through a comprehensive and well-articulated internal control frameworks.
Approach for calculating capital charge for operational risk	<p>The Bank follows the Basic Indicator Approach (BIA). The BIA stipulates the capital charge for operational risk is a fixed percentage, denoted by <math>\alpha</math> (alpha) of average positive annual gross income of the Bank over the past three years. It also states that if the annual gross income for any year is negative or zero, that should be excluded from both the numerator and denominator when calculating the average gross income. The capital charge for operational risk is enumerated by applying the following formula:</p> $K = [(GI_1 + GI_2 + GI_3) \times \alpha] / n$ <p>Where:  K = the capital charge under the Basic Indicator Approach  GI = only positive annual gross income over the previous three years (i.e., negative or zero gross income if any shall be excluded)  <math>\alpha</math> = 15 percent  n = number of the previous three years for which gross income is positive.</p> <p>Besides, Gross Income (GI) is calculated as “Net Interest Income” plus “Net non-Interest Income”. The GI is also the net result of:</p> <ol style="list-style-type: none"> <li>i. Gross of any provisions;</li> <li>ii. Gross of operating expenses, including fees paid to outsourcing service providers;</li> <li>iii. Excluding realized profits/losses from the sale of securities held to maturity in the banking book;</li> <li>iv. Excluding extraordinary or irregular items;</li> <li>v. Excluding the income derived from insurance.</li> </ol>
<b>Quantitative Disclosures</b>	
(b)	The capital requirements for operational risk: <b>BDT 1,139.18 Million</b>

## I) LIQUIDITY RATIO

Qualitative Disclosures		
(a)	Views of BOD on system to reduce liquidity Risk	<p>In line with the provisions of liquidity risk management under Basel III, Bangladesh Bank has identified the (i) Liquidity Coverage Ratio (LCR); (ii) Net Stable Funding Ratio (NSFR); and (iii) Leverage under the purview of 'Liquidity' ratio vide BRPD Circular No. 18 dated 21 December 2014 and DOS Circular No. 1 dated 1 January 2015. The Board of Directors (BOD) reviews the liquidity risk of the Bank on quarterly rest while reviewing the Quarterly Financial Statements, Stress Testing Report etc. ALM Policy Guideline approved and revised time to time by the Board of Directors.</p> <p>An overview on liquidity position and liquidity ratios are submitted annually to the BOD and the BOD approve the strategic plan for managing optimum liquidity. The Board always strives to maintain adequate liquidity to meet up Bank's overall funding need for the depositors, borrowers' requirements as well as maintain regulatory requirements comfortably.</p>
	Methods used to measure Liquidity risk	<p>The maintenance of Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) are considered as the fundamental methods/tools to measure the liquidity position/risk of IFIC Bank. However, under Basel III, the following methods and tools are mandated for measuring the liquidity risk.</p> <ul style="list-style-type: none"> <li>■ <b>Liquidity Coverage Ratio (LCR):</b> Liquidity Coverage Ratio ensures to maintain an adequate level of stock of high quality liquid assets that can be converted into cash to meet its liquidity needs (i.e. total net cash outflows) over the next 30 calendar days.</li> <li>■ <b>Net Stable Funding Ratio (NSFR):</b> Net Stable Funding Ratio aims to limit over-reliance on short-term wholesale funding during times of abundant market liquidity and encourage better assessment of liquidity risk across all on- and off-balance sheet items. The minimum acceptable value of this ratio is 100 percent, indicating that, available stable funding (ASF) should be at least equal to required stable funding (RSF). ASF consists of various kinds of liabilities and capital with percentage weights attached given their perceived stability. RSF consists of assets and off-balance sheet items, also with percentage weights attached given the degree to which they are illiquid or "long-term" and therefore requires stable funding.</li> </ul> <p>In addition to the above, following measures have been put in place to monitor the liquidity risk management position of the Bank on a continued manner: i) Asset-Liability Maturity Analysis (Liquidity profile); ii) Whole sale borrowing capacity; and iii) Maximum Cumulative Outflow (MCO). Besides, following tools are also used for measuring liquidity risk: i) Stress Testing (Liquidity Stress); and ii) Net open position (NOP) limit - to monitor the FX funding liquidity risk.</p>

Liquidity risk management system	<p>At the management level of IFIC Bank Limited, the liquidity risk is primarily managed by the Treasury Division (Front Office) under oversight of Asset Liability Committee (ALCO) which is headed by the Managing Director along with other senior management. Treasury Division (Front Office) upon reviewing the overall funding requirements on daily basis sets their strategy to maintain a comfortable/adequate liquidity position taking into consideration of Bank's approved credit deposit ratio, liquid assets to total assets ratio, asset-liability maturity profile, Bank's earning/profitability as well as overall market behavior and sentiment etc. Apart from the above, Basel Unit also monitors &amp; measures the liquidity risk in line with the Basel III liquidity measurement tools, namely, LCR, NSFR, Leverage Ratio. The unit addresses the key issues and strategies to maintain the Basel III liquidity ratios to the respective division(s) on regular interval.</p>
Policies and processes for mitigating liquidity risk	<p>The Asset-Liability (ALCO) policy leads the process &amp; procedures for mitigation of liquidity risk of IFIC Bank. ALCO works under specific Terms of References approved by the Board. Treasury Division (Front Office) and ALM desk under regular supervision of Top Management reviews the overall liquidity position of IFIC Bank and takes appropriate strategy, process in line with the industry position for managing liquidity risk of the Bank. The general liquidity risk management policies of the bank are as follows:</p> <ul style="list-style-type: none"> <li>■ To maintain CRR <ul style="list-style-type: none"> <li>i Under the surplus liquidity condition, Treasury will handle the excess liquidity by providing more loans, investing the excess liquid fund in highly marketable fixed income securities, and lending to other Banks, Financial Institutions and Reverse Repo to Central Bank.</li> <li>ii The treasury will handle the liquidity shortfall if happened with increasing the core deposit of the Bank from the depositors for supporting the loans and advances portfolio of the Bank, and borrowing from other Banks, Financial Institutions and Central Bank.</li> <li>iii The treasury will assess the level of interbank borrowing capacity and raise funds to meet liquidity from the most reliable sources.</li> </ul> </li> <li>■ To maintain SLR: Statutory Liquidity Requirement (SLR) is maintained as per directives of Bangladesh Bank from time to time by way of investment in approved securities.</li> <li>■ To maintain NOP: The treasury manages the necessary foreign currency required by the Bank by using its own intelligence and skill and they do the following trade- Spot, Forward, Swap, Other Foreign Exchange Deals by using different hedging techniques.</li> <li>■ To maintain Advance-to-Deposit Ratio (ADR): The business of the Bank is forecasted based on the current loan, investment and funding strategies, and anticipated funding need.</li> </ul>

	<ul style="list-style-type: none"> <li>■ <b>To maintain LCR:</b> Liquidity coverage is maintained by- <ul style="list-style-type: none"> <li>i Increasing investment in T-bills, BGTB, BB Bill, Reverse Repo</li> <li>ii Additional investment in Govt. Security shall be made in short/ mid/long combination to meet liquidity as well as optimize the return</li> <li>iii Balance in FC Accounts with BB to be increased</li> <li>iv Deposit from FIs and Borrowing are to be reduced and replaced by increasing Customer Deposit, and</li> <li>v Lending/Placement with FI should be more preferable than lending to others.</li> </ul> </li> <li>■ <b>To maintain NSFR:</b> Stable Funding is maintained by increasing Capital, increasing stable customer Deposits, increasing Mortgage Loan and Lending having 50% risk weight, decreasing Investment in Capital Market, and controlling growth of Fixed Assets.</li> </ul>
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**Quantitative Disclosures**

(b)	<i>In Million BDT</i>
Liquidity Coverage Ratio	101.17%
Net Stable Funding Ratio (NSFR)	104.80%
Stock of High quality liquid assets	35,078.28
Total net cash outflows over the next 30 calendar days	34,673.32
Available amount of stable funding	138,491.31
Required amount of stable funding	132,150.45

**J) LEVERAGE RATIO**

**Qualitative Disclosures**

(a)	Views of BOD on system to reduce excessive leverage	<p>An underlying cause of the global financial crisis was the build-up of excessive on- and off-balance sheet leverage in the banking system. In many cases, banks built up excessive leverage while apparently maintaining strong risk-based capital ratios. The BOD of IFIC Bank manages leverage risk and are conscious to address the risk of excessive leverage in a precautionary manner by taking due account of potential increases in the risk of excessive leverage caused by reductions of the bank's own funds through expected or realized losses, depending on the applicable accounting rules. The BOD primarily views on the growth of On and Off balance sheet exposures commensurate with its expected capital growth so that the excessive leverage is reduced. Within the On-balance components, again, the Board emphasizes on the growth of the prime component i.e. the loans and advances and maintaining good asset quality so as to maximize the revenue as well as the capacity to generate capital internally (in the form of retained earnings) to trade-off the excessive leverage supposed to be caused by asset growth.</p>
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Policies and processes for managing excessive on and off-balance sheet leverage	<p>In order to avoid building-up excessive on- and off-balance sheet leverage in the banking system, a simple, transparent, non-risk based leverage ratio has been introduced by the Basel Committee. A minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements. The leverage ratio is intended to achieve the following objectives- (a) constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy, and (b) reinforce the risk based requirements with an easy to understand and a non-risk based measure. Predominantly, Bank's policy is to maintain the Leverage Ratio well above the regulatory requirement. To this end, the striking components of balance sheet, namely, the deposits &amp; borrowing, loans &amp; advances, other liquid assets (treasury bills, bonds, fund placements) are analyzed. Measures are taken to contain the growth of overall size of balance sheet considering short term outlook of the industry indicators as well as possible growth of equity (Tier 1 capital) of the Bank on quarterly rest. With regard to managing the excessive leverage, the regulatory stance through the monetary policy initiatives i.e. the scope of expected business potential (growth), estimated money supply, inflation, resulting the estimated overall liquidity of the industry as well as the Bank in particular is also considered.</p>
Approach for calculating exposure	<p>The Bank follows the accounting measure of exposure for the leverage ratio. In order to measure the exposure consistent with financial accounts, the Bank applies following:</p> <ul style="list-style-type: none"> <li>i On balance sheet, non-derivative exposures will be net of specific provisions and valuation adjustments.</li> <li>ii Physical or financial collateral, guarantee or credit risk mitigation purchased is not allowed to reduce on-balance sheet exposure.</li> <li>iii Netting of loans and deposits is not allowed.</li> </ul> <p><b>The formula for Leverage Ratio is as follows:</b></p> $\text{Leverage Ratio} = \frac{\text{Tier-1 Capital (considering all regulatory adjustments)}}{\text{Total Exposure}}$ <p>Where, Tier-1 Capital (considering all regulatory adjustments)  = On-Balance Sheet Exposure + Off-Balance Sheet Exposure - Total Deduction from On and Off-Balance Sheet Exposure/Regulatory adjustments made to Tier 1 capital</p> <ul style="list-style-type: none"> <li>■ <b>On-Balance Sheet Items:</b> The Bank includes items using its accounting balance sheet for the purposes of the leverage ratio. Total On balance sheet exposure can be derived by deducting 'Total Specific Provision' from 'Total On-Balance Sheet Assets'.</li> </ul>

		<ul style="list-style-type: none"> <li>■ <b>Off-Balance Sheet Items:</b> The Bank calculates the off-balance sheet (OBS) items specified in Credit Risk chapter (Table 12) of 'Guidelines on Risk Based Capital Adequacy (RBCA) - Revised Regulatory Capital Framework for banks in line with Basel III' under the section of "Risk Weights Off-Balance Sheet Exposure" by applying a uniform 100% credit conversion factor (CCF). For any commitments that are unconditionally cancellable at any time by the bank without prior notice, a CCF of 10% is being applied.</li> </ul>
<b>Quantitative Disclosures</b>		
(b)		<i>In Million BDT</i>
	Leverage Ratio	5.80%
	On balance sheet exposure	177,328.16
	Off B/S exposure	17,474.09
	Total exposure	193,812.38

## K) REMUNERATION

<b>Qualitative Disclosures</b>		
(a)	Information relating to the bodies that oversee remuneration.	
	Name, composition and mandate of the main body overseeing remuneration.	The Board of Directors sets the remuneration structure. Based on approval of pay package from the Board, Human Resource Management Division disburses remuneration centrally which is supervised by the Management.
	External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.	No external body/consultants is involved yet whose advice has been sought. For market research, external data are collected informally while setting remuneration structure.
	A description of the scope of the bank's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.	Bank's remuneration policy governs the IFIC Bank Ltd, IFIC Securities Ltd. for employees regardless of cost centers/business lines. Separate remuneration package is practiced in case of foreign subsidiaries.
	A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.	Generally MANCOM members or Strategic Management Team (SMT) members are considered as material risk takers and the grade of Senior Vice President (SVP) and above are considered as senior managers.

(b)	<p>Information relating to the design and structure of remuneration processes.</p> <p>An overview of the key features and objectives of remuneration policy.</p> <p>Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made.</p> <p>A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.</p>	<p>The remuneration structure of the Bank is primarily designation wise range based which is designed to be market competitive to attract and retain talents. It is directly linked to the annual performance of an employee. Based on annual performance rating of the employees, yearly increment (Inflationary adjustment &amp; Performance Pay) is given to the employees. For example, in case of outstanding rating, basic salary may be increased by 8 percent and in case of Good rating, basic salary may be increased by 6 percent.</p> <p>There is no specific remuneration committee to review the policy. Since the remuneration structure is linked to performance, management of the Bank decides every year to adjust the pay structure with national inflation and individual performance to make it more market competitive with the approval of the Board of Directors. In 2015, 5 percent Basic salary was enhanced due to national inflation and 2% - 5% salary enhancement was done based on individual performance.</p> <p>Employees' remuneration is fully co-related with individual performance. At the beginning of the year, mutually agreed business targets/objectives are set for each employee irrespective of place of posting or cost center and end of the year employee performance is evaluated by immediate supervisor. The evaluation process is overviewed by "Performance Evaluation Review Committee". Hence, a fair performance evaluation is ensured that risk and compliance employees are remunerated independently of the businesses they oversee.</p>
(c)	<p>Description of the ways in which current and future risks are taken into account in the remuneration processes.</p> <p>An overview of the key risks that the bank takes into account when implementing remuneration measures.</p> <p>An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure (values need not be disclosed).</p> <p>A discussion of the ways in which these measures affect remuneration.</p> <p>A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.</p>	<p>The business risk including credit/default risk, compliance &amp; reputational risk are mostly considered when implementing the remuneration measures for each employee/group of employee. Financial and liquidity risks are also considered.</p> <p>Performance based remuneration is a justified way to ensure equity in remuneration. The motto of "Performance Based Remuneration" is to attract talented &amp; skilled workforce, increase employee motivation, productivity and reduce employee turnover.</p> <p>While evaluating the performance of each employee annually, all the financial and non-financial indicators as per pre-determined set criteria are considered; and accordingly the result of the performance varies from one to another and thus affect the remuneration as well.</p> <p>The performance based pay package is offered to the suitable employees based on individual performance from the year 2015. This system has been introduced to motivate the talented staff and to attract the suitable resources.</p>

(d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	
	An overview of main performance metrics for bank, top-level business lines and individuals.	Based on Key Performance Indicators (KPI) for the Bank, Management segregates the target to the individual branches and division which ultimately helps in setting individual KPI at branch and head office level. The most common KPIs are the achievement of loan, deposit and profit target with the threshold of NPL ratio, cost-income ratio, cost of fund, yield on loans, provision coverage ratio, capital to risk weighted asset ratio (CRAR), ROE, ROA, liquidity position (maintenance of CRR and SLR) etc.
	A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance.	As part of yearly increment, performance pay (Individual performance & bank's performance) is adjusted through giving certain percentage load on basic salary to the eligible employees in addition to inflationary adjustment.
	A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak.	In case of weak performance, the amount of yearly increment will not insignificant. For instance, inflationary adjustment is given for 'average' and 'above average' rating but nothing is adjusted for 'below average' rating.
(e)	Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance.	
	A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance.	In case of deferred benefits, gratuity amount is relatively increased with longer period based on service tenure. Additionally, provident fund amount is also affected positively with the cumulative interest applied on the fund balance.
	A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through clawback arrangements.	Not applicable.
(f)	Description of the different forms of variable remuneration that the bank utilises and the rationale for using these different forms.	
	An overview of the forms of variable remuneration offered (ie cash, shares and share-linked instruments and other forms.	Variable remuneration is offered in case of yearly increment application. Moreover, bonus may be variable based on approval from the Board.

	A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees), a description the factors that determine the mix and their relative importance.	No other variable remuneration except yearly increment which is done based on performance.
<b>Quantitative Disclosures</b>		
<b>The quantitative disclosures detailed below covers only senior management and other material risk takers.</b>		
(g)	Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.	N/A*
(h)	Number of employees having received a variable remuneration award during the financial year.	32
	Number and total amount of guaranteed bonuses awarded during the financial year.	02 Festival Bonuses for each BDT 12.00 Million
	Number and total amount of sign-on awards made during the financial year.	Nil
	Number and total amount of severance payments made during the financial year.	Nil
(i)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	<b>In Million BDT</b> Cash 65.30 Shares Nil Share-linked instruments Nil Other forms Nil
	Total amount of deferred remuneration paid out in the financial year.	29.00
(j)	Breakdown of amount of remuneration awards for the financial year to show: <ul style="list-style-type: none"> <li>■ fixed and variable. 272.90</li> <li>■ deferred and non-deferred. 12.20</li> <li>■ different forms used (cash, shares and share linked instruments, other forms). Nil</li> </ul>	
(k)	Quantitative information about employees' exposure to implicit (eg fluctuations in the value of shares or performance units) and explicit adjustments (eg clawbacks or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:	
	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	Not applicable
	Total amount of reductions during the financial year due to ex post explicit adjustments.	Not applicable
	Total amount of reductions during the financial year due to ex post implicit adjustments.	Not applicable

\* Management generally oversees remuneration on monthly basis.

**Annexure – I: Rate of general and specific provision for loans and advances as per Bangladesh Bank guideline**

Category of Loans & Advances	Rate (%) of provision
<b>General Provision-for Unclassified</b>	
<i>Loans and advances (excluding SMA)</i>	
Small and medium enterprise	0.25%
House building loan and loan for professional	2.00%
Loans to BHs/MBs/SDs share etc.	2.00%
Consumer Finance	5.00%
Short Term Agri. Credit and Microcredit	2.50%
Staff Loan	0.00%
All other unclassified loans	1.00%
<i>Special Mention Account (SMA)</i>	
Small and medium enterprise	0.25%
House building loan and loan for professional	2.00%
Loans to BHs/MBs/SDs share etc.	2.00%
Consumer Finance	5.00%
Short Term Agri. Credit and Microcredit	2.50%
Staff Loan	0.00%
All other unclassified loans	1.00%
<i>Off-shore banking unit</i>	
Unclassified loans	1.00%
Special mention account	
<b>Specific provision-for Classified</b>	
Sub-standard	20.00%
Sub-standard- Short term Agri. Credit	5.00%
Doubtful	50.00%
Doubtful- Short term Agri. Credit	5.00%
Bad/loss	100.00%
<b>Particulars of required provision on Off-balance Sheet Exposure</b>	
Acceptances and endorsements	1.00%
Letters of guarantee	1.00%
Irrevocable letters of credit	1.00%
Bills for collection	1.00%

**Annexure – II: Total gross credit risk exposures broken down by major types of credit exposure**

Particulars	Million BDT
Claims on Corporate	39,717.59
Claims on Banks and NBFIs	9,213.31
Claims fully secured by Commercial real estate	2,168.36
Claims fully secured by residential property	26,472.33
Claims categorized as retail portfolio & SME	12,640.94
Claims on Bangladesh Government and Bangladesh Bank	23,627.17

Particulars	Million BDT
All other assets	8,015.84
Claims under Credit Risk Mitigation	7,579.34
Past Due Claims	8,044.80
Investments in premises, plant and equipment and all other fixed a	3,244.88
Claims on OBU	2,042.39
Capital Market Exposure	3,694.75
Cash	1,648.73
Claim on all fixed assets under operating leases	474.15
Consumer Loan	455.00
Claims on Public Sector Entities	20.00
Unlisted Equity Investment	161.64
<b>Total</b>	<b>149,221.22</b>

**Annexure-III: Geographical distribution of exposures, broken down into significant areas by major types of credit exposure**

Particulars	Million BDT
Dhaka Division	95,187.26
Chittagong Division	16,068.89
Sylhet Division	883.82
Rajshahi Division	5,369.26
Khulna Division	2,930.92
Barisal Division	463.87
Rangpur Division	2,364.65
<b>Total</b>	<b>123,268.67</b>

**Annexure-IV: Industry or counterparty type distribution of exposures, broken down by major types of credit exposure**

Particulars	Million BDT
Agriculture Industries	2,002.89
Jute Industries	1,296.30
Textile Industries	8,118.84
Garments Industries	18,336.36
Chemical and Chemical Products	372.24
Cement Industries	367.85
Bricks & Ceramic	887.34
Food Products & Processing	1,228.06
Engineering & Metal	5,593.86
Drugs & Pharmaceuticals	934.86
Hospital & Clinics	125.36
Paper & Paper Products Industries	296.10
Other Small Industries	11,498.32
IT Sector	3,243.00
Other Service Industries	4,890.00

Particulars	Million BDT
Trade & Commerce	26,272.75
IFIC Securities Ltd.	1,295.38
Transport	895.57
Construction Firms/Companies	4,546.53
Housing Societies/Companies	9,908.21
Cold Storage	89.28
Non-Banking Financial Institutions	700.05
Consumer Finance	6,238.51
Energy	4,972.75
Telecommunication	5,525.09
Others	3,633.17
<b>Total</b>	<b>123,268.67</b>

**Annexure-V: Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure**

Particulars	Million BDT
On demand	3,830.16
Up to 1 month	2,317.26
Over 1 month but not more than 3 months	2,054.61
Over 3 months but not more than 1 years	3,254.11
Over 1 year but not more than 5 years	2,480.11
Over 5 years	9,345.01
	<b>114,236.13</b>
Bill purchased and discounted	9,032.54
<b>Total</b>	<b>123,268.67</b>

**Annexure-VI: Impaired/ Classified loans**

Major industry/sector type	(Million BDT)	
	Outstanding	Mix (%)
Agriculture Industry	13.00	0.2
Small & Medium Enterprises (SME)	4,132.20	51.9
RMG Sector	536.40	6.7
Textile Mills	324.00	4.1
Ship Breaking Industry	870.30	10.9
Other Manufacturing Industry	106.60	1.3
Construction Sector	175.20	2.2
Commercial Real Estate Financing	104.10	1.3
Residential Estate Financing	153.10	1.9
Transport, Storage & Communication	407.00	5.1
Trade Service	686.00	8.6
Consumer Credit	195.00	2.4
Others	259.20	3.3
<b>Total</b>	<b>7,962.10</b>	<b>100.0</b>



(In Million BDT)

Major Counterparty Type	Status-wise amount of impaired/ classified loans			Total
	Substandard	Doubtful	Bad/Loss	
Continuous Loan	182.00	473.90	2,325.10	2,981.00
Demand Loan	493.90	7.90	121.60	623.40
Term Loan	208.20	799.75	2,992.94	4,000.89
Other Loan	324.76	0.80	31.20	356.76
<b>Total</b>	<b>1,208.86</b>	<b>1,282.35</b>	<b>5,470.84</b>	<b>7,962.05</b>

### Annexure-VII: Interest Rate Risk in the banking book

Particulars	Million BDT		
Total Risk Sensitive Assets	98,308.60		
Total Risk Sensitive Liabilities	76,890.60		
<b>Cumulative Gap</b>			
< 3months	12,005.20		
3-6 months	18,296.00		
6-12 months	21,418.00		
CAR before Shock (%)	10.07%		
Assumed Change in Interest Rate (%)	<b>1%</b>	<b>2%</b>	<b>3%</b>
<b>Net Interest Income and Repricing impact (%)</b>			
CAR after Shock (%)	9.86%	9.65%	9.45%



REPORT ON  
SUSTAINABLE FINANCE  
(GREEN BANKING)

## SUSTAINABLE FINANCE (GREEN BANKING) PERFORMANCE IN 2015:

### Green Banking Initiatives

As per the instruction of Bangladesh Bank, the Annual Direct Green Finance Target for the year 2015 was set for BDT 750.00 million. As against the given disbursement target, BDT 645.70 million was disbursed which is **86% of the target**. Our Green Banking activities cover multi-dimensional areas including both In-house Environment Management and undertaking Green Financing towards supporting a Green Economy.

#### Green Finance of the Bank at a glance:

Product	Amount financed during the year 2015 (Fig. in BDT million)
Domestic Bio Gas	17.06
Vermin Compost	0.25
Improved Zigzag	7.50
Conversion to Zigzag	5.00
ETP installation	6.00
Green Industry	515.37
Fire Fighting & Safety Equipment	93.89
<b>Total</b>	<b>645.07</b>

### Bank has financed largest Green Industry in Bangladesh :

M/s. Plummy Fashion Ltd. is the first Green Knitwear Composite Industry of Bangladesh, located at Narayanganj, which is constructed under the guideline of US Green Building Council (USGBC), and awarded a



**Leadership In Energy & Environmental Design (LEED) platinum certification.** IFIC Bank has financed BDT 315.37 million for construction of this Green Industry project having a total area of 53,000 sft.

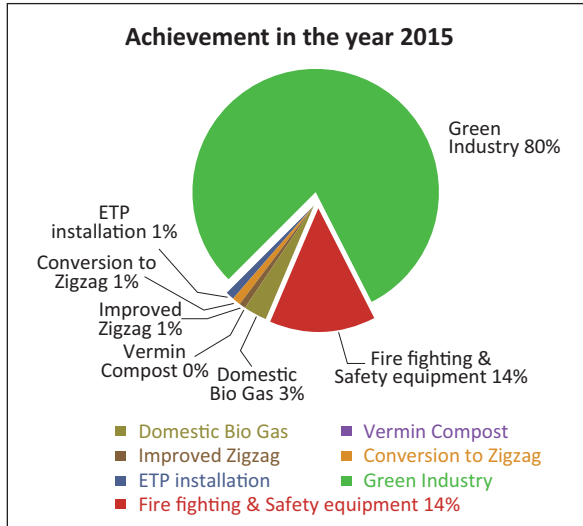
#### Steps to Improve In-house Management :

IFIC Bank has adopted various strategies to improve In-house Management by way of introducing/ practicing the following initiatives:

- Introduced **Go Green flyer** for our customers in order to make them aware of using different ADC services so that they can view their account

balance, transaction details, download & access to transaction history, view balance enquiry, various rates of Deposits & Foreign Exchange, various products of the bank, branch location etc. which will save time, paper & money.

- The Bank is heading towards paperless banking.



### Setting-up of Green Branches and ATMs:

During the year 2015, a **Green ATM Booth** was inaugurated at Jessore. The Bank, now, has a total of 12 (twelve) numbers of branches equipped with solar panel for renewable energy, energy saving bulbs etc. which are designated as **Green Branches**.



### Green Events:

- To create awareness about preservation/maintenance of environment, among the students/ dwellers of a locality, a program was organized at Dhaka Residential Model School on the **"Earth Day"** i.e. 22<sup>nd</sup> April, 2015.
- Distributed saplings of 300 Neem Trees, amongst the local people & employees of Lalmatia Mohila College, to encourage planting of more trees at residence, roof-top & balconies on **5<sup>th</sup> June, 2015**, to observe the **"World Environment Day"**.

## Supporting Employee Training & Awareness Program:

To create awareness among the employees on environmental and Green Banking issues as well as familiarising them with the new Green Products, the SME Division arranged training programs at Khulna, Sylhet areas & different branches like Motijheel, Uttara of Dhaka City during the year 2015.

## Future Planning :

- To achieve the overall loan disbursement **target of Green Finance for BDT 822.15 million** during the year 2016 having a growth target of 25% over the position of last year.
- In order to achieve the huge Green Finance target, SME Division will focus on and put their very best to accelerate financing in RMG/Textile/Backward linkage sectors through installation of Fire-fighting & Safety Equipments, Green Industry & ETP/ Central ETP, Waste Heat Recovery project etc.
- Emphasis will be given on PPG based financing to increase the growth of Domestic Bio-Gas, Commercial Bio-Gas and Vermin Compost sectors, and to create new clusters.
- Designing new loan products to cover the growing need/demand of renewable energy and environment-friendly sectors under Bangladesh Bank Refinance Scheme.
- To create awareness (through Workshop/training) among the Branch Managers & credit officials of urban/semi-urban branches having a sizeable investment in Garments/Textiles, Knitting & Backward linkage industries for exploring new investment in various products of renewable energy and environment-friendly sectors.

## Report on Financial Inclusion

In order to bring the millions of unbanked people under banking services, IFIC Bank has taken various steps under its Financial Inclusion program, which are mentioned below:-

## Introduction of 10 Taka Savings Account :

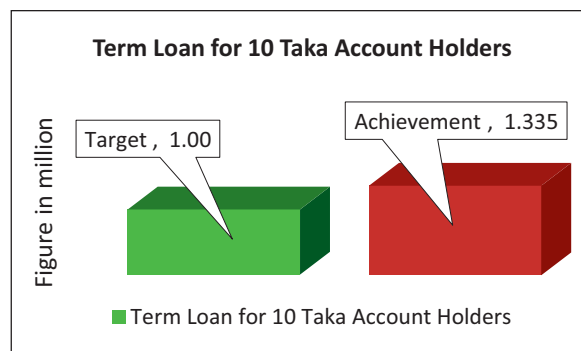
In order to comply with the instruction of Bangladesh Bank, a total of 270 nos. of 10 Taka Savings Account was opened by the Farmers, Garments Workers, Micro-traders & low-income professionals with the rural branches of the Bank during the year 2015.

## Term Loan for 10 Taka Account Holders:

As per Bangladesh Bank's instruction, BDT 1.33 million was financed by the Bank through the rural branches. Performance position for the year 2015 is furnished below:

## Events :

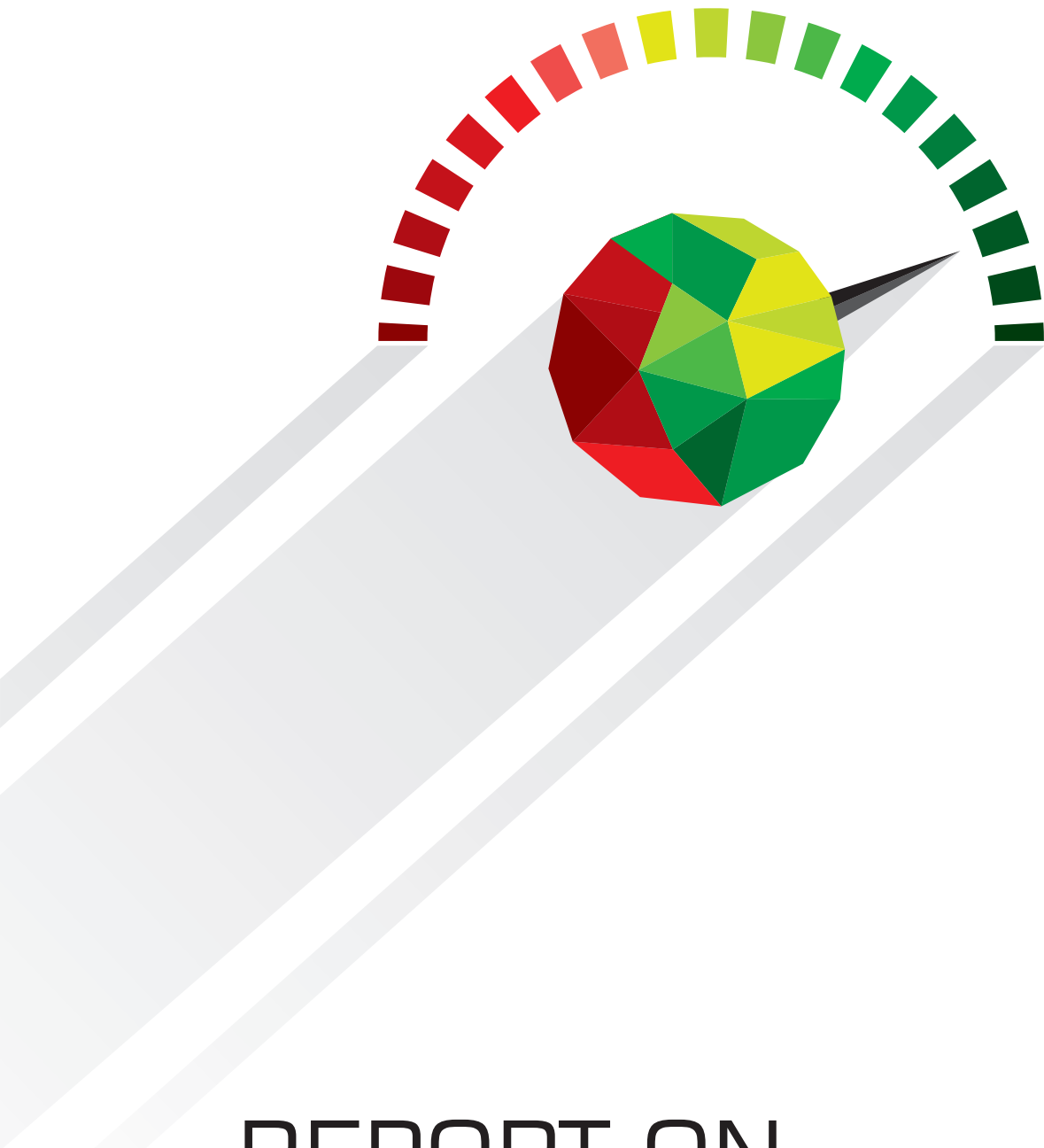
- With the presence of high officials of Bangladesh Bank, a Financial Literacy & loan disbursement program was organized at the Ashuganj Branch on August 20, 2015.
- Distributed tube-wells among the former enclave-dwellers at Debigongj, Panchagarh areas as part of CSR activities.



## Future Planning :

- To achieve the disbursement Target of Term Loan, as set by Bangladesh Bank, for 10 Taka Account Holders during the year 2016.
- To arrange 03(three) Financial Literacy and Loan Disbursement Programs.
- To arrange opening of 10 Taka Account for the workers/payroll employee(s) of various private/public organizations, and to provide Mobile Banking Services like payment of their salary through Mobile banking operation.





# REPORT ON RISK MANAGEMENT

## REPORT ON RISK MANAGEMENT

Effective Risk Management is fundamental to the business activities of the Bank. We are committed to maximize our shareholders wealth by implementing and growing our business activities within our board determined risk appetite, we are careful of achieving this objective in line with the interests of all stakeholders. The prime objective of risk management is to appropriately balance between risk and reward in our business and IFIC Bank faces a variety and wide range of risks in its day to day business operation, it handles risk judiciously to ensure optimum return on asset and equity. Risk management is at the core of the operating structure of the Bank. Managing risk prudently and efficiently to ensure profitability, capital adequacy and liquidity in a balanced manner is the main concern of the Bank. Risk management strategy proactively identifies measures, mitigates and monitors risks that arise at the transaction level as well as portfolio level to ensure optimum utilization of capital. Functionally the risk management process is accomplished at the strategic level, the managerial level and operational level.

At the strategic level, the Risk Management Committee (RMC) of the Board approves risk governance structures & risk philosophy, endorses risk strategies, reviews and risk policies as well as the threshold limits of risks to be taken in line with the bank's risk appetite. These limits are continuously monitored by an experienced risk management team and overseen by the RMC of Board. At the Board level, policies and strategies formulated by the BOD are implemented by middle management devoted to risk reviews. The operational level encompasses in the line of risk management where risks are actually created, such as the front office of forex, treasury, general banking or at the credit desk of the bank.

### Risk Management Process

IFIC Bank's risk management process is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures for risk management are time to time set by the management and the Board of Directors has oversight on all the risks management activities of the bank. To facilitate focused oversight of various risks Specific Committees have been constituted.

Managing of risks consists of the following five processes:

- Risk Identification
- Risk Measurement

- Risk Aggregation
- Planning; and
- Controlling & Monitoring

**Risk Identification:** Risk identification is a vital part for the banks. The process of managing risk of the bank starts with the identification of potential risks. Hence, risk identification can start with the source of our exposures. Risk sources may be internal or external to the system that is the target of risk management. Typically, IFIC distinguishes the following risk categories:

- Credit Risk;
- Foreign Exchange Risk;
- Anti Money Laundering Risk;
- Asset – Liability Management Risk;
- Internal Control & Compliance Risk;
- Information & Communication Technology Risk;
- Other risks.

**Risk Measurement:** Risks are measured in order to determine their impact on the bank's profitability and capital. All types of risks are consistently assessed as an essential prerequisite for effective risk management.

**Risk Aggregation:** When aggregating risks, it is important to take into account correlation effects which cause a bank's overall risk differing from the sum of the individual risks. This applies to risks both within a risk category as well as across different risk categories.

Further, approach to manage risks at transaction level – i.e. when business transactions are undertaken – and at aggregate level – i.e. sum of all transactions undertaken at all branches – whether they differ or concur.

**Planning:** IFIC Bank's overall risk position is planned in a well organized manner. Risks are actively managed and controlled based on that plan.

**Controlling & Monitoring:** Moreover, all the risks are properly controlled and monitored to check whether the risks actually incurred lie within the prescribed limits, thus ensuring the Bank's capacity to bear those risks.

### Different Committees for Risk Management of the Bank:

The Bank has committees for risk management such as:

- Management Committee
- Credit Committee
- Asset Liability Committee (ALCO),



- Risk Management Committee of Management
- Risk Management Committee of the Board;

The Committees regularly meet to review the market, credit, liquidity, interest rate, equity price and different risks related factors and recommend vis-a-vis implement appropriate measures to counter associated risks. Appropriate internal control measures are also in place to minimize the operational risks.

IFIC Bank is complying fully with Basel III standards as per approaches chosen by the Central Bank for implementation of Basel III accord in Bangladesh. To strengthen capital and liquidity rules with the goal of promoting a more resilient banking sector, the Bangladesh Bank issued a Guideline on Risk Based Capital Adequacy in line with Basel III dated September, 2014 which is effective from January, 2015 for Banks for liquidity risk measurement, standards and monitoring". The objective of the reforms is to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spillover from the financial sector to the real economy. Bangladesh Bank also aims to improve risk management and governance as well as strengthen banks' transparency and disclosures.

### **Risk Management Division (RMD) of the Bank**

The Bank has an independent Risk Management Division to review and monitor continuously the Banks' Risk Management policies, methodologies, guidelines and procedures for risk identification, measurement and acceptance level of risk. Various analyses including Value at Risk (VaR) analysis are done. Stress testing is being conducted on a regular basis.

#### **The Risk Management Division is responsible to ensure the following:**

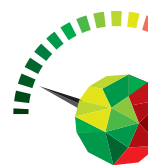
- Serving as secretariat of Risk Management Committee of the Management
- Development/review of risk management policies, methodologies, guidelines, and procedures for risk Identification, risk measurement, risk monitoring, determining acceptance level of risk, risk controlling in line with the guidelines provided by Bangladesh Bank.
- Review and update of all risks in a systematic basis as necessary at least annually, preferably twice a year, ensuring that adequate control exists and that the related returns reflect these risks and the capital allocated to support them.
- Setting of portfolio objectives and tolerance

limits/parameters for each of the risks.

- Establishment of strategies and different models consistent with risk management policy based on IT policy and in house IT support which can measure, monitor and maintain acceptable risk level of the Bank.
- Development of Management Information System (MIS) inflow process and data management capabilities to support the Risk Management functions of the Bank.
- Highlighting of risky portfolios and deficiencies of the Bank in timely manner with recommendations and suggestions.
- Analyzing data/information through preparation of Risk Management Paper and place before the Risk Management Committee for submission to Bangladesh Bank on a regular basis.
- Identifying, evaluating/measuring, controlling & monitoring of major risks in line with Risk Management guidelines provided by Bangladesh Bank.
- Reviewing of the assessment of Risk Based Capital Adequacy and oversee the capital management functions of the Bank as per Basel III Accord.
- Identifying, assessing and quantifying of key transaction risks inherent in a given transaction to ensure that the quality of the assumptions are tested against due diligence carried out by different operational business units.
- Reviewing of market conditions and recommending taking precautionary measures towards facing abnormal market situation & vulnerability of investments of the Bank.
- Analyzing of the bank's own resilience capacity towards facing financial difficulties of the Bank.
- Undertaking/reviewing of periodic Stress Testing as per Bangladesh Bank Guidelines.
- Reviewing of the Bank's risk rating systems to ensure that they are fit for the purpose and adequately utilized to control risk in the Bank.
- Recommending appropriate action to mitigate any other risk through the Risk Management Committee or to the top management of the bank.

### **Reporting by Risk Management Division**

REPORT TO RISK MANAGEMENT COMMITTEE/SENIOR MANAGEMENT: Risk Management Division prepares monthly and half yearly Risk Management Report comprising credit risk, market risk, liquidity risk, operational risk, reputational risk, compliance risk,



money laundering risk & other risks and place before the Risk Management Committee of the Management as well as senior management with necessary recommendations to mitigate the risks of the bank.

**Report to Risk Management Committee (RMC) of the Board of directors:** RMD prepares monthly and half yearly Risk Management Report by identifying, assessing and measuring of various risks (core risks and other risks) of the bank, industry analysis, market share analysis, etc and place before the RMC of the Board of Directors.

**Report to Bangladesh bank:** Risk Management Division prepares monthly and half yearly Risk Management Report comprising credit risk, market risk, liquidity risk, operational risk, reputational risk, compliance risk, money laundering risk & other risks and submits the Paper with the minutes of RMC meeting to Bangladesh Bank on monthly and half yearly basis. Stress Testing Report is submitted to Bangladesh Bank on quarterly basis.

### **Risk Management Committee of the management**

IFIC has a Risk Management Committee of the Management to address the overall risk of the Bank. After identifying, assessing and measuring various risks of the bank and also highlighting the risky areas of the bank, RMD presents before the RMC of Management with proper recommendations & suggestions to take corrective actions. Basically, RMC of the Management monitors the activities of RMD and also gives direction to the concerned divisions/departments to minimize the risks. Strong monitoring and follow- up are done by RMC of Management to mitigate the overall risks of the bank.

### **Risk Management Committee of the Board**

The Bank has a Risk Management Committee of the Board. The Risk Management Committee of the Board is accountable for the overall risk supervision. This includes reviewing and approving risk management policies, risk appetite, risk exposures and limits, whilst ensuring the necessary infrastructure and resources are in place. To minimize risk while implementing the policies and business plan of the Bank, the Board has formed a Risk Management Committee as per the guidelines of Bangladesh Bank. The committee supervises whether the risk arises from credit, foreign exchange, internal control and compliance, money laundering, information technology, operation, interest rate, liquidity and other sources are identified, and measured and adequate systems are in place to minimize such risk.

## **ROLE AND RESPONSIBILITIES OF THE COMMITTEE**

### ■ **Risk Identification and Control :**

- Ensuring necessary steps to be taken to monitor and control risks.
- To ensure formulation and implementation of appropriate strategies for assessment and control.
- Monitoring ongoing risk management policies and procedures and make necessary amendments.
- Constructing independent committee at management level for compliance of instructions under risk related guidelines and supervising their activities.

### ■ **Construction of Organizational Structure :**

- To ensure adequate Organization structure for managing risk is in place.
- Supervise the set up of separate management level committees and monitor their activities relating to the six core risk guidelines issued by Bangladesh Bank.

### ■ **Analysis and Approval of Risk Management Policy:**

- To ensure annual review of risk management policies and guidelines.
- Propose amendments as necessary and send it for BOD approval.

### ■ **Storage of Data and Reporting System :**

- Review and approve the record keeping and reporting system and ensure proper use of system.
- Minute its proposal, suggestion and summary for BOD approval.

### ■ **Monitoring the Implementation of Overall Risk Management Policy :**

- Monitor proper implementation of overall risk management policies and also monitor whether proper steps taken to mitigate all risks.
- Review limit of loan approval and other limits at least once in a year.

### ■ **Other Responsibilities :**

- Quarterly reporting to BOD in short form of decisions and suggestions.
- Comply with instructions issued from time to time by controlling bodies.
- Internal and external auditors will submit the evaluation report related to irregularities as





detected by the internal and external auditors and inspectors of regulatory authorities, if the Committee thinks fit.

### Risk Appetite

Risk appetite is set by the Board and reflects shareholder aspirations within the constraints of regulatory requirements, creditor and legal obligations. Risk appetite is the level and type of risk a bank is able and willing to assume in its exposures and business activities, given its business objectives and obligations to stakeholders (depositors, creditors, shareholders, borrowers, regulators). Risk appetite is generally expressed through both quantitative and qualitative means and should be considered extreme conditions, events and outcomes. It should be started in terms of the potential impact on profitability, capital and liquidity.

The amount of risk a Bank accepts will vary from Bank to Bank depending on circumstances unique to each. Factors such as the external environment customers, business systems and policies will all influence a Bank's risk appetite.

Every year IFIC Bank sets Risk Appetite by preparing Sectoral Lending Cap which is reviewed every year, Large Loan Concentration, Geographical Concentration.

### Core Risk Management

IFIC Bank, as per guidelines of the Bangladesh Bank, has introduced risk management policies and strategies to address the following core risks:

- Credit Risk Management
- Asset Liability Risk Management
- Foreign Exchange Risk Management
- Internal Control and Compliance Risk Management
- Money Laundering Risk Management and
- Information & Communication Technology Risk Management.

### Credit Risk Management (CRM)

Credit risk is the risk of loss that may occur from the failure of any counterparty to make required payments in accordance with agreed terms and conditions and deterioration of creditworthiness. Credit risk may arise from the banking book, trading book even from non funded exposures.

Credit Risk Management Policy of the bank rests on its sound and prudent bank management culture and complies largely with industry standard, interest rate and liquidity management requirements, corporate governance principles and carries with it best practices within the banking profession.

- prudent levels consistent with the available capital.
- Ensuring top management as well as individual responsible for credit risk management has sound expertise and knowledge to take credit risk and accomplish risk management functions.

### The lending guideline of the bank covers the following:

- Industry and business segment focus including lending caps
- Types of credit facilities
- Industry and Business segment focus- grow, maintain & shrink.
- Single borrower exposure limit including syndication loans
- Discouraged business types
- Large loan -10% or more of Bank's total capital is considered and the maximum limit set according to net classified loans of the bank.
- Loan facility parameters (Loan size, tenor, margin & security etc.)
- Acceptable securities with quality and value
- Credit Risk Grading process is followed
- Insurance coverage (on goods/machineries etc financed by the bank) policy
- Loan pricing strategy
- Loan Approval process is clearly defined
- The Early Alert Reporting system is in place
- Cross border risk
- Credit assessment and credit risk grading
- Environmental Risk Rating
- NPL Account Management and Credit Recovery policy is in place.
- Audit & Inspection is done on CRM annually.

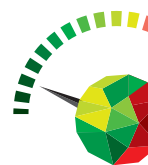
### Approval Process

The bank is operating under a dynamic approval process based on sound, well-defined granting criteria. Thorough exercise is being done for each and every case. Credit approval is also being made on case to case basis under the authority delegated by the Board.

### Credit Administration

Credit administration is an essential part of the credit risk management. This is a continuous process that support and control extension and maintenance of credit. Major functions of credit administration are:

- Ensuring of all security documentation complies with the terms of sanction
- Monitoring of appropriate insurance coverage



to protect the interest of the bank as well as the borrowers

- Controlling of loan disbursements to ensure that all the terms and conditions have been complied and all the documentation formalities have been completed before disbursement.
- Continuous monitoring of borrower's compliance with terms and conditions of the sanction as well as performance in the accounts.

In the process of evaluation and adaptation of its risk management strategy, IFIC Bank has been reviewing its CRM Policy Guideline, Lending cap, Delegation of Authority and restructured the Organogram & Corporate Risk Unit. Online loan origination process for Retail & SME products has been implemented. As per Bangladesh Bank guideline, Environmental Risk Rating is adopted in the approval process for our commitment to green banking. Creating awareness among the corporate houses dealing with our bank regarding relevance of Credit Rating for ultimate introduction of risk based pricing vis-à-vis minimizing capital requirement of the bank.

### **Credit Risk Mitigation and Control**

The bank obtains collateral against its credit exposure wherever possible as secondary recourse to the borrowers. Primary recourse remains being the cash flow of the business. The reliance on these mitigates is carefully assessed in light of issues such as legal certainty and enforceability, market valuation, and counterparty risk of the guarantor. Collateral is held to mitigate credit risk exposures and risk mitigation policies determine the eligibility of collateral types.

### **Asset Liability Risk Management**

IFIC's assets and liabilities are managed in order to maximize stakeholder's value, to enhance profitability and increase capital, to serve customer and community needs, and to protect the bank from any disastrous financial consequences arising from changes in interest rate/liquidity. The responsibility of managing the asset/liability management procedures are monitored by the Asset/Liability Management Committee (ALCO).

Asset Liability Risk Management is an integral part of risk management in a bank. There is a structured and systematic process to manage the asset liability risk as well as the Balance Sheet. 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.

A committee named Asset Liability Committee (ALCO) comprising senior management of the bank has been established to make important decisions relating to liquidity, interest rate and balance sheet management of the bank.

ALCO meeting is held once or more in every month to analyze, review and formulate strategies in order to manage the same. However, the main functions of the ALCO are:

- Ensure adequate liquidity at all times.
- Ensure adequate capital to meet business and regulatory requirements
- Diversify funding
- Manage balance sheet and ensure business strategies consistent with liquidity requirements.
- Establish asset and liability pricing policies to protect liquidity structure
- Recommend the aggregate volume of all the Bank's standby liquidity commitments
- Prepare Liquidity and Capital Plans and Contingency Funding Plans and recommend liquidity limits
- Review and approve assumptions used in Maximum Cumulative outflows and Contingency Funding Plans
- Approve revenue targets related to Earnings at Risk limits
- Comply with corporate policies on hedging capital
- Comply with all regulatory requirements and review regulatory reporting
- Establish and monitor relevant liquidity ratios and balance sheet targets
- Ensure that the Head of Treasury has the necessary support to perform his/her job.

### **Liquidity Risk Management**

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 without incurring unacceptable cost or losses. Liquidity risk is often triggered by the consequences of other financial risks such as credit risk, interest rate risk, foreign exchange risk, etc.

The intensity and sophistication of liquidity risk management processes depend on the nature, size and complexity of a bank's activities. Sound liquidity



risk management employed in measuring, monitoring and controlling liquidity risk is critical to the viability of the bank. Our liquidity risk management procedures are comprehensive and holistic. Responsibility of managing and controlling liquidity of the bank lies with Asset Liability Committee (ALCO) and the committee meets at least once in every month. Asset Liability

Management (ALM) desk of the treasury function closely monitors and controls liquidity requirements on a daily basis by appropriate coordination of funding activities and they are primarily responsible for management of liquidity in the bank. A monthly projection of fund flows is received in ALCO meeting regularly.

### Interest Rate Risk Management

Interest rate risk has 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 re-pricing dates.

However, Bank has 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. DGAP is found positive for all the quarters of 2015 which indicates that assets are more price sensitive than liabilities, on average. Thus, when interest rates shifted downward by 1%, assets will fall proportionately less in value than liabilities and the market value of equity will rise accordingly.

#### Existing Interest Rate Risk assessment structure and control system of the Bank are as follows:

- Duration Gap Analysis: Calculate net GAP per time period and the cumulative GAP. Determine maximum tolerated GAP as determined by the ALCO policy.
- Market Value Analysis
- The following ratios are good indicators of Interest Rate Risk analysis & these are calculated on regular basis :
  - Net Interest Income
  - Net Interest Margin
  - Interest Earning Asset to Total Assets
  - Average Interest Rates of Loan
  - Average Interest Rates of Deposit etc.
- Valu at Risk (VaR) is calculated
- Sensitivity Analysis
- Maturity profile Analysis

- Stress Testing is conducted

Moreover, most of the bank's assets and liabilities are on floating interest rates, therefore, the bank is less exposed to interest rate risk due to mismatch between floating and fixed rate.

However, due to market wide downward trend of interest rate, the bank is likely to be exposed to lowering income due to low interest spread. To manage this risk, the Bank is actively planning to reduce its administrative expenses and increase fee based income.

### Foreign Exchange Risk Management

Foreign Exchange risk is the risk to earning arising from adverse movements in currency exchange rate. It refers to the impact of adverse movement in currency exchange rates on the value of open foreign currency position. An investment's value may change adversely and incurring loss due to changes in exchange rates.

Treasury Division of the bank measures and monitors the Foreign exchange risks. The bank has formulated a treasury manual which has been implemented for managing foreign exchange risks as per directives of Bangladesh Bank.

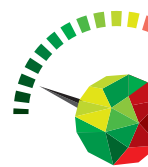
The functions of treasury front office, mid office and back office have been segregated. The operational guidelines have also been formulated specifying the roles and responsibilities of front, mid and back office so that various foreign exchange transactions can be conducted according to the policy guidelines of the Bangladesh Bank and the risks can be measured, monitored and mitigated.

#### Existing structure of risk assessment and control system of Foreign Exchange Risk of the Bank are as follows:

- All exchange trading and positions are conducted and maintained by Treasury Front Office within the limits approved by Board of Directors and Bangladesh Bank.

#### The following limits are in place:

- Intraday Spot Trading Limit.
- Per Deal Limit
- Individual Dealer's Limit
- Forward and Swap Trading Limit
- Overnight Trading Limit
- Open Position Limit
- Per Deal Stop Loss Limit
- Daily Stop Loss Limit
- Trigger Limits



- Limit for Cover Operations
  - Corporate Limits
  - Off Premises Limit
  - After Hour's Limit
  - Counter Party Limits
- Time to time dealers are monitoring dealing limit and the dealers are maintaining and keeping record of their Foreign Currency Transactions.
  - VaR is calculated to assess and monitor FEX risk.
  - Treasury Back office (TBO) is in place and TBO monitors and settles all foreign currency dealings. TBO is maintaining all accounting entries of foreign exchange deals originated by Front Office as also entries originated by the branches. TBO is also maintaining Daily Exchange Positions to assess and monitoring FEX risks.
  - Treasury Middle Office is in place to check whether the deals are being dealt with in the limits.

### **Internal Control and Compliance Risk Management**

Internal Control refers to policies, plans and processes effected by the Board of Directors of the Bank and performed on continuous basis by the senior management and all levels of employees within the Bank. These internal controls are used to provide reasonable assurance regarding the achievement of organizational objectives. The system of internal controls includes financial, operational and compliance controls.

For safeguarding the organization's assets, internal controls primarily aim to support the management in the identification and mitigation of those risks which the Bank may encounter in the fulfillment of its business objectives.

The internal control system of the bank ensures that all the necessary policies, guidelines and manuals are in place and all concerns are following the same strictly and meticulously including Departmental Control Function Check List (DCFCL). To monitor the 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 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.

Risk Based Internal Audit (RBIA) is being carried out annually for risk profiling/categorization of the branches based on the level of its various risks. Up-gradation of existing RBIA format is under process which will be finalized soon. Strong monitoring & close supervision ensure functional efficiency of the branches & different divisions/departments of Head Office by maintaining control environment at operational level. Compliance culture is developed by strict adherence to statutory & regulatory requirement and also bank's own policy & procedures.

By enforcing effective & sound Internal Control System, ICC is performing its activities for further improving overall work performance of the bank towards achieving its ultimate objectives.

### **Money Laundering Risk Management**

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 in reputational, operational, legal and concentration risks involving significant cost.

"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 so far ensured compliance with all the rules and regulations on Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) issues.

**Existing Risk Assessment structure and control system of AML of the Bank are as follows:**

- Each Branch has a Branch Anti-Money Laundering Compliance Officer (BAMLCO) to assess and monitor Money Laundering Risk.
- Cash Transaction Reporting System is in place and the concerned department regularly submitted CTRs to Bangladesh Bank.
- Suspicious Transaction Reporting system is in place and the concerned department is regularly submitting the report to Bangladesh Bank.
- Hundi Activities and Abnormal Transaction monitoring system are in place.
- Self Assessment Process & Independent Testing Procedure as per 'Guidance Notes on Prevention of Money Laundering' of Bangladesh Bank is introduced.
- ICC division regularly conducts Audit & Inspection to the Branches on AML.

IFIC Bank Ltd is regularly arranging Training Programs on Prevention of Money Laundering & Combating Financing of Terrorism for all categories of Executives/ Officers of the Bank. During the year 2015, the Bank arranged several training courses on Prevention of Money Laundering & Combating Financing of Terrorism where 553 Executives/ Officers of the Bank attended.

**Information & Communication Technology Risk Management**

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 risks and ICT risks. Internal control and audit have played a vital role of risk management which can be used to:

- Provide risk management and control advice to relevant personnel.
- Provide independent assurance to the authority

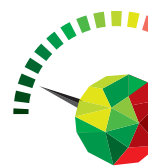
about the adequacy and effectiveness of controls and other risk management activities.

The Bank has integrated technology with its business and is continuously upgrading its technological aspects to keep pace with modern banking practice. 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) has also been established as per guidelines of Bangladesh Bank.

The Bank has upgraded its data centre during the previous year with high-end servers and networking equipments 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 set-up disaster recovery site with advanced technology which can be readily accessed in case of any disaster of the data centre so that the customer services are not hampered.

**Existing Risk Assessment structure and control system for ICT operation of the Bank are as follows:**

- Centralized ICT Operation.
- The entire computer Terminals/PC/Servers locating inside the infrastructure of IFIC Bank Ltd. are connected to each other through secure network communication.
- Internal Information System audit done once in every year by Internal Control and Compliance Division (other than IT Division).
- Adequate insurance coverage or risk coverage fund is being maintained.
- Mission critical equipments & applications are being kept under Service Level Agreement.
- Record keeping of Inventory details of computing assets is in place.
- Operating procedures for all applications / systems / modules etc. are documented and maintained.
- Redundancy at each level of Network, Server, Power system, has been placed to ensure High-Availability of Data Center.
- Fall Back plan of Technical Person are in place.
- Hot Categorized Disaster Recovery Site (DRS) has been established and is being properly maintained



to ensure the data protection of Data Center (DC) environment as well as to ensure business continuity during any disaster situation.

- Data backup procedure is being maintained properly and one copy of daily data backup is being kept in a secured locker at Data Center and an additional copy of data media is being sent to remote location (Federation Branch).
- Fire detection and auto suppression system in Server Room are in place at DC and DRS environment.
- Access Control (i.e., User ID/Password/ Token) procedure are strictly controlled centrally.
- Anti-virus software is installed in each server and computer.
- Effective risk management & Control system is in place.

### VALUE AT RISK (VaR) ANALYSIS

Value at risk (VAR) is generally accepted and widely used tool for measuring market risk inherent in trading portfolios. It follows the concept that reasonable expectation of loss can be deduced by evaluating market rates, prices observed volatility and correlation. VAR summarizes the predicted maximum loss (or worst loss) over a target horizon within a given confidence level.

### Methods of Calculating VaR

The three methods of calculating VaR are as follows:

- The Variance – Covariance Method
- Historical Method
- Monte Carlo Simulation

Presently, Historical Method is being followed to calculate the VaR for the Bank.

### Stress Testing

Stress Testing is a risk management technique used to evaluate the potential effects on an institution's financial condition of a specific event and/ or movement in a set of financial variables. It refers to the process to cover multiple risk measures across categories and complements traditional risk models. The traditional focus of stress testing relates to exceptional but plausible events.

### Stress Testing Process

Stress Testing are generally of two categories and concepts i.e. – Simple Sensitivity Analysis and Scenario Tests. Now, we follow the Simple Sensitivity Analysis concept as per Bangladesh Bank Guidelines.

### Stress Testing process includes:

- Identification of specific vulnerabilities or areas of concern;

- Construction of a scenario;
- Performing the numerical analysis;
- Considering the numerical analysis; and
- Summarizing and interpreting the results.

### Stress Testing is carried out at three different shock levels:

- Minor Level Shocks
- Moderate Level Shock; and
- Major Level Shocks

### The following risk factors are measured while conducting Stress Testing:

- Credit Risk: Stress test for credit risk assesses the impact of increase in the level of non-performing loans of the bank.
- Interest Rate Risk: Interest rate risk is the potential that the value of the on-balance sheet and off-balance sheet positions of the bank would be negatively affected with the change in the interest rates.
- Exchange Rate Risk: The stress test for exchange rate assesses the impact of change in exchange rate on the value of equity. To assess foreign exchange risk the overall net exchange position of the bank including the on-balance sheet and off-balance sheet exposures are charged by the weight of 5%, 10% and 15% for minor, moderate, and major levels respectively.
- Equity Price Risk: The stress test for equity price risk assesses the impact of the fall in the stock market index.
- Liquidity Risk: The liquidity test shows how many days a bank would be able to survive a liquidity drain without resorting to liquidity from outside.
- **Combined Shock:** IFIC bank assesses combined shock by aggregating the results of credit shock, exchange rate shock, equity shock and interest rate shock.
- Stress Testing of the bank is conducted based on the financials of the bank on quarterly basis and submit the report to Bangladesh Bank as well to the Board of Directors. The result sheet of stress testing reflects the strength of the bank to absorb the shocks with the capital of different risk profiles of the bank.





# CORPORATE SOCIAL RESPONSIBILITY

## CORPORATE SOCIAL RESPONSIBILITY

Our Bank undertook different activities in the field of CSR from January to December -2015 to address the need of common people for making a positive and meaningful contribution to the society.

IFIC Bank handed over a total of 25,000 pieces of blankets to Prime Minister's Relief Fund and also distributed blankets among the poorest people in different districts through bank's branches.



IFIC Bank donated money to the Nepalese Ambassador in Dhaka for the victims of devastating earthquake of Nepal.

Dhaka University students and teachers received stipends and research grants from the IFIC Bank Trust Fund.



The Bank rewarded meritorious children of the employees for their brilliant results in SSC/equivalent and H.S.C/equivalent examinations. The bank also donated money in different schools of underprivileged children and orphanage.





## MARKET SHARE INFORMATION OF THE PRODUCTS AND SERVICES

Market Share Analysis is a part of market analysis and indicates how well a bank is doing in the market place/ industry compared to its competitors.

### Banking Sector Exposure as on September, 2015

BDT in Crore

Particulars	IFIC Bank	Banking Industry	Market Share of IFIC
Loans and Advances	11,033.30	5,45,702.82	2.02%

IFIC Bank holds 2.02% loans and advances of the total Banking sector's' exposures.

### Area/Regional Credit concentration as on September, 2015

BDT in Crore

Name of Area	Loan of IFIC Bank	% of Total loan of IFIC	Loan of Banking Industry	% of Total Loan of Banking Industry	Market Share of IFIC
Dhaka Division	8,584.67	77.81%	367,357.52	67.32%	2.34%
Chittagong Division	1,380.00	12.51%	107,139.70	19.63%	1.29%
Rajshahi Division	544.30	4.93%	21,366.52	3.92%	2.55%
Khulna Division	237.03	2.15%	22,937.98	4.20%	1.03%
Rangpur Division	160.55	1.46%	13,004.62	2.38%	1.23%
Sylhet Division	88.24	0.80%	7,801.56	1.43%	1.13%
Barisal Division	38.36	0.35%	6,099.92	1.12%	0.63%
Total Loan	11,033.30	100.00%	545,707.82	100.00%	2.02%

BDT in Crore

Sl. No.	Major Economic Purposes	Loan of All Banks	% of Total Loan of All Banks	Loan of IFIC	% of Total Loan of IFIC	Market Share of IFIC
<b>A.</b>	<b>Agriculture, Fishing and Forestry</b>	<b>0,419.21</b>	<b>5.57%</b>	<b>02.67</b>	<b>2.74%</b>	<b>1.00%</b>
	1) Agriculture	27,377.59	5.02%	55.04	2.31%	0.93%
	2. Fishing	3,008.93	0.55%	47.63	0.43%	1.58%
	3. Forestry & Logging	32.69	0.01%	-	0.00%	0.00%
<b>B.</b>	<b>Industry</b>	<b>03,858.02</b>	<b>37.36%</b>	<b>4,628.92</b>	<b>41.95%</b>	<b>2.27%</b>
	<b>1. Term Loan (Other than Working Capital Financing)</b>	<b>96,799.37</b>	<b>17.74%</b>	<b>2,198.80</b>	<b>19.93%</b>	<b>2.27%</b>
	Large Industries	3,098.42	9.73%	1,304.30	11.82%	2.46%
	Small and Medium Industries	27,040.64	4.96%	62.08	0.56%	0.23%
	Cottage Industries/Micro Industries	459.25	0.08%	0.00	0.00%	0.00%
	<b>D)</b>	<b>6,201.06</b>	<b>2.97%</b>	<b>832.35</b>	<b>7.54%</b>	<b>5.14%</b>
	<b>2. Working Capital Financing (Excluding Exp. &amp; Imp.)</b>	<b>107,058.65</b>	<b>19.62%</b>	<b>2,430.12</b>	<b>22.03%</b>	<b>2.27%</b>
	Large Industries	0,369.17	11.06%	1,420.35	12.87%	2.35%
	Small and Medium Industries	28,698.20	5.26%	774.65	7.02%	2.70%
	Cottage Industries/Micro Industries	960.17	0.18%	0.00	0.00%	0.00%
	Service Industries	17,031.11	3.12%	235.11	2.13%	1.38%

Sl. No.	Major Economic Purposes	Loan of All Banks	% of Total Loan of All Banks	Loan of IFIC	% of Total Loan of IFIC	Market Share of IFIC
<b>C.</b>	<b>Construction</b>	<b>7,825.90</b>	<b>8.76%</b>	<b>1,663.63</b>	<b>15.08%</b>	<b>3.48%</b>
	Housing (Commercial) :-For Developer/Contractor	18,261.68	3.35%	929.95	8.43%	5.09%
	Housing (Residential) in urban area for individual person	14,317.00	2.62%	178.67	1.62%	1.25%
	Housing (Residential) in rural area for individual person	807.06	0.15%	17.63	0.16%	2.18%
	Infrastructure Development (Road, Culvert, Bridge, Tower etc)	4,150.61	0.76%	163.34	1.48%	3.94%
	House Renovation or Repairing or Extension	2,093.11	0.38%	101.27	0.92%	4.84%
	Commercial Building (Market, Factory, Hotel, Cold storage, Ware-house etc)	4,736.04	0.87%	263.70	2.39%	5.57%
	Establishment of Solar panel	413.65	0.08%	-	0.00%	0.00%
	Effluent Treatment Plant	14.92	0.00%	-	0.00%	0.00%
	Loan against Work Order/Pay Order/Earnest Money	2,885.50	0.53%	9.06	0.08%	0.31%
	Water-works	145.98	0.03%	-	0.00%	0.00%
	Sanitary Services	0.35	0.00%	-	0.00%	0.00%
<b>D.</b>	<b>Transport and Communications</b>	<b>4,247.57</b>	<b>0.78%</b>	<b>67.31</b>	<b>0.61%</b>	<b>1.58%</b>
	Road Transport (Excluding personal vehicle & lease finance.)	1,850.35	0.34%	52.30	0.47%	2.83%
	Water-Transport (Excluding Fishing Boats)	1,691.75	0.31%	14.94	0.14%	0.88%
	Air Transport	705.47	0.13%	0.07	0.00%	0.01%
<b>E.</b>	<b>Trade &amp; Commerce</b>	<b>198,938.84</b>	<b>36.46%</b>	<b>3,415.17</b>	<b>30.95%</b>	<b>1.72%</b>
	<b>1. Wholesale and Retail Trade (CC, OD etc)</b>	<b>116,877.80</b>	<b>21.42%</b>	<b>1,557.45</b>	<b>14.12%</b>	<b>1.33%</b>
	<b>2. Procurement by Government</b>	<b>644.73</b>	<b>0.12%</b>	<b>0.62</b>	<b>0.00%</b>	<b>0.10%</b>
	<b>3. Export Financing</b>	<b>21,710.28</b>	<b>3.98%</b>	<b>514.30</b>	<b>4.66%</b>	<b>2.37%</b>
	<b>4. Import Financing (LIM, LTR, TR etc)</b>	<b>54,499.84</b>	<b>9.99%</b>	<b>1,267.44</b>	<b>11.49%</b>	<b>2.33%</b>
	<b>5. Share Trading</b>	<b>2,295.91</b>	<b>0.42%</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
	<b>6. Lease Financing/Leasing</b>	<b>2,910.28</b>	<b>0.53%</b>	<b>75.36</b>	<b>0.68%</b>	<b>2.59%</b>
<b>F.</b>	<b>Other Institutional Loan</b>	<b>9,910.88</b>	<b>1.82%</b>	<b>378.62</b>	<b>3.43%</b>	<b>3.82%</b>
<b>G.</b>	<b>Consumer Finance</b>	<b>46,535.53</b>	<b>8.53%</b>	<b>568.18</b>	<b>5.15%</b>	<b>1.22%</b>
<b>H</b>	<b>Miscellaneous</b>	<b>3,971.87</b>	<b>0.73%</b>	<b>8.80</b>	<b>0.08%</b>	<b>0.22%</b>
	<b>Total</b>	<b>545,707.82</b>	<b>100.00%</b>	<b>11,033.30</b>	<b>100.00%</b>	<b>2.02%</b>



# FINANCIAL STATEMENTS

এম,জে, আবেদীন এন্ড কোং  
চার্টার্ড একাউন্টেন্টস  
**M.J. ABEDIN & CO**  
CHARTERED ACCOUNTANTS

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Dhaka-1205, Bangladesh

**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 separate balance sheets as at 31 December 2015, 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 year 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 is 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 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***

The consolidated financial statements of the Group and separate financial statements of the Bank for the year ended 31 December 2014 were audited by **Howladar Yunus & Co.** Chartered Accountants, who through their report dated 9 April 2015 expressed an unqualified opinion on those statements.





## 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 31 December 2015, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year 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) the financial statements of subsidiaries of the Bank, **IFIC Securities Limited** has been audited by us and **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;
- (d) 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;
- (e) 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;
- (f) the expenditure incurred was for the purposes of the Bank's business;
- (g) 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;
- (h) adequate provisions have been made for advances and other assets which are, in our opinion, doubtful of recovery;
- (i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (j) the information and explanation required by us have been received and found satisfactory;
- (k) Capital to Risk Weighted Assets Ratio (CRAR) as required by the Bangladesh Bank has been maintained adequately during the year and
- (l) we have reviewed over 80% of the risk weighted assets of the bank and we have spent around 3,800 person hours for the audit of the books and accounts of the bank.

Dhaka, 27 April 2016

**M. J. ABEDIN & CO**  
Chartered Accountants

# INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

## Consolidated Balance Sheet

as at 31 December 2015

Amount in BDT

Particulars	Note	31 December 2015	31 December 2014 (Restated)
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>		<b>11,883,940,873</b>	<b>10,402,677,369</b>
Cash in hand (including foreign currency)	3.a	1,648,726,967	1,833,243,747
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.b	10,235,213,906	8,569,433,622
<b>Balance with other banks and financial institutions</b>		<b>5,717,048,302</b>	<b>12,049,563,141</b>
In Bangladesh	4.a	3,827,088,364	11,214,966,414
Outside Bangladesh	4.b	1,889,959,938	834,596,727
<b>Money at call and on short notice</b>	5	-	<b>1,450,000,000</b>
<b>Investments</b>		<b>29,113,754,270</b>	<b>23,332,137,187</b>
Government securities	6.a	23,596,892,752	17,217,294,297
Other investments	6.b	5,516,861,518	6,114,842,890
<b>Loans and advances</b>		<b>125,668,039,638</b>	<b>104,419,397,669</b>
Loans, cash credit, overdrafts etc.	7.a	116,635,497,917	96,670,129,520
Bills purchased and discounted	8.a	9,032,541,721	7,749,268,149
<b>Fixed assets including premises, furniture and fixtures</b>	9.a	<b>3,244,881,023</b>	<b>2,946,853,254</b>
<b>Other assets</b>	10.a	<b>4,736,254,172</b>	<b>3,371,653,934</b>
<b>Non-banking assets</b>	11	<b>373,474,800</b>	<b>373,474,800</b>
<b>Total assets</b>		<b>180,737,393,078</b>	<b>158,345,757,354</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowing from other banks, financial institutions and agents</b>	12.a	<b>7,493,454,676</b>	<b>5,924,591,258</b>
<b>Deposits and other accounts</b>	13.a	<b>146,848,211,304</b>	<b>129,863,053,202</b>
Current deposit and other accounts		17,440,029,998	15,582,027,154
Bills payable		1,473,570,630	1,874,975,364
Savings bank deposits		24,496,108,248	18,366,462,687
Fixed deposits		103,438,502,428	94,039,587,998
<b>Other liabilities</b>	14.a	<b>14,025,345,914</b>	<b>11,359,482,025</b>
<b>Total liabilities</b>		<b>168,367,011,894</b>	<b>147,147,126,485</b>
<b>Capital/Shareholders' equity</b>			
Paid up capital	15.2	5,034,124,170	4,377,499,280
Statutory reserve	16	4,232,499,880	3,909,507,173
General reserve	17	155,071,397	55,771,397
Revaluation reserve against securities	18.a	41,391,939	1,575,539
Revaluation reserve against fixed assets	19	115,314,704	115,314,704
Foreign currency translation reserve	20	(25,350,388)	(843,101)
Surplus in profit and loss account	22	2,817,321,961	2,739,798,432
		<b>12,370,373,663</b>	<b>11,198,623,424</b>
Non-controlling interest	23	7,521	7,445
<b>Total shareholders' equity</b>		<b>12,370,381,184</b>	<b>11,198,630,869</b>
<b>Total liabilities and shareholders' equity</b>		<b>180,737,393,078</b>	<b>158,345,757,354</b>





Particulars	Note	31 December 2015	31 December 2014 (Restated)
<b>OFF BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>	<b>24</b>	<b>47,779,027,775</b>	<b>47,824,432,743</b>
Acceptances and endorsements	24.1	14,210,761,791	17,819,035,175
Letters of guarantee	24.2	9,706,631,662	6,644,832,531
Irrevocable letters of credit	24.3	14,800,324,793	14,473,667,235
Bills for collection	24.4	9,061,309,529	8,886,897,802
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>47,779,027,775</b>	<b>47,824,432,743</b>

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

Managing Director

Director

Director

Director

Signed as per our annexed report of same date

27 April 2016  
Dhaka

**M. J. Abedin & Co.**  
Chartered Accountants

**INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED**  
**Consolidated Profit and Loss Account**  
for the year ended 31 December 2015

Particulars	Note	Amount in BDT	
		2015	2014 (Restated)
Interest income	26.a	12,720,241,526	11,924,197,296
Interest paid on deposits, borrowings etc.	27.a	8,945,731,444	8,519,021,026
<b>Net Interest income</b>		<b>3,774,510,082</b>	<b>3,405,176,270</b>
Investment income	28.a	2,281,973,080	2,319,866,727
Commission, exchange and brokerage	29.a	1,519,705,704	1,423,651,023
Other operating income	30.a	503,793,886	499,158,565
		<b>4,305,472,670</b>	<b>4,242,676,314</b>
<b>Total operating income</b>		<b>8,079,982,752</b>	<b>7,647,852,584</b>
Salaries and allowances	31.a	2,231,581,713	2,475,625,867
Rent, taxes, insurance, electricity etc.	32.a	682,771,493	636,258,160
Legal expenses	33.a	10,026,077	7,765,350
Postage, stamp, telecommunication etc.	34.a	112,913,781	110,621,818
Stationery, printing, advertisement etc.	35.a	174,091,810	175,827,492
Managing Director's salary	36	13,852,500	13,660,000
Directors' fees	37.a	1,104,250	1,364,750
Auditors' fees	38.a	1,790,934	1,765,215
Charges on loan loss	39	69,825,108	-
Depreciation and repair of bank's assets	40.a	442,183,292	402,991,215
Other expenses	41.a	728,138,397	669,117,684
<b>Total operating expenses</b>		<b>4,468,279,355</b>	<b>4,494,997,552</b>
<b>Operating profit</b>		<b>3,611,703,397</b>	<b>3,152,855,031</b>
<b>Share of profit of joint ventures/associates</b>	41.b	<b>240,124,663</b>	<b>255,341,372</b>
<b>Profit before provision</b>		<b>3,851,828,059</b>	<b>3,408,196,403</b>
<b>Provision for loans, investments and other assets</b>	42.a		
Specific provision		1,750,235,571	407,783,326
General provision		205,000,000	260,000,000
Provision for off-shore banking unit		1,000,000	4,000,000
Provision for off-balance sheet exposures		-	50,000,000
Provision for diminution in value of investments		68,164,349	(248,438,949)
Provision for other assets		26,181,570	26,000,000
<b>Total provision</b>		<b>2,050,581,490</b>	<b>499,344,377</b>
<b>Profit/(Loss) before taxes</b>		<b>1,801,246,569</b>	<b>2,908,852,026</b>
<b>Provision for taxation</b>			
Current tax	43.a	966,255,904	1,301,314,763
Deferred tax	43.b	(222,150,537)	(157,542,995)
		<b>744,105,367</b>	<b>1,143,771,768</b>
<b>Net profit after taxation</b>		<b>1,057,141,202</b>	<b>1,765,080,258</b>
<b>Net profit after tax attributable to:</b>			
Equity holders of the Bank		1,057,141,126	1,765,080,014
Non-controlling interest		76	244
<b>Retained earning brought forward from previous year</b>		<b>2,739,798,432</b>	<b>2,081,124,597</b>
Add: Net profit after tax (attributable to equity holders of the Bank)		1,057,141,126	1,765,080,014
<b>Profit available for appropriation</b>		<b>3,796,939,558</b>	<b>3,846,204,611</b>
<b>Appropriations:</b>			
Statutory reserve		322,992,707	535,428,019
General reserve		-	-
Dividend		656,624,890	570,978,160
		<b>979,617,597</b>	<b>1,106,406,179</b>
<b>Retained surplus</b>		<b>2,817,321,961</b>	<b>2,739,798,432</b>
<b>Earnings Per Share (EPS)</b>	50.a	<b>2.10</b>	<b>3.51</b>

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

  
**Managing Director**

  
**Director**

  
**Director**

  
**Director**

Signed as per our annexed report of same date

  
**M. J. Abedin & Co.**  
Chartered Accountants





**INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED**  
**Consolidated Cash Flow Statement**  
for the year ended 31 December 2015



		Amount in BDT	
Particulars	Note	2015	2014 (Restated)
<b>A. Cash flows from operating activities</b>			
Interest received		14,766,733,413	13,817,897,656
Interest payments		(8,978,636,056)	(8,725,747,399)
Dividend received		161,080,469	106,248,532
Fees and commission received		1,512,245,117	1,423,651,023
Recoveries of loans and advances previously written-off		91,978,387	194,316,107
Cash payments to employees		(2,295,434,213)	(2,509,285,867)
Cash payments to suppliers		(254,380,826)	(237,324,678)
Income taxes paid		(1,046,898,362)	(1,207,026,021)
Receipts from other operating activities	44.a	528,027,210	558,278,918
Payments for other operating activities	45.a	(1,471,425,558)	(1,360,786,595)
<b>Operating cash flows before changing in operating assets and liabilities</b>		<b>3,013,289,582</b>	<b>2,060,221,675</b>
Increase/(decrease) in operating assets and liabilities			
Statutory deposits		-	-
Loans and advances to other banks		-	-
Loans and advances to customers		(20,618,792,622)	(17,382,343,208)
Other assets	47.a	(1,163,194,963)	225,964,975
Deposits from other banks		306,602,000	(225,339,000)
Deposits from customers		16,717,220,821	19,627,437,222
Trading liabilities		-	-
Other liabilities	48.a	168,405,715	677,084,529
		<b>(4,589,759,050)</b>	<b>2,922,804,518</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>(1,576,469,468)</b>	<b>4,983,026,192</b>
<b>B. Cash flows from investing activities</b>			
Net proceeds/(payments) from sale/(purchase) of Government securities		(6,154,867,151)	(1,255,048,849)
Net proceeds/(payments) from sale/(purchase) of securities		611,567,060	(743,310,039)
Purchase of property, plant & equipment		(739,401,777)	(833,798,051)
Proceeds from sale of property, plant & equipment		2,817,834	3,253,511
<b>Net cash used in investing activities</b>		<b>(6,279,884,033)</b>	<b>(2,828,903,428)</b>
<b>C. Cash flows from financing activities</b>			
Borrowing from other banks, financial institutions and agents		1,568,863,417	2,083,768,811
Receipts from issue of sub-ordinated bond		-	-
Dividend paid (cash)		-	-
Payment against lease obligation		(6,642,120)	(7,263,378)
<b>Net cash flows from financing activities</b>		<b>1,562,221,297</b>	<b>2,076,505,433</b>
<b>D. Net increase/(decrease) in cash (A+B+C)</b>		<b>(6,294,132,204)</b>	<b>4,230,628,198</b>
E. Effects of exchange rate changes on cash and cash equivalents		(5,215,931)	(52,101,507)
<b>F. Opening balance of cash and cash equivalents</b>		<b>23,908,092,411</b>	<b>19,729,565,720</b>
<b>G. Closing balance of cash and cash equivalents (D+E+F)</b>	46.a	<b>17,608,744,275</b>	<b>23,908,092,411</b>
<b>Closing cash and cash equivalents</b>			
Cash in hand		1,648,726,967	1,833,243,747
Balance with Bangladesh Bank and its agents bank		10,235,213,906	8,569,433,622
Balance with other banks and financial institutions		5,717,048,302	12,049,563,141
Money at call and on short notice		-	1,450,000,000
Prize bonds		7,755,100	5,851,900
		<b>17,608,744,275</b>	<b>23,908,092,411</b>

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



## INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

### Consolidated Statement of Changes in Equity

for the year ended 31 December 2015

Particulars	Amount in BDT									
	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 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	-	-	-	39,816,400	-	-	-	-	39,816,400	
Effect of foreign currency translation	-	-	-	-	-	(24,507,287)	-	-	(24,507,287)	
Transfer from provision to general reserve	-	-	99,300,000	-	-	-	-	-	99,300,000	
<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>155,071,397</b>	<b>41,391,939</b>	<b>115,314,704</b>	<b>(25,350,388)</b>	<b>2,739,798,432</b>	<b>7,445</b>	<b>11,313,239,983</b>	
Net profit for the year	-	-	-	-	-	-	1,057,141,126	76	1,057,141,202	
Stock dividend issued for the year 2014	656,624,890	-	-	-	-	-	(656,624,890)	-	-	
Transfer to statutory reserve	-	322,992,707	-	-	-	-	(322,992,707)	-	-	
<b>Balance as at 31 December 2015</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>	
Balance as at 1 January 2014	3,806,521,120	3,374,079,154	55,771,397	16,043,518	115,314,704	(50,909)	2,481,399,733	7,201	9,849,085,919	
Impact of changes in accounting policy	-	-	-	-	-	-	(400,275,136)	-	(400,275,136)	
<b>Restated balance as at 1 January 2014</b>	<b>3,806,521,120</b>	<b>3,374,079,154</b>	<b>55,771,397</b>	<b>16,043,518</b>	<b>115,314,704</b>	<b>(50,909)</b>	<b>2,081,124,597</b>	<b>7,201</b>	<b>9,448,810,783</b>	
Surplus/(deficit) on account of revaluation of investments	-	-	-	(14,467,980)	-	-	-	-	(14,467,980)	
Effect of foreign currency translation	-	-	-	-	-	(792,192)	-	-	(792,192)	
<b>Net gains and losses not recognized in the profit and loss account</b>	<b>3,806,521,120</b>	<b>3,374,079,154</b>	<b>55,771,397</b>	<b>1,575,539</b>	<b>115,314,704</b>	<b>(843,101)</b>	<b>2,081,124,597</b>	<b>7,201</b>	<b>9,433,550,611</b>	
Net profit for the year	-	-	-	-	-	-	1,765,080,014	244	1,765,080,258	
Stock dividend issued for the year 2013	570,978,160	-	-	-	-	-	(570,978,160)	-	-	
Transfer to statutory reserve	-	535,428,019	-	-	-	-	(535,428,019)	-	-	
<b>Restated balance as at 31 December 2014</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>	

# INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

## Balance Sheet

as at 31 December 2015



Particulars	Note	Amount in BDT	
		31 December 2015	31 December 2014
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	<b>3</b>	<b>11,861,355,635</b>	<b>10,398,813,316</b>
Cash in hand (including foreign currency)	3.1	1,626,141,729	1,829,379,694
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	10,235,213,906	8,569,433,622
<b>Balance with other banks and financial institutions</b>	<b>4</b>	<b>5,710,545,217</b>	<b>12,042,832,451</b>
In Bangladesh	4.1	3,827,088,363	11,214,966,413
Outside Bangladesh	4.2	1,883,456,854	827,866,037
<b>Money at call and on short notice</b>	<b>5</b>	<b>-</b>	<b>1,450,000,000</b>
<b>Investments</b>	<b>6</b>	<b>28,497,856,878</b>	<b>22,845,255,886</b>
Government securities	6.1	23,596,892,752	17,217,294,297
Other investments	6.2	4,900,964,126	5,627,961,589
<b>Loans and advances</b>	<b>7</b>	<b>123,268,667,873</b>	<b>102,282,149,309</b>
Loans, cash credit, overdrafts etc.	7.1	114,236,126,152	94,532,881,160
Bills purchased and discounted	8	9,032,541,721	7,749,268,149
<b>Fixed assets including premises, furniture and fixtures</b>	<b>9</b>	<b>3,230,366,926</b>	<b>2,929,319,758</b>
<b>Other assets</b>	<b>10</b>	<b>5,391,684,061</b>	<b>4,016,791,501</b>
<b>Non-banking assets</b>	<b>11</b>	<b>373,474,800</b>	<b>373,474,800</b>
<b>Total assets</b>		<b>178,333,951,390</b>	<b>156,338,637,021</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowing from other banks, financial Institutions and agents</b>	<b>12</b>	<b>7,200,813,714</b>	<b>5,621,445,116</b>
Deposits and other accounts	13	146,819,705,532	129,745,805,362
Current deposit and other accounts	13.1	17,411,524,226	15,464,779,314
Bills payable	13.2	1,473,570,630	1,874,975,364
Savings bank deposits	13.3	24,496,108,248	18,366,462,687
Fixed deposits	13.4	103,438,502,428	94,039,587,998
<b>Other liabilities</b>	<b>14</b>	<b>12,659,218,849</b>	<b>10,343,270,674</b>
<b>Total liabilities</b>		<b>166,679,738,095</b>	<b>145,710,521,153</b>
<b>Capital/Shareholders' equity</b>			
Paid up capital	15.2	5,034,124,170	4,377,499,280
Statutory reserve	16	4,232,499,880	3,909,507,173
General reserve	17	155,071,397	55,771,397
Revaluation reserve against securities	18	41,391,939	1,575,539
Revaluation reserve against fixed assets	19	115,314,704	115,314,704
Surplus in profit and loss account	21	2,075,811,205	2,168,447,775
<b>Total shareholders' equity</b>		<b>11,654,213,295</b>	<b>10,628,115,868</b>
<b>Total liabilities and shareholders' equity</b>		<b>178,333,951,390</b>	<b>156,338,637,021</b>

Particulars	Note	31 December 2015	31 December 2014
<b>OFF BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>	<b>24</b>	<b>47,779,027,775</b>	<b>47,824,432,743</b>
Acceptances and endorsements	<b>24.1</b>	14,210,761,791	17,819,035,175
Letters of guarantee	<b>24.2</b>	9,706,631,662	6,644,832,531
Irrevocable letters of credit	<b>24.3</b>	14,800,324,793	14,473,667,235
Bills for collection	<b>24.4</b>	9,061,309,529	8,886,897,802
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>47,779,027,775</b>	<b>47,824,432,743</b>

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

  
Managing Director

  
Director

  
Director

  
Director

Signed as per our annexed report of same date

27 April 2016  
Dhaka

  
**M. J. Abedin & Co.**  
Chartered Accountants



# INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

## Profit and Loss Account

for the year ended 31 December 2015



Particulars	Note	Amount in BDT	
		2015	2014
Interest income	26	12,652,962,100	11,858,390,649
Interest paid on deposits, borrowings, etc.	27	8,906,750,094	8,466,644,760
<b>Net Interest income</b>		<b>3,746,212,006</b>	<b>3,391,745,889</b>
Investment income	28	2,375,204,608	2,377,463,292
Commission, exchange and brokerage	29	1,414,233,170	1,328,028,172
Other operating income	30	501,372,650	498,261,794
<b>Total operating income</b>		<b>4,290,810,428</b>	<b>4,203,753,258</b>
<b>Total operating income</b>		<b>8,037,022,434</b>	<b>7,595,499,147</b>
Salaries and allowances	31	2,206,053,060	2,447,559,376
Rent, taxes, insurance, electricity, etc.	32	667,026,255	622,353,160
Legal expenses	33	8,137,039	6,430,972
Postage, stamp, telecommunication, etc.	34	112,775,184	110,423,384
Stationery, printing, advertisement, etc.	35	173,200,697	174,941,019
Managing Director's salary	36	13,852,500	13,660,000
Directors' fees	37	1,018,000	1,175,000
Auditors' fees	38	1,100,000	1,275,000
Charges on loan loss	39	69,825,108	-
Depreciation and repair of bank's assets	40	437,966,130	397,901,121
Other expenses	41	700,362,744	646,956,127
<b>Total operating expenses</b>		<b>4,391,316,717</b>	<b>4,422,675,159</b>
<b>Profit/(Loss) before provision</b>		<b>3,645,705,717</b>	<b>3,172,823,988</b>
<b>Provision for loans, investments and other assets</b>	<b>42</b>		
Specific provision		1,734,560,613	405,683,893
General provision		205,000,000	260,000,000
Provision for off-Shore Banking unit		1,000,000	4,000,000
Provision for off-balance sheet exposure		-	50,000,000
Provision for diminution in value of investments		64,000,000	(250,000,000)
Other provisions		26,181,570	26,000,000
<b>Total Provision</b>		<b>2,030,742,183</b>	<b>495,683,893</b>
<b>Profit/(Loss) before taxes</b>		<b>1,614,963,534</b>	<b>2,677,140,095</b>
<b>Provision for taxation</b>	<b>43</b>		
Current tax		950,000,000	1,290,000,000
Deferred tax expense/(income)		(222,017,492)	(157,592,956)
		<b>727,982,508</b>	<b>1,132,407,044</b>
<b>Net profit after taxation</b>		<b>886,981,027</b>	<b>1,544,733,051</b>
Retained earning brought forward from previous year		2,168,447,775	1,730,120,903
		<b>3,055,428,801</b>	<b>3,274,853,954</b>
<b>Appropriations:</b>			
Statutory reserve		322,992,707	535,428,019
General reserve		-	-
Dividend		656,624,890	570,978,160
		<b>979,617,597</b>	<b>1,106,406,179</b>
<b>Retained surplus</b>		<b>2,075,811,204</b>	<b>2,168,447,775</b>
<b>Earnings Per Share (EPS)</b>	<b>50</b>	<b>1.76</b>	<b>3.07</b>

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

  
Managing Director

  
Director

  
Director

  
Director

Signed as per our annexed report of same date

27 April 2016  
Dhaka

  
M. J. Abedin & Co.  
Chartered Accountants

# INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

## Cash Flow Statement

for the year ended 31 December 2015

		Amount in BDT	
Particulars	Note	2015	2014
<b>A. Cash flows from operating activities</b>			
Interest received		14,699,453,987	13,752,091,010
Interest payments		(8,939,654,706)	(8,673,371,133)
Dividend received		160,873,844	105,718,382
Fees and commission received		1,414,233,170	1,328,028,172
Recoveries of loans and advances previously written-off		91,978,387	194,316,107
Cash payments to employees		(2,269,905,560)	(2,481,219,376)
Cash payments to suppliers		(254,380,826)	(237,324,678)
Income taxes paid		(1,039,855,190)	(1,194,602,128)
Receipts from other operating activities	44	525,930,547	556,728,399
Payments for other operating activities	45	(1,424,208,735)	(1,321,620,787)
Operating cash flows before changing in operating assets and liabilities		2,964,464,919	2,028,743,968
<b>Increase/(decrease) in operating assets and liabilities</b>			
Statutory deposits		-	-
Loans and advances to other banks		-	-
Loans and advances to customers		(20,441,858,272)	(17,683,291,943)
Other assets	47	(1,176,269,186)	269,122,656
Deposits from other banks		306,602,000	(225,339,000)
Deposits from customers		16,805,962,889	19,722,419,479
Trading liabilities		-	-
Other liabilities	48	(181,510,000)	338,475,556
		<b>(4,687,072,570)</b>	<b>2,421,386,749</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>(1,722,607,651)</b>	<b>4,450,130,717</b>
<b>B. Cash flows from investing activities</b>			
Net proceeds/(payments) from sale/(purchase) of Government securities		(6,154,867,151)	(1,255,048,849)
Net proceeds/(payments) from sale/(purchase) of securities		726,997,463	(285,614,169)
Purchase of property, plant & equipment		(738,592,061)	(833,303,359)
Proceeds from sale of property, plant & equipment		2,817,834	3,253,511
<b>Net cash used in investing activities</b>		<b>(6,163,643,914)</b>	<b>(2,370,712,866)</b>
<b>C. Cash flows from financing activities</b>			
Borrowing from other banks, financial institution and agents		1,579,368,597	2,128,587,765
Receipts from issue of sub-ordinated bond		-	-
Dividend paid (cash)		-	-
Payment against lease obligation		(6,642,120)	(7,263,378)
<b>Net cash flow from financing activities</b>		<b>1,572,726,477</b>	<b>2,121,324,387</b>
<b>D. Net increase/(decrease) in cash (A+B+C)</b>		<b>(6,313,525,088)</b>	<b>4,200,742,237</b>
E. Effects of exchange rate changes on cash and cash equivalents		(4,316,627)	(24,714,234)
<b>F. Opening balance of cash and cash equivalents</b>		<b>23,897,497,667</b>	<b>19,721,469,665</b>
<b>G. Closing balance of cash and cash equivalents (D+E+F)</b>	46	<b>17,579,655,952</b>	<b>23,897,497,667</b>
<b>Closing cash and cash equivalents</b>			
Cash in hand		1,626,141,729	1,829,379,694
Balance with Bangladesh Bank and its agents bank		10,235,213,906	8,569,433,622
Balance with other banks and financial institutions		5,710,545,217	12,042,832,451
Money at call and on short notice		-	1,450,000,000
Prize bonds		7,755,100	5,851,900
		<b>17,579,655,952</b>	<b>23,897,497,667</b>

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



**INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED**  
**Statement of Changes in Equity**

for the year ended 31 December 2015

Particulars	Amount in BDT							Total
	Paid up capital	Statutory reserve	General reserve	Revaluation reserve against securities	Revaluation reserve against fixed assets	Surplus in profit and loss account		
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	-	-	-	39,816,400	-	-	39,816,400	
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>41,391,939</b>	<b>115,314,704</b>	<b>2,168,447,775</b>	<b>10,667,932,268</b>	
Net profit for the year	-	-	-	-	-	886,981,027	886,981,027	
Stock dividend issued for the year 2014	656,624,890	-	-	-	-	(656,624,890)	-	
Transfer from provision to general reserve	-	-	99,300,000	-	-	-	99,300,000	
Appropriation made during the year	-	322,992,707	-	-	-	(322,992,707)	-	
<b>Balance as at 31 December 2015</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>2,075,811,204</b>	<b>11,654,213,295</b>	
Balance as at 1 January 2014	3,806,521,120	3,374,079,154	55,771,397	16,043,518	115,314,704	1,730,120,903	9,097,850,796	
Impact of changes in accounting policy	-	-	-	-	-	-	-	
<b>Restated balance as at 1 January 2014</b>	<b>3,806,521,120</b>	<b>3,374,079,154</b>	<b>55,771,397</b>	<b>16,043,518</b>	<b>115,314,704</b>	<b>1,730,120,903</b>	<b>9,097,850,796</b>	
Surplus/deficit on account of revaluation of investments	-	-	-	(14,467,980)	-	-	(14,467,980)	
Effect of foreign currency translation	-	-	-	-	-	-	-	
<b>Net gains and losses not recognized in the income statement</b>	<b>3,806,521,120</b>	<b>3,374,079,154</b>	<b>55,771,397</b>	<b>1,575,539</b>	<b>115,314,704</b>	<b>1,730,120,903</b>	<b>9,083,382,817</b>	
Net profit for the year	-	-	-	-	-	1,544,733,051	1,544,733,051	
Stock dividend issued for the year 2013	570,978,160	-	-	-	-	(570,978,160)	-	
Appropriation made during the year	-	535,428,019	-	-	-	(535,428,019)	-	
<b>Balance as at 31 December 2014</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>	





# INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

## Liquidity Statement

### Maturity Analysis of Asset and Liability

as at 31 December 2015

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)	2,333,793,536	88,400,000	88,400,000	-	9,350,762,099	-	11,861,355,635
Balance with other banks and financial institutions	4,010,545,217	1,150,000,000	550,000,000	-	-	-	5,710,545,217
Money at call and on short notice	-	-	-	-	-	-	-
Investment	2,115,620,171	5,104,777,625	3,743,889,006	9,753,794,807	7,779,775,269	-	28,497,856,878
Loans and advances	30,798,389,028	23,525,774,081	34,798,356,809	24,801,136,923	9,345,011,031	-	123,268,667,872
Fixed assets including premises, furniture and fixture	-	32,303,669	129,214,677	1,292,146,770	1,776,701,809	-	3,230,366,926
Other assets	814,217,854	1,808,744,444	814,217,855	1,119,623,990	834,879,920	-	5,391,684,063
Non-banking assets	-	-	-	373,474,800	-	-	373,474,800
<b>Total assets</b>	<b>40,072,565,806</b>	<b>31,709,999,818</b>	<b>40,124,078,347</b>	<b>37,340,177,291</b>	<b>29,087,130,128</b>	<b>178,333,951,390</b>	
<b>Liabilities</b>							
Borrowing from other banks, financial institutions and agents	2,048,394,639	1,690,598,876	3,127,612,836	292,283,553	41,923,810	-	7,200,813,713
Deposits and other accounts	23,060,364,592	27,745,653,407	34,116,659,136	43,168,295,356	18,728,733,041	-	146,819,705,532
Other liabilities	771,202,543	291,120,512	1,929,728,653	2,415,600,141	7,251,567,000	-	12,659,218,849
<b>Total liabilities</b>	<b>25,879,961,774</b>	<b>29,727,372,795</b>	<b>39,174,000,625</b>	<b>45,876,179,050</b>	<b>26,022,223,850</b>	<b>166,679,738,095</b>	
<b>Net liquidity</b>	<b>14,192,604,032</b>	<b>1,982,627,023</b>	<b>950,077,722</b>	<b>(8,536,001,759)</b>	<b>3,064,906,278</b>	<b>11,654,213,295</b>	



# NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2015



## 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 129 branches and 55 own ATM booths as on 31 December 2015. 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 Tk. 800 million divided into 80 million shares of Tk. 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, 2nd Floor, 102 College Road, Harrow, Middlesex, United Kingdom HAI IES, 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 12,434,025 number of shares out of 30,392,110 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 10,720 shares of the company, IFIC Bank owns 2,680 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 at various times. 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 year ended 31 December 2015 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 financial statements cover one calendar year from 1 January to 31 December which has been followed consistently over the years. 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 April 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/Tk.) 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 financial 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 financial year ended 31 December 2015. 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 year 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. There were unintentional error at the time of calculation of share of post acquisition profit from equity accounted investees (i.e. joint ventures and associates) which later found as overstated. Beside distributions received from equity accounted investees in the form of cash dividend was not eliminated in the consolidated financial statements in the year 2014. As such the same has been adjusted in the year 2014 including opening balances as per *BAS 8: Accounting Policies, Changes in Accounting Estimates and Errors*.

As a result, in the consolidated financial statements the opening balance of consolidated retained earnings for the year ended 2014 were adjusted by an amount of BDT 400.28 million and share of profit of joint ventures/associates during the year 2014 were adjusted by an amount of BDT 237.25 million. Due to the above adjustments Consolidated Earnings Per Share (EPS) and Net Asset Value (NAV) per share adjusted by 0.68 and 1.60 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 year'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 year 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 based 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 in 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
General Provision on:	
<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%

Particulars	Rate of Provision
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) Full year's depreciation is charged in the year of acquisition and depreciation is not charged in the year of disposal. 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 against income.

#### 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.

##### **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 year 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 year attributable to ordinary shareholders. As there was no preference shares, the net profit after tax for the year 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 year.

**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 year 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 year as there was no dilutive potential ordinary share during the year.

**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 Event 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.

**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. In 2015, the Bank arranged several training programs on prevention of money laundering & combating financing of terrorism where 517 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. In 2015, 3(three) incidents of fraud and forgeries has been identified involving total amount of Tk. 137.93 million, out of which Tk.110.59 million has already been recovered till 31 December 2015.

**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, steams 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 actives, 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 2014 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	Date of Rating	Rating Status			Validity
			Long term	Short term	Outlook	
Entity	January to December 2014	30-Jun-15	AA2	ST-2	Stable	30-Jun-16
Entity	January to December 2013	30-Jun-14	AA2	ST-2	Stable	30-Jun-15
Entity	January to December 2012	30-Jun-13	AA2	ST-2	Stable	30-Jun-14
Entity	January to December 2011	30-Jun-12	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 below:

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

Name of the BAS	BAS No.	Status
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*
Earning 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 objective of BAS 34: *Interim Financial Reporting* is to prescribe the minimum content of an interim financial report and to prescribe the principles for recognition and measurement in complete or condensed financial statements for an interim period and hence it is not applicable for annual financial statements. However, the Bank being a listed entity in Dhaka and Chittagong Stock Exchanges regularly publishes Interim Financial Report complying with BAS-34.

The following BFRSs were issued but not effective as at 31 December 2015

Name of the BFRS	BFRS No.	Effective From
Financial Instruments	BFRS 9	On or after 01.01.2018
Regulatory Deferral Accounts	BFRS 14	On or after 01.01.2016
Revenue form Contracts with Customers	BFRS 15	On or after 01.01.2018





		Amount in BDT		
	Note	31 December 2015	31 December 2014	
<b>3</b>	<b>Cash</b>			
	Cash in hand (including foreign currency)	3.1	1,626,141,729	1,829,379,694
	Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	10,235,213,906	8,569,433,622
			<b>11,861,355,635</b>	<b>10,398,813,316</b>
<b>3.1</b>	<b>Cash in hand (including foreign currency)</b>			
	Local currency in hand		1,487,148,722	1,705,383,369
	Foreign currencies in hand		21,543,772	26,451,957
	Cash with ATM		117,449,235	97,544,368
			<b>1,626,141,729</b>	<b>1,829,379,694</b>
<b>3.2</b>	<b>Balance with Bangladesh Bank and its agents bank</b>			
	Bangladesh Bank			
	Local currency		8,953,855,327	7,873,724,336
	Foreign currency		884,451,807	316,360,496
			<b>9,838,307,134</b>	<b>8,190,084,832</b>
	Sonali Bank as agent of Bangladesh Bank		396,906,772	379,348,790
			<b>10,235,213,906</b>	<b>8,569,433,622</b>
<b>3.3</b>	<b>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</b>	<b>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 December 2015 was based on weekly average balance of October 2015]. CRR maintained by the Bank as per statutory requirement is shown below:			
	Average time and demand liabilities		139,513,656,200	117,450,844,800
	Required reserve @ 6% on daily basis		8,370,819,372	7,047,050,688
	Actual reserve maintained*		8,978,550,000	7,835,583,000
	<b>Surplus</b>		<b>607,730,628</b>	<b>788,532,312</b>
	* As per Bangladesh Bank statement.			
<b>3.3.2</b>	<b>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 December 2015 was based on weekly average balance of October 2015]. SLR maintained by the Bank as per statutory requirement is shown below:			
	Average time and demand liabilities		139,513,656,200	117,450,844,800
	Required reserve		18,136,775,306	15,268,609,824
	Actual reserve maintained		26,219,916,781	20,208,703,194
	<b>Surplus</b>		<b>8,083,141,475</b>	<b>4,940,093,370</b>
	<b>Actual reserve maintained for SLR</b>			
	Cash in hand	3.1	1,626,141,729	1,829,379,694
	Balance with Bangladesh Bank in excess of CRR	3.3.1	607,730,628	788,532,312
	Balance with Sonali Bank as agent	3.2	396,906,772	379,348,790
	Government securities (HFT)	6.3	10,199,931,664	7,001,837,681





		Amount in BDT	
	Note	31 December 2015	31 December 2014
<b>4.2</b>	<b>Outside Bangladesh (NOSTRO Accounts)</b>		
	<b>Current account</b>		
	J.P. Morgan Chase Bank, New York	183,250,044	246,399,789
	Citi Bank N.A. New York	183,315,158	26,294,461
	HSBC Bank , New York	502,360,634	141,075,757
	Standard Chartered Bank, London	12,443,300	14,672,284
	Masreq Bank PSC, New York	289,213,990	141,313,122
	Mashreq Bank, PSC, Mumbai, India	29,058,358	30,326,818
	Standard Chartered Bank, New York	57,683,398	36,110,261
	Wells Fargo Bank, New York	158,144,711	43,756,461
	Sonali Bank, (UK) Limited	13,735,464	22,766,366
	Standard Chartered Bank, Kolkata	46,497,271	6,672,438
	AB Bank Ltd., Mumbai	81,889,537	1,145,103
	NIB Bank Ltd, Karachi, Pakistan	31,333,264	20,173,779
	National Trust Bank Ltd., Colombo	166,393	3,220,875
	Nepal Bangladesh Bank Ltd., Kathmandu, Nepal	11,687,054	11,484,215
	Sonali Bank, Kolkata	15,780,281	18,668,811
	State Bank of India, Kolkata	4,835,459	4,801,525
	Bank of Bhutan, Phuentosoling	84,439	2,638,482
	ICIC Bank Ltd.,Kolkata	62,877,204	8,725,430
	Commerz Bank AG, Frankfurt	67,913,524	33,729,371
	Habib American Bank, New York	68,429,084	590,856
	J.P. Morgan Chase Bank, Sydney	4,011,554	503,602
	The Bank Nova Scotia, Toronto, Canada	-	(176,591)
	Habib Bank AG , Zurich	388,242	588,899
	Commerz Bank AG, Frankfurt	30,390,907	(15,054,682)
	J.P. Morgan Chase Bank AG, Frankfurt	5,731,476	3,614,231
	Sonali Bank UK London	782,575	622,719
	Standard Chartered Bank, London	9,292,099	8,616,942
	Sonali Bank(UK)Limited	6,210,353	14,415,312
	Bank of Tokyo- Mitsubishi,Tokyo	143,907	169,402
	AB Bank Ltd., Mumbai	5,807,175	-
		<b>1,883,456,854</b>	<b>827,866,037</b>
	For details of foreign currency amounts and rates thereof please see "Annexure-A"		
<b>4.3</b>	<b>Maturity grouping of balance with other banks and FIs</b>		
	Receivable on demand	2,010,545,217	2,825,947,691
	Upto 1 month	2,000,000,000	4,116,843,088
	More than 1 month but not more than 3 months	1,150,000,000	4,122,175,634
	More than 3 months but not more than 6 months	550,000,000	977,866,038
	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>5,710,545,217</b>	<b>12,042,832,451</b>

		Amount in BDT		
	Note	31 December 2015	31 December 2014	
<b>4.a</b>	<b>Consolidated balance with other banks and financial institutions</b>			
	<b>In Bangladesh</b>			
	IFIC Bank Limited	4.1	3,827,088,363	11,214,966,413
	IFIC Securities Limited		6,434,716	92,162,560
	IFIC Money Transfer (UK) Limited		-	-
			<b>3,833,523,079</b>	<b>11,307,128,973</b>
	Less: Inter -company transaction		6,434,715	92,162,559
			<b>3,827,088,364</b>	<b>11,214,966,414</b>
<b>4.b</b>	<b>Outside Bangladesh</b>			
	IFIC Bank Limited	4.2	1,883,456,854	827,866,037
	IFIC Securities Limited		-	-
	IFIC Money Transfer (UK) Limited		6,503,084	6,730,690
			<b>1,889,959,938</b>	<b>834,596,727</b>
	Less: Inter -company transaction		-	-
			<b>1,889,959,938</b>	<b>834,596,727</b>
			<b>5,717,048,302</b>	<b>12,049,563,141</b>
<b>5</b>	<b>Money at call and on short notice</b>			
	<b>Banking companies</b>			
	Bank Alfalah Ltd.		-	100,000,000
	Bank Asia Ltd.		-	600,000,000
	Standard Bank Ltd.		-	300,000,000
	Jamuna Bank Ltd.		-	300,000,000
			-	<b>1,300,000,000</b>
	<b>Non banking financial institution</b>			
	Investment Corporation of Bangladesh (ICB)		-	150,000,000
			-	<b>1,450,000,000</b>
<b>6</b>	<b>Investments</b>			
	Government Securities	6.1	23,596,892,752	17,217,294,297
	Other Investments	6.2	4,900,964,126	5,627,961,589
			<b>28,497,856,878</b>	<b>22,845,255,886</b>
<b>6.1</b>	<b>Government securities</b>			
	Treasury bills	6.1.1	10,204,931,663	7,819,903,997
	Treasury bonds	6.1.2	13,379,205,989	9,381,538,399
	Prize bond		7,755,100	5,851,900
	Debentures	6.1.3	5,000,000	10,000,000
			<b>23,596,892,752</b>	<b>17,217,294,297</b>
<b>6.1.1</b>	<b>Treasury bills</b>			
	91 days treasury bills		4,307,601,783	1,202,637,926
	182 days treasury bills		3,514,563,540	3,383,389,729
	364 days treasury bills		2,382,766,340	3,233,876,343
			<b>10,204,931,663</b>	<b>7,819,903,997</b>







		Amount in BDT	
		Note	
		31 December 2015	31 December 2014
<b>6.1.2</b>	<b>Treasury bonds</b>		
	2 years Treasury bond	1,073,474,828	211,945,024
	5 years Treasury bond	1,291,919,220	1,701,895,636
	10 years Treasury bond	6,567,976,734	5,229,438,036
	15 years Treasury bond	2,980,402,075	1,262,304,464
	20 years Treasury bond	1,465,433,132	975,955,239
		<b>13,379,205,989</b>	<b>9,381,538,399</b>
<b>6.1.3</b>	<b>Debentures</b>		
	House Building Finance Corporation	5,000,000	10,000,000
		<b>5,000,000</b>	<b>10,000,000</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	34,423,040
	RAK Ceramics Ltd.	-	10
	Summit Power Ltd.	108,786,696	108,786,696
	Summit Alliance Port Ltd.	27,546,745	27,546,745
	British American Tobacco Bangladesh Ltd.	91,555,568	91,744,278
	Eastland Insurance Company Ltd.	8,941,428	8,941,428
	TITAS Gas Transmission and Distribution Ltd.	465,701,734	466,084,720
	Beximco Ltd.	1,264,121,634	1,264,121,634
	Malek Spinning Mills Company Ltd.	7,681	7,681
	DESCO Ltd.	-	6,972,919
	Unique Hotel and Resorts Ltd.	21,029,385	21,029,385
	The City Bank Ltd.	194,197,477	194,197,477
	MJL Bangladesh Ltd.	45,291,198	86,128,123
	Fareast Life Insurance Ltd.	136,631,812	136,631,812
	Beximco Pharmaceuticals Ltd.	137,938,967	201,481,540
	Northern General Insurance Company Ltd.	10,951,563	10,951,563
	Reliance Insurance Ltd.	11,674,463	11,674,463
		<b>2,926,454,667</b>	<b>3,068,333,947</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>Debt securities</b>		
	Banglalion Communication Ltd.	-	579,997,606

		Amount in BDT	
	Note	31 December 2015	31 December 2014
<b>Outside Bangladesh</b>			
Nepal Bangladesh Bank Ltd.		1,286,433,768	1,294,019,575
Oman International Exchange LLC		17,843,275	17,718,055
NIB Bank Ltd., Pakistan		333,438,723	331,098,714
		<b>1,637,715,766</b>	<b>1,642,836,344</b>
		<b>4,900,964,126</b>	<b>5,627,961,589</b>

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

<b>6.3</b>	<b>Government securities classified according to Bangladesh Bank Circular</b>		
	Held for trading (HFT)	10,199,931,664	7,001,837,681
	Held to maturity (HTM)	13,384,205,988	10,199,604,715
	Other securities	12,755,100	15,851,900
		<b>23,596,892,752</b>	<b>17,217,294,297</b>
<b>6.4</b>	<b>Maturity grouping of investments</b>		
	On demand	7,755,100	117,695,558
	Up to 1 month	2,107,865,071	2,469,495,529
	Over 1 month but not more than 3 months	5,104,777,625	2,926,279,996
	Over 3 months but not more than 6 months	1,830,018,863	2,366,976,899
	Over 6 months but not more than 1 years	1,913,870,143	1,817,011,383
	Over 1 year but not more than 5 years	9,753,794,807	8,094,642,900
	Over 5 years	7,779,775,269	5,053,153,620
		<b>28,497,856,878</b>	<b>22,845,255,886</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>				

**Disclosure regarding Overall transaction of Repo and Reverse Repo**

Counterparty Name	Minimum outstanding in Y2015	Maximum outstanding in Y2015	Daily average outstanding in Y2015
<b>Securities sold under Repo</b>			
With Bangladesh Bank	-	-	-
With other Banks and FIs	429,197,924	1,557,264,110	8,175,656
<b>Securities purchased under Reverse Repo</b>			
From Bangladesh Bank	190,024,596	3,650,472,500	120,635,079
From other Banks and FIs	298,057,082	1,074,258,385	61,606,075

<b>6.a</b>	<b>Consolidated investments</b>		
	<b>Government Securities</b>		
	IFIC Bank Limited	6.1	23,596,892,752
	IFIC Securities Limited		-
	IFIC Money Transfer (UK) Limited		-
			<b>23,596,892,752</b>
			<b>17,217,294,297</b>





		Amount in BDT		
	Note	31 December 2015	31 December 2014	
<b>6.b</b>	<b>Consolidated other investments</b>			
	IFIC Bank Limited	6.2	4,900,964,126	5,627,961,589
	IFIC Securities Limited		89,321,750	89,324,738
	IFIC Money Transfer (UK) Limited		-	-
	<b>Less:</b>			
	Book value of investment in joint venture/associate-NBBL		(1,286,433,768)	(1,294,019,575)
	Book value of investment in joint venture/associate -OIE LLC		(17,843,275)	(17,718,055)
	<b>Add:</b>			
	Investment in NBBL under equity method	41.b(i)	1,744,628,767	1,629,195,376
	Investment in OIE LLC under equity method	41.b(II)	86,223,917	80,098,816
			<b>5,516,861,518</b>	<b>6,114,842,890</b>
			<b>29,113,754,270</b>	<b>23,332,137,187</b>
<b>7</b>	<b>Loans and advances</b>			
	Loans, cash credit, overdraft etc.	7.1	114,236,126,152	94,532,881,160
	Bill purchased and discounted	8	9,032,541,721	7,749,268,149
			<b>123,268,667,873</b>	<b>102,282,149,309</b>
<b>7.1</b>	<b>Loans, cash credit, overdraft etc.</b>			
	Inside Bangladesh			
	Term loan industrial		11,011,276,371	6,596,891,295
	Term loan consumer finance		590,143,861	377,394,070
	Agricultural loan		2,002,885,416	1,417,338,319
	Term loan women entrepreneur		8,416,725	6,904,620
	Term loan-others		27,005,371,690	20,734,890,975
	House building loans		5,539,524,968	1,235,843,031
	Staff loan		1,957,587,284	1,890,192,383
	Transport loan		801,367,255	668,576,160
	Loan general		2,637,343,293	2,617,642,689
	Demand loan		2,711,519,557	2,896,692,868
	Overdrafts		25,220,065,470	23,549,902,570
	Cash credit		27,282,256,826	25,443,140,268
	Credit card finance		252,438,131	243,798,248
	Loan against imported merchandise(LIM)		71,170,218	104,748,152
	Loan against trust receipt (LTR)		5,877,060,897	5,482,486,327
	Lease Finance	7.16	524,324,497	612,090,045
			<b>113,492,752,459</b>	<b>93,878,532,022</b>
	<b>Outside Bangladesh</b>		-	-
			<b>113,492,752,459</b>	<b>93,878,532,022</b>
	<b>Off-shore banking unit</b>		743,373,693	654,349,138
			<b>114,236,126,152</b>	<b>94,532,881,160</b>
<b>7.2</b>	<b>Residual maturity grouping of Loans, cash credit, overdraft etc.</b>			
	<b>Receivable</b>			
	On demand		3,830,157,011	2,780,772,670
	Up to 1 month		23,172,649,927	19,451,349,311
	Over 1 month but not more than 3 months		20,546,137,290	12,556,177,758
	Over 3 months but not more than 1 years		32,541,033,969	30,318,215,451
	Over 1 year but not more than 5 years		24,801,136,923	21,187,528,964
	Over 5 years		9,345,011,032	8,238,837,006
			<b>114,236,126,152</b>	<b>94,532,881,160</b>

		Amount in BDT	
	Note	31 December 2015	31 December 2014
<b>7.3</b>	<b>Loans and advances under broad categories</b>		
	<b>In Bangladesh</b>		
	Loans	61,733,803,856	45,539,838,321
	Cash credit	27,282,256,826	25,443,140,268
	Overdrafts	25,220,065,470	23,549,902,570
		<b>114,236,126,152</b>	<b>94,532,881,160</b>
	Bill purchased and discounted	8 9,032,541,721	7,749,268,149
		123,268,667,873	102,282,149,309
	<b>Outside Bangladesh</b>	-	-
		<b>123,268,667,873</b>	<b>102,282,149,309</b>
<b>7.4</b>	<b>Loans and advances on the basis of significant concentration</b>		
	<b>Loans and advances to Directors, executives and others</b>		
	Loans and advances to directors and their allied concerns	-	741,893
	Loans and advances to Managing Director, Senior Executives and Staffs	1,957,587,284	1,890,192,383
	Advances to customers' groups	121,311,080,589	100,391,215,033
		<b>123,268,667,873</b>	<b>102,282,149,309</b>
<b>7.5</b>	<b>Loans and advances allowed to each customer exceeding 10% of Bank's total capital</b>		
	Number of customers	29	31
	Amount of outstanding loans - funded & non-funded	60,163,200,000	53,921,900,000
	Amount classified	-	-
	Amount of loans and advances (comprising funded and non funded facilities) to each customer exceeding Tk. 1,181.31 million which is computed as 10% of the Bank's capital (as defined under Bank Companies Act 1991 as amended) of Tk 11,813.12 million as at 31 December 2015. As at 31 December 2014, 10% of Bank's total capital of Tk. 11,308.44 million was Tk. 1,130.85 million.		
	For details of loans and advances to each customer exceeding 10% Banks capital please see "Annexure-C".		
<b>7.6</b>	<b>Industry wise position of loans and advances including bills purchased and discounted</b>		
	Agriculture Industries	2,002,885,416	1,417,338,319
	Jute Industries	1,296,298,222	997,218,400
	Textile Industries	8,118,842,232	5,481,881,249
	Garments Industries	18,336,362,179	14,867,703,440
	Chemical and Chemical Products	372,239,262	390,808,925
	Cement Industries	367,851,556	154,927,183
	Bricks & Ceramic	887,340,215	903,449,269
	Food Products & Processing	1,228,055,714	4,316,476,475
	Engineering & Metal	5,593,862,778	4,407,699,797
	Drugs & Pharmaceuticals	934,861,390	-
	Hospital & Clinics	125,355,045	128,867,260
	Paper & Paper Products Industries	296,104,544	449,762,044
	Other Small Industries	11,498,323,363	8,277,723,856
	IT Sector	3,242,999,001	3,820,211,434
	Other Service Industries	4,890,000,000	5,590,918,579
	Trade & Commerce	26,272,748,741	22,938,039,072
	IFIC Securities Ltd.	1,295,383,172	1,199,738,281
	Transport	895,567,615	747,205,356
	Construction Firms/Companies	4,546,534,800	3,913,317,258
	Housing Societies/Companies	9,908,212,895	9,306,094,561





		Amount in BDT	
	Note	31 December 2015	31 December 2014
Cold Storage		89,280,741	110,746,160
Non-Banking Financial Institutions		700,045,944	638,479,766
Consumer Finance		6,238,511,093	5,647,268,264
Energy		4,972,747,360	3,562,960,031
Telecommunication		5,525,088,366	1,541,695,871
Others		3,633,166,227	1,471,618,458
		<b>123,268,667,873</b>	<b>102,282,149,309</b>
<b>7.7</b>	<b>Sector wise position of loans and advances including bills purchased and discounted</b>		
Government sector		-	41,016,667
Other public sector		591,971,117	-
Private sector		122,676,696,756	102,241,132,642
Co-operative sector		-	-
		<b>123,268,667,873</b>	<b>102,282,149,309</b>
<b>7.8</b>	<b>Geographical location-wise loans and advances including bills purchased and discounted</b>		
<b>Inside Bangladesh</b>			
Dhaka division		95,187,256,664	77,418,527,377
Chittagong division		16,068,894,624	14,325,883,053
Sylhet division		883,817,564	790,141,733
Rajshahi division		5,369,258,853	4,457,223,459
Khulna division		2,930,916,862	2,375,178,022
Barisal division		463,872,866	358,423,813
Rangpur division		2,364,650,440	2,556,771,850
		<b>123,268,667,873</b>	<b>102,282,149,309</b>
<b>Outside Bangladesh</b>		-	-
		<b>123,268,667,873</b>	<b>102,282,149,309</b>
<b>7.9</b>	<b>Business segment-wise concentration of loans and advances as per CL</b>		
Corporate		88,764,434,503	75,129,166,107
SME		20,741,562,729	19,054,493,358
Short term agri credit		2,213,281,743	245,384,106
Consumer (including staff)		5,413,427,738	4,965,266,994
Others		6,135,961,160	2,887,838,744
		<b>123,268,667,873</b>	<b>102,282,149,309</b>
<b>7.10</b>	<b>Loans and advances including bills purchased and discounted as per CL</b>		
<b>Inside Bangladesh</b>			
<b>Continuous loan</b>			
Consumer finance		2,278,438,642	2,193,410,417
Small and medium enterprise		17,525,982,325	15,884,864,430
Loans to BHs/MBs/SDs		2,207,827,731	2,172,133,026
Other continuous loans		29,307,054,916	27,955,443,408
		<b>51,319,303,614</b>	<b>48,205,851,281</b>
<b>Demand loans</b>			
Consumer finance		483,833,803	400,836,722
Small and medium enterprise		1,600,480,409	1,707,711,763
Loans to BHs/MBs/SDs		-	-
Other continuous loans		20,462,459,126	17,710,042,534
		<b>22,546,773,338</b>	<b>19,818,591,019</b>

		Amount in BDT		
		Note	31 December 2015	31 December 2014
<b>Short term loan</b>				
Short term agri credit			2,213,281,743	245,384,106
<b>Term loan</b>				
Consumer finance (including staff, other than HF)			2,651,155,293	2,371,019,855
Small and medium enterprise			1,615,099,995	1,461,917,165
Housing finance (HF)			3,925,919,657	712,865,768
Loans for professionals			2,213,772	2,839,950
Loans to BHs/MBs/SDs			-	-
Other fixed term loan			38,994,920,461	29,463,680,165
			<b>47,189,309,178</b>	<b>34,012,322,903</b>
<b>Outside Bangladesh</b>			-	-
			<b>123,268,667,873</b>	<b>102,282,149,309</b>
<b>7.11 Security/collateral-wise concentration of loans and advances including bills purchased and discounted</b>				
Collateral of movable/immovable assets			65,256,639,311	73,777,179,572
Local banks and financial institutions' guarantee			-	-
Government guarantee			-	-
Foreign bank guarantee			-	-
Export documents			3,850,631,263	2,770,725,853
Fixed deposit receipts			8,811,513,496	7,918,945,199
Government bonds			-	-
Personal guarantee			12,067,127,042	13,465,964,413
Other securities			33,282,756,761	4,349,334,272
			<b>123,268,667,873</b>	<b>102,282,149,309</b>
<b>7.12 Particulars of loans and advances</b>				
i) Loans considered good in respect of which the Bank is fully secured.			108,090,979,501	88,950,668,274
ii) Loans considered good for which the Bank holds no other security than the debtors' personal guarantee.			10,170,470,841	9,246,385,378
iii) Loans considered good being secured by personal security of one or more persons in addition to the personal security of the debtors.			5,007,217,531	4,085,095,657
iv) Loans adversely classified; provision not maintained there against.			-	-
			<b>123,268,667,873</b>	<b>102,282,149,309</b>
v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons.			1,957,587,284	1,890,934,276
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;			1,295,368,172	1,199,738,281
vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or employees of the Bank or any of them either severally or jointly with any other person			2,073,804,566	1,890,934,276
viii) Maximum total amount of advances, including temporary advances granted during the 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			1,295,368,172	1,199,738,281





		Amount in BDT		
		Note	31 December 2015	31 December 2014
ix)	Due from banking companies		-	-
x)	a) Classified loans for which interest has not been charged:			
	Increase/(decrease) in specific provision		523,923,354	580,502,942
	Amount of loan written off		1,224,042,403	289,153,382
	Amount recovered against the loans previously written off		102,050,000	258,446,000
	b) Amount of provision kept against loans classified as bad/loss as at the Balance Sheet date		2,275,949,875	1,752,026,521
	c) Amount of interest creditable to the interest suspense account		1,962,382,331	1,243,112,911
xi)	Cumulative amount of written off loan:			
	Opening balance		7,681,387,382	7,648,161,000
	Amount written off during the year		1,224,042,403	289,153,382
	Interest charged		1,914,000	2,519,000
	Recovery from written-off during the year*		(102,050,000)	(258,446,000)
			<b>8,805,293,785</b>	<b>7,681,387,382</b>
* Recovery from written-off loans during the year include waiver of Tk. 10,071,613 [Y2014: Tk. 64,129,893].				
<b>7.13</b>	<b>Cumulative amount of written off loans for which law suits have been filed</b>			
	Opening balance		12,404,550,743	12,115,397,361
	During the year		1,224,042,403	289,153,382
			<b>13,628,593,146</b>	<b>12,404,550,743</b>
Out of this cumulative amount of written-off loans, no suit could be filed for recovery of Tk. 43.8 million for becoming time barred.				
<b>7.14</b>	<b>Classification of loans and advances</b>			
	<b>Unclassified</b>			
	Standard		105,456,769,377	94,135,991,384
	Special mention account		9,849,846,666	3,085,024,273
			<b>115,306,616,044</b>	<b>97,221,015,657</b>
	<b>Classified</b>			
	Substandard		1,208,861,621	595,065,796
	Doubtful		1,282,352,831	704,241,678
	Bad/Loss		5,470,837,378	3,761,826,178
			<b>7,962,051,830</b>	<b>5,061,133,652</b>
			<b>123,268,667,873</b>	<b>102,282,149,309</b>
<b>7.15</b>	<b>Movements of classified loans and advances</b>			
	Opening balance		5,061,133,652	3,168,075,634
	Additions during the year		8,190,736,565	4,525,559,123
	Reduction during the year		(5,289,818,388)	(2,632,501,105)
			<b>7,962,051,830</b>	<b>5,061,133,652</b>
<b>7.16</b>	<b>Net lease receivable</b>			
	Gross lease receivable within 1 year		153,006,637	308,416,928
	Gross lease receivable 1 - 5 years		566,032,601	514,304,296
	<b>Total lease rental receivable</b>		<b>719,039,238</b>	<b>822,721,224</b>
	Less: Unearned income		194,714,741	210,631,179
	<b>Net lease receivable</b>		<b>524,324,497</b>	<b>612,090,045</b>

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

		Amount in BDT	
	Note	31 December 2015	31 December 2014
<b>7.a</b>	<b>Consolidated loans and advance Loans, cash credits, overdrafts etc.</b>		
	IFIC Bank Limited	7.1 114,236,126,152	94,532,881,160
	IFIC Securities Limited	3,694,754,938	3,336,996,641
	IFIC Money Transfer (UK) Limited	-	-
		<b>117,930,881,090</b>	<b>97,869,877,801</b>
	Less: Inter-company transactions	1,295,383,173	1,199,748,281
		<b>116,635,497,917</b>	<b>96,670,129,520</b>
<b>8</b>	<b>Bills purchased and discounted</b>		
	Payable in Bangladesh	8,546,663,593	7,143,636,388
	Payable outside Bangladesh	485,878,128	605,631,761
		<b>9,032,541,721</b>	<b>7,749,268,149</b>
<b>8.1</b>	<b>Bill purchased and discounted Payable in Bangladesh</b>		
	<b>Local bills/documents</b>		
	Inland documentary bill purchase (IDBP)	1,390,912,895	1,378,397,485
	Payment against documents-cash	355,359,394	299,188,145
	Payment against documents-EDF	4,778,404,158	3,567,660,930
	Payment against documents-forced (Inland)	164,320,231	377,712,661
	Payment against documents-forced (Foreign)	382,748,266	391,927,964
	Payment against documents-Others	321,636,140	17,193,468
		<b>7,393,381,084</b>	<b>6,032,080,654</b>
	Off-shore banking unit	1,153,282,509	1,111,555,734
		<b>8,546,663,593</b>	<b>7,143,636,388</b>
	<b>Payable outside Bangladesh</b>		
	<b>Foreign bills/documents</b>		
	Foreign documentary bill purchase (FDBP)	485,878,128	605,631,761
		<b>485,878,128</b>	<b>605,631,761</b>
		<b>9,032,541,721</b>	<b>7,749,268,149</b>
<b>8.2</b>	<b>Residual maturity grouping of bill purchased and discounted Receivable</b>		
	On demand	1,424,916,039	1,316,907,460
	Up to 1 month	2,370,666,051	1,479,036,156
	Over 1 month but not more than 3 months	2,979,636,791	2,462,818,404
	Over 3 months but not more than 6 months	2,234,989,719	2,473,176,887
	Over 6 months	22,333,121	17,329,242
		<b>9,032,541,721</b>	<b>7,749,268,149</b>
<b>8.a</b>	<b>Consolidated bills purchased and discounted</b>		
	IFIC Bank Limited	8 9,032,541,721	7,749,268,149
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		<b>9,032,541,721</b>	<b>7,749,268,149</b>







		Amount in BDT		
		Note	31 December 2015	31 December 2014
<b>9</b>	<b>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		118,694,149	113,437,784
	Steel furniture		59,242,462	56,029,936
	Computer equipment		668,481,187	536,742,251
	Office equipment		196,964,697	185,752,840
	Electrical & gas equipment		394,944,685	356,015,849
	Leasehold improvement		237,653,741	215,850,139
	Vehicles (purchased & leased)		163,273,145	146,746,620
	Soft furnishing		12,653,637	12,271,161
			<b>3,664,977,939</b>	<b>3,435,916,816</b>
	<b>Intangible assets:</b>			
	Software		293,931,990	240,470,209
			<b>3,958,909,929</b>	<b>3,676,387,025</b>
	Capital work in progress *		846,594,774	593,198,539
			<b>4,805,504,702</b>	<b>4,269,585,564</b>
	Less: Accumulated depreciation		1,575,137,777	1,340,265,806
	<b>Written down value</b>		<b>3,230,366,926</b>	<b>2,929,319,758</b>

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</b>	<b>Consolidated fixed assets including premises, furniture and fixtures</b>			
	IFIC Bank Limited	9	3,230,366,926	2,929,319,758
	IFIC Securities Limited		6,071,123	7,111,151
	IFIC Money Transfer (UK) Limited		8,442,974	10,422,345
			<b>3,244,881,023</b>	<b>2,946,853,254</b>
<b>10</b>	<b>Other assets</b>			
	Stationery and stamps		23,880,960	20,668,793
	Suspense account	10.1	472,775,672	467,338,723
	Advance, deposit and prepayments	10.2	2,217,402,880	1,125,060,501
	Accrued interest on investment & other income receivable	10.3	848,795,327	872,189,445
	Investment in subsidiaries	10.4	834,879,920	836,270,870
	Revaluation account FDBP		1,792,520	1,792,520
	Deferred tax assets	10.5	841,302,473	619,284,981
	Accounts receivable others		5,123,046	7,020,448
			<b>5,245,952,798</b>	<b>3,949,626,283</b>
	Off-shore banking unit		145,731,263	67,165,218
			<b>5,391,684,061</b>	<b>4,016,791,501</b>

		Amount in BDT	
	Note	31 December 2015	31 December 2014
<b>10.1</b>	<b>Suspense account</b>		
	Sundry debtors	134,948,472	128,142,280
	Advance against bills, new branches	32,501,733	25,856,898
	Advance against TA / DA	1,095,990	176,600
	Law charges	130,206,562	99,902,597
	Sanchayapatra paid	131,687,663	139,661,540
	Wage earners development bond paid	6,992,551	28,440,163
	CIB charge recovery	92,904	244,154
	Moneygram services	34,685,105	20,958,033
	Others	564,692	23,956,457
		<b>472,775,672</b>	<b>467,338,723</b>
<b>10.2</b>	<b>Advance, deposit and prepayments</b>		
	Advance rent	317,008,488	324,085,606
	Advance income tax	1,578,711,636	538,856,446
	Security deposit including demand note	6,277,571	3,970,423
	Advance against car purchase	228,842,260	212,494,717
	Advance against insurance premium	501,307	-
	Protested bills	22,121,026	16,783,206
	Cash remittance	12,500,000	23,694,500
	Others	51,440,592	5,175,603
		<b>2,217,402,880</b>	<b>1,125,060,501</b>
<b>10.3</b>	<b>Accrued interest on investment &amp; other income receivable</b>		
	Treasury bonds	444,497,079	323,829,277
	Debentures and bonds	3,210,562	156,246,563
	Receivables from Government	41,272,375	41,272,375
	Interest accrued on loans and advances	88,330,394	83,463,616
	Investment on FDR	73,700,526	96,946,804
	Others	197,784,391	170,430,811
		<b>848,795,327</b>	<b>872,189,445</b>
<b>10.4</b>	<b>Investment in subsidiaries</b>		
	IFIC Securities Limited	799,994,000	799,994,000
	IFIC Money Transfer (UK) Limited	34,885,920	36,276,870
		<b>834,879,920</b>	<b>836,270,870</b>
<b>10.5</b>	<b>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	1,041,964,428	816,242,841
	Deferred tax liabilities	(200,661,955)	(196,957,860)
	<b>Deferred tax assets/(liabilities)</b>	<b>841,302,473</b>	<b>619,284,981</b>





		Amount in BDT	
	Note	31 December 2015	31 December 2014
<b>i) Deferred tax on provision for loans and advances classified as doubtful and bad &amp; loss</b>			
Carrying amount		2,604,911,071	1,920,571,392
Tax base		-	-
Deductible/(taxable) temporary difference		2,604,911,071	1,920,571,392
Tax rate		40.00%	42.50%
Closing deferred tax assets/(liabilities)		1,041,964,428	816,242,841
Opening deferred tax assets/(liabilities)		816,242,841	642,345,690
Deferred tax (expense)/income (A)		225,721,587	173,897,151
<b>ii) Deferred tax on fixed assets</b>			
Carrying amount		2,383,772,155	2,276,857,017
Tax base		1,882,117,267	1,813,426,757
Deductible/(Taxable) temporary difference		501,654,888	463,430,260
Tax rate		40.00%	42.50%
Closing deferred tax assets/(liabilities)		(200,661,955)	(196,957,860)
Opening deferred tax assets/(liabilities)		(196,957,860)	(180,653,665)
Deferred tax (expense)/income (B)		(3,704,095)	(16,304,195)
Deferred tax (expense)/income (A+B)		222,017,492	157,592,956
<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	34,885,920	36,276,870
		<b>834,879,920</b>	<b>836,270,870</b>
<b>10.7 Non-Income generating other assets</b>			
Stationery and stamps		23,880,960	20,668,793
Sundry debtors		134,948,472	128,142,280
Advance against bills, new branches		32,501,733	25,856,898
Advance against TA / DA		1,095,990	176,600
Law charges		130,206,562	99,902,597
Advance against insurance premium		501,307	-
Advance against rent		317,008,488	324,085,606
Advance income tax		1,578,711,636	538,856,446
Sanchaya patra paid		131,687,663	139,661,540
Wage earners development bond paid		6,992,551	28,440,163
Security deposit including demand note		6,277,571	3,970,423
Advance against car purchase		228,842,260	212,494,717
Protested bills		22,121,026	16,783,206
Accrued interest and other interest receivable		848,795,327	872,189,445
CIB charges		92,904	244,154
Deferred tax assets	10.5	841,302,473	619,284,981
Cash remittance		12,500,000	23,694,500
Revaluation account FDBP		1,792,520	1,792,520
Moneygram		34,685,105	20,958,033
Accounts receivable others		5,123,046	7,020,448
Others		52,005,284	29,132,060
		<b>4,411,072,878</b>	<b>3,113,355,413</b>
Off-shore banking unit		145,731,263	67,165,218
		<b>4,556,804,141</b>	<b>3,180,520,631</b>

		Amount in BDT	
	Note	31 December 2015	31 December 2014
<b>10.a</b>	<b>Consolidated other assets</b>		
	IFIC Bank Limited	5,391,684,061	4,016,791,501
	Less: Investment in IFIC Securities Limited	799,994,000	799,994,000
	Less: Investment in IFIC Money Transfer (UK) Limited	34,885,920	36,276,870
		4,556,804,141	3,180,520,631
	IFIC Securities Limited	178,781,383	190,330,133
	IFIC Money Transfer (UK) Limited	668,647	803,170
		<b>4,736,254,171</b>	<b>3,371,653,934</b>
<b>11</b>	<b>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 Tk. 373,474,800 as non-banking assets in the year 2013.		
<b>12</b>	<b>Borrowing from other banks, financial institutions and agents</b>		
	In Bangladesh	6,651,311,614	4,919,900,516
	Outside Bangladesh	549,502,100	701,544,600
		<b>7,200,813,714</b>	<b>5,621,445,116</b>
<b>12.1</b>	<b>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	-
	BRAC Bank Limited	-	1,000,000,000
	Sonali Bank Ltd.	-	500,000,000
		<b>1,900,000,000</b>	<b>1,500,000,000</b>
	<b>Obligation under lease finance</b>	<b>37,973,238</b>	<b>42,083,370</b>
		<b>1,937,973,238</b>	<b>1,542,083,370</b>
	<b>Refinance from Bangladesh Bank</b>		
	Export Development Fund (EDF)	4,314,222,031	3,186,005,080
	Small and Medium Enterprise	399,116,344	191,812,066
		<b>4,713,338,375</b>	<b>3,377,817,146</b>
	<b>In Bangladesh</b>	<b>6,651,311,613</b>	<b>4,919,900,516</b>
	<b>Outside Bangladesh</b>	<b>549,502,100</b>	<b>701,544,600</b>
		<b>7,200,813,714</b>	<b>5,621,445,116</b>
<b>12.2</b>	<b>Secured and unsecured borrowing from other banks, financial institutions and agents</b>		
	Secured borrowing	-	-
	Unsecured borrowing	7,200,813,714	5,621,445,116
		<b>7,200,813,714</b>	<b>5,621,445,116</b>
<b>12.3</b>	<b>Maturity grouping of borrowing from other banks, financial institutions and agents</b>		
	<b>Payable</b>		
	On demand	1,056,000	497,142.86
	Up to 1 month	2,047,338,639	1,974,737,969
	Over 1 month but not more than 3 months	1,690,598,876	1,444,736,686
	Over 3 months but not more than 1 year	3,127,612,836	2,052,527,990
	Over 1 year but not more than 5 years	292,283,553	98,865,119
	Over 5 years	41,923,810	50,080,209
		<b>7,200,813,714</b>	<b>5,621,445,116</b>





		Amount in BDT	
	Note	31 December 2015	31 December 2014
<b>12.a</b>	<b>Consolidated borrowing from other banks, financial institutions and agents</b>		
	<b>In Bangladesh</b>		
	IFIC Bank Limited	6,651,311,614	4,919,900,516
	IFIC Securities Limited	1,588,024,135	1,502,894,423
	IFIC Money Transfer (UK) Limited	-	-
		<b>8,239,335,749</b>	<b>6,422,794,939</b>
	Less: Inter -company transactions	1,295,383,173	1,199,748,281
		<b>6,943,952,576</b>	<b>5,223,046,658</b>
	<b>Outside Bangladesh</b>		
	IFIC Bank Limited	549,502,100	701,544,600
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		<b>549,502,100</b>	<b>701,544,600</b>
		<b>7,493,454,676</b>	<b>5,924,591,258</b>
<b>13</b>	<b>Deposits and other accounts</b>		
	Current deposit and other accounts	13.1 17,411,524,226	15,464,779,314
	Bills payable	13.2 1,473,570,630	1,874,975,364
	Savings bank deposits	13.3 24,496,108,248	18,366,462,687
	Fixed deposits	13.4 103,438,502,428	94,039,587,998
		<b>146,819,705,532</b>	<b>129,745,805,362</b>
<b>13.1</b>	<b>Current deposit and other accounts</b>		
	Current accounts	9,527,215,111	8,994,424,903
	Foreign currency deposit	1,002,570,119	870,744,996
	Resident foreign currency deposit	43,727,497	38,347,807
	Exporters foreign currency account	5,227,213,326	3,658,583,155
	Margin on letters of credit	968,836,637	1,178,409,753
	Margin on letters of guarantee	330,148,676	255,916,372
	Investors' account credit balance	548,938	544,033
	Q-cash, prepaid, cheque card	2,142,834	3,167,571
	Sundry deposit	13.1.1 309,121,088	464,640,723
		<b>17,411,524,226</b>	<b>15,464,779,314</b>
<b>13.1.1</b>	<b>Sundry deposit</b>		
	Sundry creditor	106,294,161	123,798,141
	Lease deposit	24,743,476	29,975,627
	Risk fund-lease, CCS & others	794,970	792,479
	Clearing adjustment	36,109,852	66,200,878
	Visa credit card	25,645,521	18,850,488
	Sundry deposit BFF	25,912,400	25,912,400
	FDD issued but not presented	12,609,186	13,023,736
	IBC lodgment	62,595	62,595
	Other sundry deposits	76,948,927	186,024,379
		<b>309,121,088</b>	<b>464,640,723</b>
<b>13.2</b>	<b>Bills payable</b>		
	Payment order	1,463,128,293	1,864,650,537
	Demand draft	6,060,994	6,196,964
	Security deposit receipt	4,381,343	4,127,863
		<b>1,473,570,630</b>	<b>1,874,975,364</b>

		Amount in BDT	
	Note	31 December 2015	31 December 2014
<b>13.3</b>	<b>Savings bank deposit</b>		
	Savings account	15,480,526,093	12,680,878,561
	Super savings plus	7,826,272,790	5,100,504,600
	Payroll savings	242,117,559	144,904,886
	Sanchita-female savings	873,761,715	407,965,943
	Student savings - duronto	73,289,202	31,971,147
	Interest payable on savings deposit	140,889	237,550
		<b>24,496,108,248</b>	<b>18,366,462,687</b>
<b>13.4</b>	<b>Fixed deposit</b>		
	Special notice deposit (SND)	14,805,642,037	20,474,433,809
	Term deposit	83,399,500,647	69,602,275,527
	Recurring deposit	5,194,783,032	3,924,778,806
	Non resident foreign currency deposit (NFCD)	8,392,777	8,293,534
	Export retention quota (ERQ)	30,183,935	29,806,322
		<b>103,438,502,428</b>	<b>94,039,587,998</b>
<b>13.4.1</b>	<b>Term deposit</b>		
	Fixed deposits	66,324,177,224	53,387,995,965
	Double return deposit scheme	8,529,344,839	7,354,363,809
	Millionaire dream plan	413,610,746	283,166,051
	Three years deposit plus	4,200,000	800,000
	Monthly income scheme	6,514,807,077	5,883,758,742
	Monthly income scheme - Arjon	141,322,295	1,145,750,000
	Interest payable on term deposit	1,472,038,466	1,546,440,960
		<b>83,399,500,647</b>	<b>69,602,275,527</b>
<b>13.4.2</b>	<b>Recurring deposit</b>		
	Pension savings scheme (PSS)	4,697,420,872	3,632,806,072
	Pension savings scheme - Joma	5,949,762	3,002,957
	Flexi DPS - Freedom	243,459,937	85,617,097
	School savings plan	38,863,253	30,097,908
	Interest payable on recurring deposit	209,089,208	173,254,772
		<b>5,194,783,032</b>	<b>3,924,778,806</b>
<b>13.5</b>	<b>Deposit and other accounts of the banks</b>		
	Deposit from banks	1,166,600,000	859,998,000
	Deposit from customers	145,653,105,532	128,885,807,362
		<b>146,819,705,532</b>	<b>129,745,805,362</b>
<b>13.6</b>	<b>Payable on demand and time deposit</b>		
	Demand deposits		
	Current deposits	10,606,388,434	9,937,035,633
	Savings deposits	2,204,649,742	1,652,981,642
	Security deposits	4,381,343	4,127,863
	Sundry deposit	1,608,106,401	1,898,966,848
	Bills payable	1,469,189,287	1,870,847,501
		<b>15,892,715,208</b>	<b>15,363,959,486</b>





		Amount in BDT	
	Note	31 December 2015	31 December 2014
<b>Time deposits</b>			
Savings deposits		22,291,458,506	16,713,481,045
Fixed deposits		88,493,784,456	72,123,402,216
Special notice deposits		14,805,642,037	20,474,433,809
Deposits under schemes		5,336,105,325	5,070,528,806
		<b>130,926,990,324</b>	<b>114,381,845,876</b>
		<b>146,819,705,532</b>	<b>129,745,805,362</b>
<b>13.7</b>	<b>Sector-wise concentration of deposits and other accounts</b>		
Government deposits		3,803,794,000	2,400,002,000
Other public sector		20,461,403,000	18,692,903,000
Deposit for banks		1,166,600,000	859,998,000
Foreign currency deposits		1,002,570,119	870,744,996
Private sectors		120,385,338,413	106,922,157,366
		<b>146,819,705,532</b>	<b>129,745,805,362</b>
<b>13.8</b>	<b>Unclaimed deposits</b>		
Current deposits		639,715	1,692,921
Savings deposits		1,921,764	1,641,262
Special notice deposits		366,079	409,710
Pay order		358,300	58,150
Demand Draft		10,000.00	11,455
Sundry Creditors		16,000.00	-
		<b>3,311,858</b>	<b>3,813,497</b>
<b>13.9</b>	<b>Residual maturity grouping of deposits and other accounts</b>		
<b>Maturity grouping of deposit from banks</b>			
Payable			
On demand		1,166,600,000	859,998,000
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>1,166,600,000</b>	<b>859,998,000</b>
<b>Maturity grouping of deposit from customers excluding bills payable</b>			
Payable			
On demand		5,991,155,032	1,797,166,970
Up to 1 month		15,460,588,373	19,407,622,633
Over 1 month but not more than 3 months		27,450,939,281	30,007,826,399
Over 3 months but not more than 1 year		33,969,252,071	27,724,868,083
Over 1 year but not more than 5 years		42,578,867,104	46,330,562,988
Over 5 years		18,728,733,041	1,742,784,926
		<b>144,179,534,902</b>	<b>127,010,831,999</b>

		Amount in BDT		
	Note	31 December 2015	31 December 2014	
<b>13.10</b>	<b>Maturity grouping of bills payable</b>			
	Payable			
	On demand	-	93,703,766	
	Up to 1 month	442,021,187	468,718,840	
	Over 1 month but not more than 3 months	294,714,126	375,015,074	
	Over 3 months but not more than 1 year	147,407,065	187,507,537	
	Over 1 year but not more than 5 years	294,714,126	375,015,074	
	Over 5 years	294,714,126	375,015,074	
		<b>1,473,570,630</b>	<b>1,874,975,364</b>	
<b>13.a</b>	<b>Consolidated deposits and other accounts</b>			
	<b>Current deposits and other accounts</b>			
	IFIC Bank Limited	17,411,524,226	15,464,779,314	
	IFIC Securities Limited	34,940,487	209,410,399	
	IFIC Money Transfer (UK) Limited	-	-	
		17,446,464,713	15,674,189,713	
	Less: Inter -company transactions	6,434,715	92,162,559	
		<b>17,440,029,998</b>	<b>15,582,027,154</b>	
	<b>Bills payable</b>			
	IFIC Bank Limited	1,473,570,630	1,874,975,364	
	IFIC Securities Limited	-	-	
	IFIC Money Transfer (UK) Limited	-	-	
		<b>1,473,570,630</b>	<b>1,874,975,364</b>	
	<b>Savings bank deposit</b>			
	IFIC Bank Limited	24,496,108,248	18,366,462,687	
	IFIC Securities Limited	-	-	
	IFIC Money Transfer (UK) Limited	-	-	
		<b>24,496,108,248</b>	<b>18,366,462,687</b>	
	<b>Fixed deposits</b>			
	IFIC Bank Limited	103,438,502,428	94,039,587,998	
	IFIC Securities Limited	-	-	
	IFIC Money Transfer (UK) Limited	-	-	
		103,438,502,428	94,039,587,998	
		<b>146,848,211,304</b>	<b>129,863,053,202</b>	
<b>14</b>	<b>Other liabilities</b>			
	Specific provision for classified loans and advance	14.1	2,699,917,003	1,966,388,319
	General provision for unclassified loans and advances	14.2	1,282,300,000	1,076,300,000
	Provision for off balance sheet	14.3	478,720,000	478,720,000
	Provision for diminution in value of investments	14.4	394,000,000	330,000,000
	Provision for nostro account	14.5	9,862,000	9,862,000
	Provision for other assets	14.6	296,416,223	271,234,653
	Provision for taxation	14.7	3,698,795,584	2,748,795,584
	Interest suspense accounts	14.8	3,217,989,895	2,673,329,603
	Interest payable on borrowing from Banks & FI's		8,580,484	9,462,497
	Accrued expenses		29,894,147	14,924,505
	Withholding Tax payable to government		133,947,130	82,124,717
	Withholding VAT payable to government		27,942,952	15,809,793
	Excise duty payable to government		129,230,430	85,888,942







		Amount in BDT			
		Note	31 December 2015	31 December 2014	
	Dividend payable		2,814,447	2,814,447	
	Payable to good borrowers		10,000,000	-	
	Bonus payable		130,000,000	180,000,000	
	Gratuity payable		-	269,528,413	
	Revaluation of investment abroad		28,184,837	28,184,837	
	Exporter's cash assistance		10,300	153,300	
	Oman International Exchange (LLC)		8,295,427	8,053,352	
	Sale proceeds of PSP & TC		1,999,232	1,064,140	
	Local commission on export		8,536,132	19,087,466	
	Recovery on court cases		4,391,447	22,355,188	
	Others		57,391,179	49,188,919	
			<b>12,659,218,849</b>	<b>10,343,270,674</b>	
<b>14.1</b>	<b>Specific provision for classified loans and advances</b>				
	Provision held at the beginning of the year		1,966,388,319	1,620,060,000	
	Less: Fully provided debts written off		(993,710,315)	(253,671,682)	
	Add: Recoveries of amounts previously written off		91,978,387	194,316,107	
	Add: Specific provision for the year		1,734,560,613	405,683,893	
	Less: Provision transferred to general reserve*(note-17)		(99,300,000)	-	
	Add: Net charge to profit and loss account		-	-	
			<b>2,699,917,003</b>	<b>1,966,388,319</b>	
	* As per BRPD Circular No.-04 dated 29 January 2015, surplus provision against restructured large loan transferred to general reserve.				
<b>14.1.1</b>	<b>Specific provision required for classified loans and advances</b>				
	<b>Status of loans and advances</b>	<b>Base for provision</b>	<b>Rate(%)</b>	<b>Required provision at 31 December 2015</b>	<b>Required provision at 31 December 2014</b>
	Sub-standard	462,354,489	20.00%	92,470,898	40,119,878
	Sub-standard- Short term agri. credit	9,656,315	5.00%	482,816	210,647
	Doubtful	657,895,080	50.00%	328,947,540	168,544,871
	Doubtful- Short term agri. credit	273,111	5.00%	13,656	-
	Bad/loss	2,275,949,875	100.00%	2,275,949,875	1,752,026,521
		<b>3,406,128,870</b>		<b>2,697,864,785</b>	<b>1,960,901,916</b>
	Specific provision maintained (note-14.1)		14.1	2,699,917,003	1,966,388,319
	<b>Excess/(short)</b>			<b>2,052,218</b>	<b>5,486,403</b>
<b>14.2</b>	<b>General provision for un-classified loans &amp; advances</b>				
	Provision held at the beginning of the year			1,058,200,000	798,200,000
	Provision made during the year			205,000,000	260,000,000
				<b>1,263,200,000</b>	<b>1,058,200,000</b>
	<b>Off-shore Banking Unit (OBU)</b>				
	Provision held at the beginning of the year			18,100,000	14,100,000
	Provision made during the year			1,000,000	4,000,000
				<b>19,100,000</b>	<b>18,100,000</b>
				<b>1,282,300,000</b>	<b>1,076,300,000</b>

Amount in BDT

	Note	31 December 2015	31 December 2014
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**14.2.1 General provision required for un-classified loans and advances**

Status	Base for provision	Rate (%)	Required provision at 31 December 2015	Required provision at 31 December 2014
<b>General provision-for unclassified Standard</b>				
Small and medium enterprise	17,678,168,751	0.25%	44,195,422	42,624,259
House building loan and loan for professional	3,777,121,070	2.00%	75,542,421	12,120,726
Loans to BHs/MBs/SDs share etc	2,207,827,731	2.00%	44,156,555	43,442,661
Consumer finance	3,318,675,379	5.00%	165,933,769	147,457,235
Short term agri. and micro-credit	2,197,926,321	2.50%	54,948,158	5,996,522
Staff loan	1,957,587,284	0.00%	-	-
Other unclassified loan	72,422,806,641	1.00%	724,228,066	674,630,176
	<b>103,560,113,177</b>		<b>1,109,004,391</b>	<b>926,271,579</b>
<b>Special Mention Account (SMA)</b>				
Small and medium enterprise	331,031,000	0.25%	827,578	648,941
House building loan and loan for professional	91,243,484	2.00%	1,824,870	604,989
Consumer finance	32,835,471	5.00%	1,641,774	804,919
Other unclassified loan	9,394,736,711	1.00%	149,593,558	27,791,000
	<b>9,849,846,666</b>		<b>153,887,780</b>	<b>29,849,849</b>
<b>Off-shore banking unit</b>				
Un-classified loans	1,896,656,200	1.00%	18,966,562	17,659,049
Special mentioned account	-		-	-
	<b>1,896,656,200</b>		<b>18,966,562</b>	<b>17,659,049</b>
			<b>1,281,858,733</b>	<b>973,780,477</b>
<b>General provision maintained (note-14.2)</b>			1,282,300,000	1,076,300,000
<b>Excess/(short)</b>			<b>441,267</b>	<b>102,519,523</b>

**14.2.2** As per BRPD Circular No.-04 dated 29 January 2015, 5 (five) loan accounts of 3 (three) clients were restructured during the year 2015. The details of the restructured loans is disclosed in **Annexure - J**.

**14.3 Provision for off-balance sheet**

Provision held at the beginning of the year	478,720,000	428,720,000
Provision no longer required	-	-
Provision made during the year	-	50,000,000
	<b>478,720,000</b>	<b>478,720,000</b>

**14.3.1 Provision required for off-balance sheet exposure**

Status	Base for provision	Rate (%)	Required provision at 31 December 2015	Required provision at 31 December 2014
Acceptances and endorsements	4,210,761,791	1.00%	142,107,618	178,190,351.75
Letters of guarantee	9,706,631,662	1.00%	97,066,317	66,448,325.31
Irrevocable letters of credit	4,800,324,793	1.00%	148,003,248	144,736,672.35
Bills for collection	9,061,309,529	1.00%	90,613,095	88,868,978.02
Required provision	7,779,027,775		477,790,278	478,244,327
Provision maintained (note-14.3)			478,720,000	478,720,000
<b>Excess/(short)</b>			<b>929,722</b>	<b>475,673</b>





		Amount in BDT	
	Note	31 December 2015	31 December 2014
<b>14.8</b>	<b>Interest suspense account</b>		
	Balance at the beginning of the year	2,673,329,603	2,184,857,265
	Add: Amount transferred to interest suspense account during the year	1,962,382,331	1,243,112,911
	Less: Amount transferred to interest income account during the year	(1,257,215,059)	(719,158,873)
	Less: Amount written-off during the year	(160,506,979)	(35,481,700)
		<b>3,217,989,895</b>	<b>2,673,329,603</b>
<b>14.a</b>	<b>Consolidated other liabilities</b>		
	IFIC Bank Limited	14	12,659,218,849
	IFIC Securities Limited		10,343,270,674
	IFIC Money Transfer (UK) Limited		1,349,656,259
			16,470,806
		<b>14,025,345,914</b>	<b>11,359,482,025</b>
<b>15</b>	<b>Share Capital</b>		
<b>15.1</b>	<b>Authorized Capital</b>		
	2,000,000,000 ordinary shares of Taka 10 each	20,000,000,000	20,000,000,000
<b>15.2</b>	<b>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 2014: 425,349,928] ordinary shares of Taka 10 each issued for bonus share	4,910,124,170	4,253,499,280
		<b>5,034,124,170</b>	<b>4,377,499,280</b>
	*Out of the total issued, subscribed and fully paid-up Capital of the Bank 440,000 ordinary shares of Tk.100 each (before splitting) amounting to Tk. 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>15.3</b>	<b>Issued, subscribed and fully paid up Capital-Shareholders' Category</b>		
	338,552,111 [Year 2014: 294,393,140] ordinary shares of Taka 10 each fully paid held by the Sponsors, Directors, Institutions, Foreign investors & General Public.	3,385,521,110	2,943,931,400
	164,860,306 [Year 2014: 143,356,788] ordinary shares of Tk. 10 each fully paid held by the Government of the People's Republic of Bangladesh.	1,648,603,060	1,433,567,880
		<b>5,034,124,170</b>	<b>4,377,499,280</b>
<b>15.4</b>	<b>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	4,377,499,280
	Statutory reserve	16	4,232,499,880
	General reserve	17	155,071,397
	Retained earnings	21	2,075,811,205
		<b>11,497,506,652</b>	<b>10,511,225,625</b>





	Note	31 December 2015	31 December 2014
<b>Amount in BDT</b>			
<b>Regulatory Adjustments:</b>			
Deduction from Tier-1 Capital (95% of deferred tax assets)		989,866,207	816,242,841
<b>Total Common Equity Tier 1 Capital</b>		<b>10,507,640,445</b>	<b>9,694,982,784</b>
<b>Tier-2 (Gone-Concern Capital)</b>			
General provision (max 1.25 % points of CRWA)		1,258,726,128	1,555,020,000
Revaluation Reserves as on 31 December 2014 (50% of Fixed Assets and 10% of Equity Securities)		58,445,121	58,445,121
<b>Regulatory Adjustments:</b>			
Revaluation reserve (20% of Tk. 58,445,121)		11,689,024	-
<b>Total Tier-2 Capital</b>		<b>1,305,482,225</b>	<b>1,613,465,121</b>
<b>Total Regulatory Capital</b>		<b>11,813,122,670</b>	<b>11,308,447,905</b>
Total assets including off-balance sheet items		226,112,979,165	204,163,069,764
Total risk-weighted Assets		117,314,424,992	111,573,690,022
Required capital (10% of risk-weighted assets)		11,731,442,499	11,157,369,002
<b>Total capital surplus</b>		<b>81,680,171</b>	<b>151,078,903</b>
<b>Capital to Risk-weighted Asset Ratio (CRAR):</b>			
Common Equity Tier 1 to RWA		8.96%	8.69%
Tier - 2 Capital to RWA		1.11%	1.45%
Capital to Risk-weighted Asset Ratio (CRAR)		10.07%	10.14%

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

#### 15.4.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	4,377,499,280
Statutory reserve	16	4,232,499,880	3,909,507,173
General reserve	17	155,071,397	55,771,397
Retained earnings	22	2,817,321,961	2,739,798,432
		<b>12,239,017,408</b>	<b>11,082,576,282</b>
<b>Regulatory Adjustments:</b>			
Deduction from Tier-1 Capital		989,866,207	816,242,841
<b>Total Common Equity Tier 1 Capital</b>		<b>11,249,151,201</b>	<b>10,266,333,440</b>
<b>Tier-2 (Gone-Concern Capital)</b>			
General provision(max 1.25 % points of CRWA)		1,282,300,000	1,555,020,000
Revaluation Reserves as on 31 December 2014 (50% of Fixed Assets and 10% of Equity Securities)		58,445,121	58,445,121
<b>Regulatory Adjustments:</b>			
Revaluation reserve		11,689,024	-
<b>Total Tier-2 Capital</b>		<b>1,329,056,097</b>	<b>1,613,465,121</b>
<b>Total Regulatory Capital</b>		<b>12,578,207,298</b>	<b>11,879,798,562</b>
Total assets including off-balance sheet items		228,516,420,853	206,170,190,097
Total risk-weighted Assets		122,818,380,420	116,307,199,119
Required capital (10% of risk-weighted assets)		12,281,838,042	11,630,719,912
<b>Total capital surplus</b>		<b>296,369,256</b>	<b>249,078,650</b>

Amount in BDT

	Note	31 December 2015	31 December 2014
<b>Capital to Risk-weighted Asset Ratio (CRAR):</b>			
Common Equity Tier 1 to RWA		9.16%	8.83%
Tier – 2 Capital to RWA		1.08%	1.39%
Capital to Risk-weighted Asset Ratio (CRAR)		10.24%	10.21%

**15.5 Shareholding by category**

Category	2015			2014		
	No. of Share	%	Taka	No. of Share	%	Taka
Sponsors	32,642,018	6.48	326,420,180	28,384,369	6.48	283,843,690
Directors	10,071,085	2.00	100,710,850	21,144,946	4.83	211,449,460
Government	164,860,306	32.75	1,648,603,060	143,356,788	32.75	1,433,567,880
Institutions	107,931,225	21.44	1,079,312,250	85,229,919	19.47	852,299,190
Foreign investors	2,148,621	0.43	21,486,210	1,862,135	0.43	18,621,350
General investors	185,759,162	36.90	1,857,591,620	157,771,771	36.04	1,577,717,710
<b>Total</b>	<b>503,412,417</b>	<b>100</b>	<b>5,034,124,170</b>	<b>437,749,928</b>	<b>100</b>	<b>4,377,499,280</b>

**15.6 Distribution of paid up capital**

Holding of share	2015			2014		
	No. of holder	Total shares	%	No. of holder	Total shares	%
1 to 500 shares	23,850	2,821,887	0.56	31,651	3,391,664	0.77
501 to 5000 shares	9,761	16,465,643	3.27	10,518	17,008,824	3.89
5,001 to 10,000 shares	1,056	7,588,449	1.51	1,074	7,641,334	1.75
10,001 to 20,000 shares	595	8,389,377	1.67	543	7,402,796	1.69
20,001 to 30,000 shares	190	4,709,901	0.93	182	4,364,891	1.00
30,001 to 40,000 shares	94	3,303,763	0.66	91	3,087,766	0.70
40,001 to 50,000 shares	58	2,654,417	0.53	57	2,572,536	0.59
50,001 to 100,000 shares	126	8,958,052	1.78	111	7,629,715	1.74
100,001 to 1,000,000 shares	159	49,389,929	9.81	160	46,749,366	10.68
More than 1,000,000 shares	60	399,130,999	79.28	57	337,901,036	77.19
<b>Total</b>	<b>35,949</b>	<b>503,412,417</b>	<b>100</b>	<b>44,444</b>	<b>437,749,928</b>	<b>100</b>

**15.7 Shareholding of Directors as at 31 December 2015**

Sl.	Name of the Directors	Status	Holding %	Closing Position	Opening Position
1	Mr. Salman F Rahman	Chairman	2.00	*10,071,085	8,757,466
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	143,356,788
6	Mr. Arijit Chowdhury **	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. However, Mr. Arijit Chowdhury was withdrawn from the Board of the Bank on 6 January 2016.





		Amount in BDT	
	Note	31 December 2015	31 December 2014
<b>16</b>	<b>Statutory reserve</b>		
	Opening balance on 1 January	3,909,507,173	3,374,079,154
	Transferred from profit during the year	322,992,707	535,428,019
		<b>4,232,499,880</b>	<b>3,909,507,173</b>
<b>17</b>	<b>General reserve</b>		
	Opening balance on 1 January	55,771,397	55,771,397
	Transferred from provision during the year*(note -14.1)	99,300,000	-
		<b>155,071,397</b>	<b>55,771,397</b>
	* As per BRPD Circular No.-04 dated 29 January 2015, surplus provision against restructured large loan transferred from specific provision.		
<b>18</b>	<b>Revaluation reserve against securities</b>		
	HTM securities	18.1	2,074,232
	HFT securities	18.2	39,317,708
			1,444,649
			130,890
		<b>41,391,939</b>	<b>1,575,539</b>
<b>18.1</b>	<b>Revaluation reserve HTM securities</b>		
	Opening balance on 1 January	1,444,649	605,974
	Gain/(loss) from revaluation on investments	629,583	838,674
		<b>2,074,232</b>	<b>1,444,649</b>
<b>18.2</b>	<b>Revaluation reserve HFT securities</b>		
	Opening balance on 1 January	130,890	15,437,544
	Gain/(loss) from revaluation on investments	39,186,817	(15,306,654)
		<b>39,317,708</b>	<b>130,890</b>
<b>18.a</b>	<b>Consolidated revaluation reserve against securities</b>		
	IFIC Bank Limited	18	41,391,939
	IFIC Securities Limited		-
	IFIC Money Transfer (UK) Limited		-
			<b>41,391,939</b>
			<b>1,575,539</b>
<b>19</b>	<b>Revaluation reserve against fixed assets</b>		
	Opening balance on 1 January	115,314,704	115,314,704
	Addition during the year	-	-
	Depreciation charge during the 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 Tk. 115,314,704 has been credited to revaluation reserve account.		
<b>20</b>	<b>Consolidated foreign currency translation reserve</b>		
	Opening balance on 1 January	(843,101)	(50,909)
	IFIC Money Transfer (UK) Ltd.	621,778	1,281,011
	Investment in joint venture/associate (NBBL)	(25,254,286)	(2,073,203)
	Investment in joint venture/associate (OIE LLC)	125,220	-
		<b>(25,350,388)</b>	<b>(843,101)</b>

		Amount in BDT	
	Note	31 December 2015	31 December 2014
<b>21</b>	<b>Surplus in profit and loss account</b>		
	Opening balance on 1 January	2,168,447,775	1,730,120,903
	Net profit after tax for the year	886,981,027	1,544,733,051
	Appropriation made to statutory reserve during the year	(322,992,707)	(535,428,019)
	Issue of bonus shares	(656,624,890)	(570,978,160)
		<b>2,075,811,205</b>	<b>2,168,447,775</b>
<b>22</b>	<b>Consolidated surplus in profit and loss account</b>		
	IFIC Bank Limited	2,075,811,205	2,168,447,775
	IFIC Securities Limited	202,771,604	192,730,229
	IFIC Money Transfer (UK) Limited	(15,038,758)	(21,009,339)
	Share of profit of investment in joint venture/associate (NBBL)	477,936,681	337,249,004
	Share of profit of investment in joint venture/associate (OIE LLC)	68,380,642	62,380,762
	Exchange (gain)/loss on investment in joint venture/associate (NBBL)	7,585,807	-
	Exchange (gain)/loss on investment in joint venture/associate(OIE LLC)	(125,220)	-
		<b>2,817,321,961</b>	<b>2,739,798,432</b>
<b>23</b>	<b>Non-controlling interest</b>		
	IFIC Securities Limited	7,521	7,445
	IFIC Money Transfer (UK) Limited	-	-
		<b>7,521</b>	<b>7,445</b>
<b>24</b>	<b>Contingent liabilities</b>		
	Acceptances and endorsements	14,210,761,791	17,819,035,175
	Letters of guarantee	9,706,631,662	6,644,832,531
	Irrevocable Letters of credit	14,800,324,793	14,473,667,235
	Bills for collection	9,061,309,529	8,886,897,802
	Other contingent liabilities	-	-
		<b>47,779,027,775</b>	<b>47,824,432,743</b>
<b>24.1</b>	<b>Acceptances and endorsements</b>		
	Back to back bills (local currency)	210,646,535	288,100,420
	Back to back bills (foreign currency)	14,000,115,256	17,530,934,755
		<b>14,210,761,791</b>	<b>17,819,035,175</b>
<b>24.2</b>	<b>Letters of guarantee</b>		
	Letters of guarantee (local currency)	9,119,223,597	6,291,676,538
	Letters of guarantee (foreign currency)	587,408,065	353,155,993
		<b>9,706,631,662</b>	<b>6,644,832,531</b>
	Money for which the bank is contingently liable in respect of guarantee issued favoring:		
	Directors	-	-
	Government	3,901,312,619	3,461,053,351
	Banks and other financial institutions	2,955,636,627	1,073,889,079
	Others	2,849,682,417	2,109,890,101
		<b>9,706,631,662</b>	<b>6,644,832,531</b>







		Amount in BDT		
		Note	31 December 2015	31 December 2014
<b>24.3</b>	<b>Irrevocable letters of credit</b>			
	Letter of credit (LC) - cash sight		6,976,088,529	7,133,121,172
	Letter of credit (LC) - back to back		7,180,355,410	7,033,098,535
	Letter of credit (LC) - cash usance		643,880,854	307,447,528
			<b>14,800,324,793</b>	<b>14,473,667,235</b>
<b>24.4</b>	<b>Bills for collection</b>			
	Inland bills collection		53,332,862	25,579,389
	Foreign bills collection		21,366	10,436,429
	Inland documentary bills for collection		3,876,020,605	3,666,741,339
	Foreign documentary bills for collection		5,131,934,696	5,184,140,646
			<b>9,061,309,529</b>	<b>8,886,897,802</b>

		Amount in BDT		
		Note	2015	2014
<b>25</b>	<b>Income statement</b>			
	<b>Income</b>			
	Interest, discount and similar income	25.1	14,842,734,967	14,071,668,954
	Dividend income	25.2	160,873,844	105,718,382
	Capital gain Income	25.3	24,553,897	58,455,606
	Fees, commission and brokerage	29.1	678,314,733	682,399,104
	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	735,918,437	645,629,069
	Income from non-banking assets		-	-
	Other operating income		501,376,650	498,272,794
	Profit less losses on interest rate change		-	-
			<b>16,943,772,528</b>	<b>16,062,143,907</b>
	<b>Expenses</b>			
	Interest, fee and commission	27	8,906,750,094	8,466,644,760
	Losses on loan and advances	39	69,825,108	-
	Administrative expenses	31-34, 36-38	3,009,962,038	3,202,876,892
	Other operating expenses	35,40,41	1,045,832,314	986,145,184
	Depreciation on banking assets		265,697,257	233,653,083
			<b>13,298,066,811</b>	<b>12,889,319,919</b>
			<b>3,645,705,717</b>	<b>3,172,823,988</b>
<b>25.1</b>	<b>Interest, discount and similar income</b>			
	Interest income	26	12,652,962,100	11,858,390,649
	Interest on treasury bills and bonds	28.1	1,600,733,055	1,375,524,691
	Interest on debentures		529,333	1,006,392
	Interest on other bonds		20,443,579	93,368,857
	Interest on fixed deposit		529,069,499	726,967,057
	Income on reverse repo		38,997,401	16,411,308
			<b>14,842,734,967</b>	<b>14,071,668,954</b>

		Amount in BDT	
	Note	2015	2014
<b>25.2</b>	<b>Dividend income</b>		
	Dividend income - local	67,436,739	46,937,919
	Dividend income - foreign	93,437,105	58,780,463
		<b>160,873,844</b>	<b>105,718,382</b>
<b>25.3</b>	<b>Capital Gain income</b>		
	Gain from sale of shares of listed companies	24,553,897	58,455,606
		<b>24,553,897</b>	<b>58,455,606</b>
<b>26</b>	<b>Interest income</b>		
	Term loan-industrial	816,574,435	697,859,011
	Term loan-consumer finance	9,879,498	13,975,108
	Term loan-others	2,521,766,804	1,794,105,148
	House building loan	352,334,679	197,189,800
	Staff house building loan	77,009,477	69,061,966
	Staff loan against PF	6,536,812	16,719,266
	Transport loan	113,190,239	91,248,973
	Agricultural Loan	137,507,359	111,331,181
	Loan general	284,517,701	527,459,588
	Secured overdraft	2,761,991,698	2,970,835,582
	Over draft-staff salary	10,266,773	7,687,461
	Over draft-garments	77,253,377	80,193,389
	Cash credit	3,363,462,376	3,469,407,173
	Lease finance	94,969,693	96,097,961
	Inland documentary bill purchased (IDBP)	198,235,613	187,355,745
	Foreign documentary bill purchased (FDBP)	14,213,441	14,971,780
	Payment against document (cash)	46,001,263	69,383,451
	Payment against document (forced)	101,789,417	60,998,143
	Payment against document (EDF)	107,332,239	73,008,969
	Payment against document (inland)	35,319,154	32,787,099
	Payment against document (others)	36,488,541	17,250,511
	Loan against imported merchandise	13,491,885	15,266,588
	Loan against trust receipt (LTR)	865,342,018	825,748,411
	Export cash credit	5,273,719	5,391,743
	Credit card	34,783,318	36,280,136
	Money at call on short notice	64,255,692	31,155,249
	Balance held outside Bangladesh	89,697,306	77,040,535
	Balance held inside Bangladesh	1,580,813	598,030
	Demand loan	373,666,993	225,438,545
	Others	29,854,796	23,785,334
		<b>12,644,587,129</b>	<b>11,839,631,876</b>
	Off-shore banking unit	8,374,971	18,758,773
		<b>12,652,962,100</b>	<b>11,858,390,649</b>
<b>26.a</b>	<b>Consolidated interest income</b>		
	IFIC Bank Limited	26	12,652,962,100
	IFIC Securities Limited		221,311,218
	IFIC Money Transfer (UK) Limited		-
			<b>12,874,273,318</b>
	Less: Inter -company interest income		154,031,792
			<b>12,720,241,526</b>
			<b>11,924,197,296</b>





		Amount in BDT	
	Note	2015	2014
<b>27</b>	<b>Interest paid on deposits, borrowings etc.</b>		
	<b>Interest paid on deposits</b>		
	Saving bank deposit	1,059,554,556	798,988,737
	Special notice deposit	663,140,880	459,306,083
	Fixed deposit	4,902,310,839	5,336,768,415
	Non resident FC deposit	206,836	207,427
	Resident FC deposit	37,531	36,127
	Pension savings scheme	431,685,902	318,692,577
	Monthly income scheme	1,701,775,908	1,455,354,860
	Foreign currency deposit	226,319	176,367
		<b>8,758,938,771</b>	<b>8,369,530,594</b>
	<b>Interest paid on borrowings</b>		
	Call deposit	24,756,167	31,954,333
	Local banks accounts	65,378,655	32,013,014
	Foreign banks accounts	21,972,382	3,355,995
	Repurchase agreement (repo)	16,461,645	12,042,066
	Bangladesh Bank SME refinance	10,026,490	8,337,206
	Payment against lease obligation	6,642,120	7,263,378
	Discount paid	2,573,864	1,959,695
	Others	-	188,479
		<b>147,811,323</b>	<b>97,114,166</b>
		<b>8,906,750,094</b>	<b>8,466,644,760</b>
<b>27.a</b>	<b>Consolidated interest paid on deposits, borrowings etc.</b>		
	IFIC Bank Limited	27	8,906,750,094
	IFIC Securities Limited		193,013,142
	IFIC Money Transfer (UK) Limited		-
			9,099,763,236
	Less: Inter -company interest paid		154,031,792
			<b>8,945,731,444</b>
			<b>8,519,021,026</b>
<b>28</b>	<b>Investment income</b>		
	<b>Interest income</b>		
	Treasury bills and bonds	28.1	1,600,733,055
	Debentures		529,333
	Other bonds		20,443,579
	Fixed deposit		529,069,499
	Reverse repo		38,997,401
			<b>2,189,772,867</b>
	<b>Non interest income</b>		
	Gain from sale of shares of listed companies		24,553,897
	Dividend income - local		67,436,739
	Prize bond		4,000
	Dividend income - Foreign		93,437,105
			<b>185,431,741</b>
			<b>164,184,987</b>
			<b>2,375,204,608</b>
			<b>2,377,463,292</b>

		Amount in BDT	
	Note	2015	2014
<b>28.1</b>	<b>Treasury bonds</b>		
	Interest on treasury bonds	1,736,428,820	1,375,933,942
	Less: Holding period interest on HTM securities	135,695,765	409,251
		<b>1,600,733,055</b>	<b>1,375,524,691</b>
<b>28.a</b>	<b>Consolidated investment income</b>		
	IFIC Bank Limited	2,375,204,608	2,377,463,292
	IFIC Securities Limited	205,577	1,183,898
	IFIC Money Transfer (UK) Limited	-	-
	<b>Less:</b>		
	Adjustments for investment in joint venture/associate(NBBL)	(93,437,105)	(51,227,313)
	Adjustments for investment in joint venture/associate(OIE LLC)	-	(7,553,150)
		<b>2,281,973,080</b>	<b>2,319,866,727</b>
<b>29</b>	<b>Commission, exchange and brokerage</b>		
	Commission	678,314,733	682,399,104
	Exchange gain/(loss)	735,918,437	645,629,069
		<b>1,414,233,170</b>	<b>1,328,028,172</b>
<b>29.1</b>	<b>Commission</b>		
	Bills purchased (Inland)	771,359	1,021,165
	Bills purchased (Foreign)	3,081,740	1,973,753
	Remittances (inland)	20,546,594	20,275,387
	Remittances (foreign)	5,230,829	5,621,803
	Letter of guarantee (LG)-local	95,591,195	61,997,848
	Letter of guarantee (LG)-foreign	2,860,621	1,311,545
	Letter of credit (back to back)	123,266,595	123,571,692
	Letter of credit (cash)	137,002,965	150,684,394
	Letter of credit (others)	9,011,586	7,927,104
	Wage earners development bond	1,192,213	758,978
	LDBC	11,710,373	10,586,387
	IFDBC	179,728,670	210,151,576
	FDBC	10,676,048	12,673,820
	FBC (foreign)	134,600	66,000
	Online Charge	35,675,496	36,244,549
	Add confirmation	9,862,407	9,802,407
	Sanchaypatra	7,447,416	3,888,704
	Commission others	24,524,026	23,841,992
		<b>678,314,733</b>	<b>682,399,104</b>
<b>29.2</b>	<b>Exchange gain/(loss)</b>		
	Rebate from foreign correspondent	64,765,282	52,476,387
	Exchange gain from revaluation of FC	671,153,155	593,152,681
		<b>735,918,437</b>	<b>645,629,069</b>
<b>29.a</b>	<b>Consolidated commission, exchange and brokerage</b>		
	IFIC Bank Limited	1,414,233,170	1,328,028,172
	IFIC Securities Limited	53,819,485	66,519,611
	IFIC Money Transfer (UK) Limited	44,192,462	29,103,240
	Exchange (gain)/loss for investment in joint venture/associate(NBBL)	7,585,807	-
	Exchange (gain)/loss for investment in joint venture/associate (OIE LLC)	(125,220)	-
		<b>1,519,705,704</b>	<b>1,423,651,023</b>





		Amount in BDT	
	Note	2015	2014
<b>30</b>	<b>Other operating income</b>		
	Locker rent	8,551,415	8,641,145
	Godown rent	1,474,200	1,490,829
	Other rents	4,620,540	2,676,480
	Postage charges recovery	26,064,956	25,005,648
	Telex charge recovery	21,231,413	2,534,791
	SWIFT charges recovery	66,627,363	108,249,698
	Godown insurance recovery	450,000	472,619
	Stationery expenses recovery	7,365,866	6,286,620
	Miscellaneous earning	118,125,291	112,299,668
	Loan processing fees and service charges	124,527,572	108,140,398
	Visa card fees and commission	38,625,719	34,552,962
	Service charge on accounts	74,395,048	68,975,172
	Other fees, commission & charges	9,313,267	18,935,764
		<b>501,372,650</b>	<b>498,261,794</b>
	Off-shore banking unit	-	-
		<b>501,372,650</b>	<b>498,261,794</b>
<b>30.a</b>	<b>Consolidated other operating income</b>		
	IFIC Bank Limited	30	501,372,650
	IFIC Securities Limited		2,421,236
	IFIC Money Transfer (UK) Limited		-
			<b>503,793,886</b>
			<b>499,158,565</b>
<b>31</b>	<b>Salaries and allowances</b>		
	Basic salary	1,010,038,712	958,863,669
	House rent allowance	444,511,850	435,923,861
	Conveyance allowance	32,875,490	32,822,710
	Medical allowances	89,620,533	87,618,329
	Entertainment allowance	68,586,863	69,474,456
	Other allowances	27,476,173	25,929,567
	Leave encashment	6,721,849	7,224,829
	Festival bonus	176,662,314	165,668,624
	Performance bonus	130,000,000	180,000,000
	Provident fund- Bank's contribution	99,559,276	94,033,331
	Contribution to gratuity fund	120,000,000	390,000,000
		<b>2,206,053,060</b>	<b>2,447,559,376</b>
	Number of employees for the year 2015 who were paid remuneration less than Tk. 36,000 was nil (Year 2014: nil). Total number of employees employed in the Bank at the end of the year 2015 were 2,489 (Year 2014: 2,527).		
<b>31.a</b>	<b>Consolidated salaries and allowances</b>		
	IFIC Bank Limited	31	2,206,053,060
	IFIC Securities Limited		16,375,167
	IFIC Money Transfer (UK) Limited		9,153,486
			<b>2,231,581,713</b>
			<b>2,475,625,867</b>
<b>32</b>	<b>Rent, taxes, insurance, electricity etc.</b>		
	Rent paid	423,757,040	371,951,302
	Rates, taxes and utilities	58,703,110	81,380,005
	Insurance premium	116,117,588	101,093,376
	Electricity & water	68,448,517	67,928,478
		<b>667,026,255</b>	<b>622,353,160</b>

		Amount in BDT	
	Note	2015	2014
<b>32.a</b>	<b>Consolidated rent, taxes, insurance, electricity etc.</b>		
	IFIC Bank Limited	667,026,255	622,353,160
	IFIC Securities Limited	8,867,092	8,313,887
	IFIC Money Transfer (UK) Limited	6,878,146	5,591,112
		<b>682,771,493</b>	<b>636,258,160</b>
<b>33</b>	<b>Legal expenses</b>		
	Legal expenses	6,017,039	4,360,972
	Retainers fees	2,120,000	2,070,000
		<b>8,137,039</b>	<b>6,430,972</b>
<b>33.a</b>	<b>Consolidated legal expenses</b>		
	IFIC Bank Limited	8,137,039	6,430,972
	IFIC Securities Limited	237,188	64,688
	IFIC Money Transfer (UK) Limited	1,651,850	1,269,690
		<b>10,026,077</b>	<b>7,765,350</b>
<b>34</b>	<b>Postage, stamp, telecommunication etc.</b>		
	Postage expenses	25,674,091	25,515,998
	Telephone - office	11,309,153	10,979,048
	Telephone - residence	24,025,105	23,880,470
	Communication facilities (Reuter, VSAT, Radio etc.)	51,766,835	50,047,868
		<b>112,775,184</b>	<b>110,423,384</b>
<b>34.a</b>	<b>Consolidated postage, stamp, telecommunication etc.</b>		
	IFIC Bank Limited	112,775,184	110,423,384
	IFIC Securities Limited	1,141	726
	IFIC Money Transfer (UK) Limited	137,456	197,709
		<b>112,913,781</b>	<b>110,621,818</b>
<b>35</b>	<b>Stationery, printing, advertisement etc.</b>		
	Printing stationery	23,463,530	25,594,683
	Security stationery	10,074,269	7,135,610
	Petty stationery	19,311,093	17,830,666
	Computer stationery	12,664,178	11,959,135
	Advertisement and publicity	107,687,627	112,420,924
		<b>173,200,697</b>	<b>174,941,019</b>
<b>35.a</b>	<b>Consolidated stationery, printing, advertisement etc.</b>		
	IFIC Bank Limited	173,200,697	174,941,019
	IFIC Securities Limited	156,587	429,627
	IFIC Money Transfer (UK) Limited	734,526	456,847
		<b>174,091,810</b>	<b>175,827,492</b>
<b>36</b>	<b>Managing Director's salary</b>		
	Basic salary	9,775,000	9,600,000
	House rent allowance	850,000	900,000
	House maintenance allowance	375,000	300,000
	Provident fund- Bank's contribution	977,500	960,000
	Entertainment allowances	275,000	300,000
	Festival bonus	1,600,000	1,600,000
		<b>13,852,500</b>	<b>13,660,000</b>

In addition to the above Managing Director was paid performance bonus of Tk. 1 million in each year.





		Amount in BDT	
	Note	2015	2014
<b>37</b>	<b>Directors' fees</b>		
	Meeting attendance fees	1,018,000	1,175,000
		<b>1,018,000</b>	<b>1,175,000</b>
	Each Director is paid Tk. 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 Tk. 5,000 as per BRBD circular no. 03 dated 18 January 2010.		
<b>37.a</b>	<b>Consolidated Directors' fees</b>		
	IFIC Bank Limited	1,018,000	1,175,000
	IFIC Securities Limited	86,250	189,750
	IFIC Money Transfer (UK) Limited	-	-
		<b>1,104,250</b>	<b>1,364,750</b>
<b>38</b>	<b>Auditors' fees</b>		
	Statutory annual audit fees	700,000	700,000
	Interim audit fees	400,000	575,000
		<b>1,100,000</b>	<b>1,275,000</b>
<b>38.a</b>	<b>Consolidated Auditors' fees</b>		
	IFIC Bank Limited	1,100,000	1,275,000
	IFIC Securities Limited	262,500	200,000
	IFIC Money Transfer (UK) Limited	428,434.00	290,215
		<b>1,790,934</b>	<b>1,765,215</b>
<b>39</b>	<b>Charges on loan loss</b>	<b>69,825,108</b>	-
<b>40</b>	<b>Depreciation and repair of bank's assets</b>		
	<b>Depreciation</b>		
	Buildings and premises	29,362,166	30,115,042
	Wooden furniture	11,390,252	12,300,715
	Steel furniture	2,835,755	2,725,069
	Computer equipment	89,809,162	66,728,318
	Office equipment	15,012,602	15,087,713
	Electrical & gas equipment	36,670,812	33,656,677
	Leasehold improvement	25,535,978	26,013,200
	Vehicles (purchased & leased)	14,910,507	12,857,712
	Soft furnishing	1,069,072	1,473,550
	Software	39,100,951	32,695,087
		<b>265,697,257</b>	<b>233,653,083</b>
	<b>Repairs and maintenance</b>		
	Property maintenance and repairs	100,991,792	97,591,877
	Vehicles maintenance and repairs	71,277,081	66,656,162
		<b>172,268,873</b>	<b>164,248,039</b>
		<b>437,966,130</b>	<b>397,901,121</b>
<b>40.a</b>	<b>Consolidated depreciation and repair of bank's assets</b>		
	IFIC Bank Limited	437,966,130	397,901,121
	IFIC Securities Limited	1,405,566	1,856,857
	IFIC Money Transfer (UK) Limited	2,811,596	3,233,237
		<b>442,183,292</b>	<b>402,991,215</b>

Amount in BDT

	Note	2015	2014
<b>41 Other expenses</b>			
Entertainment		30,563,825	25,728,093
Petrol, oil and lubricants		91,305,468	92,156,482
Subscription and donation		25,002,315	17,104,664
Training and internship		25,535,152	22,181,956
Books, newspapers and magazines, etc.		1,474,197	1,392,935
Uniforms and liveries		2,036,291	1,941,407
Annual General Meeting		12,907,375	13,099,530
Business development		18,130,403	23,714,412
Crockeries		1,098,396	1,116,479
Corporate Social Responsibility (CSR)		38,007,244	46,625,875
Loss on sales of fixed assets	41.1	2,193,050	4,360,315
Brokerage		1,193,518	344,812
Traveling expenses		152,328,605	163,794,545
Security services		57,959,392	43,382,257
Bank charges and commission		9,179,767	4,451,303
Recovery and sales agent		8,382,208	3,869,765
Casual and contractual service		125,945,613	109,505,876
Payment to good borrowers		10,000,000	-
Consultancy fee		644,796	10,995,545
Visa card expense		7,026,919	9,764,209
Manager conference		-	1,856,194
Risk charges		12,256,141	11,188,514
Amortization loss HTM securities		47,932,147	5,918,222
Revaluation loss on HFT Securities		-	17,560,616
Miscellaneous		19,259,922	14,902,121
		<b>700,362,744</b>	<b>646,956,127</b>
<b>41.a Consolidated other expenses</b>			
IFIC Bank Limited	41	700,362,744	646,956,127
IFIC Securities Limited		11,349,266	12,369,584
IFIC Money Transfer (UK) Limited		16,426,387	9,791,974
		<b>728,138,397</b>	<b>669,117,684</b>
<b>41.1 Gain/ (loss) on sales of fixed assets</b>			
<b>Cost of fixed assets sold</b>			
Wooden furniture		3,228,445	5,404,346
Steel furniture		814,647	294,610
Computer equipment		12,615,927	6,002,832
Office equipment		3,732,033	5,535,143
Electrical & gas equipment		12,509,775	11,149,125
Improve & leasehold premises		2,227,245	8,475,363
Vehicles		-	1,200,000
Soft furnishing		86,847	644,641
Software		621,250	688,100
		<b>35,836,169</b>	<b>39,394,159</b>
<b>Less : Accumulated depreciation</b>			
Wooden furniture		2,492,013	4,563,201
Steel furniture		619,385	198,026
Computer equipment		11,925,517	5,420,748
Office equipment		3,500,296	5,388,591
Electrical & gas equipment		9,798,521	8,735,715
Improve & leasehold premises		1,823,490	5,062,505
Vehicles		-	1,147,223







		Amount in BDT	
	Note	2015	2014
		79,878	621,453
		586,185	642,872
		<b>30,825,285</b>	<b>31,780,333</b>
		<b>5,010,884</b>	<b>7,613,827</b>
		2,817,834	3,253,511
		<b>2,193,050</b>	<b>4,360,315</b>
<b>41.b</b>	<b>Details of investment in joint ventures/associates</b>		
i)	<b>Nepal Bangladesh Bank Ltd. (NBBL)</b>		
	Opening balance	1,629,195,376	814,103,716
	<b>Add:</b>		
	New investment made during the year	-	622,128,510
	Share of post acquisition profit during the year	234,124,782	246,263,666
	<b>Less:</b>		
	Cash dividend received	(93,437,105)	(51,227,313)
	Effect of changes in foreign currency exchange rate	(25,254,286)	(2,073,203)
	<b>Closing balance</b>	<b>1,744,628,767</b>	<b>1,629,195,376</b>
ii)	<b>Oman International Exchange LLC (OIE LLC)</b>		
	Opening balance	80,098,816	78,574,260
	<b>Add:</b>		
	New investment made during the year	-	-
	Share of post acquisition profit during the year	5,999,881	9,077,706
	Effect of changes in foreign currency exchange rate	125,220	
	<b>Less:</b>		
	Cash dividend received	-	(7,553,150)
	<b>Closing balance</b>	<b>86,223,917</b>	<b>80,098,816</b>
	<b>Total share of post acquisition profit during the year</b>	<b>240,124,663</b>	<b>255,341,372</b>
	<b>Total closing balance of investment in joint ventures/associates</b>	<b>1,830,852,685</b>	<b>1,709,294,193</b>
<b>42</b>	<b>Provision for loans, investments and other assets</b>		
	Specific provision	1,734,560,613	405,683,893
	General provision	205,000,000	260,000,000
	Provision for off-shore banking unit	1,000,000	4,000,000
	Provision for off-balance sheet exposure	-	50,000,000
	Provision for diminution in value of investments	64,000,000	(250,000,000)
	Other provisions	26,181,570	26,000,000
		<b>2,030,742,183</b>	<b>495,683,893</b>
<b>42.1</b>	<b>Other provisions</b>		
	Provision for other assets	26,181,570	25,900,000
	Provision for nostro account	-	100,000
		<b>26,181,570</b>	<b>26,000,000</b>
<b>42.a</b>	<b>Consolidated provision for loans, investments and other assets</b>		
	IFIC Bank Limited	2,030,742,183	495,683,893
	IFIC Securities Limited	19,839,307	3,660,484
	IFIC Money Transfer (UK) Limited	-	-
		<b>2,050,581,490</b>	<b>499,344,377</b>
<b>43</b>	<b>Provision for taxation</b>		
	Current tax	950,000,000	1,290,000,000
	Deferred tax expense/(income)	(222,017,492)	(157,592,956)
		<b>727,982,508</b>	<b>1,132,407,044</b>

		Amount in BDT	
	Note	2015	2014
<b>43.1</b>	<b>Deferred tax expense/(income)</b>		
	Deferred tax income	(225,721,587)	(173,897,151)
	Deferred tax expense	3,704,095	16,304,195
		<b>(222,017,492)</b>	<b>(157,592,956)</b>
<b>43.a</b>	<b>Consolidated provision for current tax</b>		
	IFIC Bank Limited	950,000,000	1,290,000,000
	IFIC Securities Limited	16,255,904	11,314,763
	IFIC Money Transfer (UK) Limited	-	-
		<b>966,255,904</b>	<b>1,301,314,763</b>
<b>43.b</b>	<b>Consolidated deferred tax</b>		
	IFIC Bank Limited	(222,017,492)	(157,592,956)
	IFIC Securities Limited	(133,045)	49,961
	IFIC Money Transfer (UK) Limited	-	-
		<b>(222,150,537)</b>	<b>(157,542,995)</b>
<b>44</b>	<b>Receipts from other operating activities</b>		
	Brokerage	-	-
	Rent received	14,646,155	12,808,454
	Other receipts	486,730,495	485,464,340
	Capital gain	24,553,897	58,455,606
		<b>525,930,547</b>	<b>556,728,399</b>
<b>44.a</b>	<b>Consolidated cash received from other operating activities</b>		
	IFIC Bank Limited	525,930,547	556,728,399
	IFIC Securities Limited	2,096,663	1,550,519
	IFIC Money Transfer (UK) Limited	-	-
		<b>528,027,210</b>	<b>558,278,918</b>
<b>45</b>	<b>Cash paid for other operating activities</b>		
	Postage, stamp, telecommunication etc.	112,775,184	110,423,384
	Rent paid	423,757,040	371,951,302
	Rates, taxes & utilities	58,703,110	81,380,005
	Insurance premium	116,117,588	101,093,376
	Electricity & water	68,448,517	67,928,478
	Traveling expenses	152,328,605	163,794,545
	Auditors' fees	1,100,000	1,275,000
	Directors' fees	1,018,000	1,175,000
	Legal expenses	8,137,039	6,430,972
	Other expenses	481,823,652	416,168,726
		<b>1,424,208,735</b>	<b>1,321,620,787</b>
<b>45.a</b>	<b>Consolidated cash paid for other operating activities</b>		
	IFIC Bank Limited	1,424,208,735	1,321,620,787
	IFIC Securities Limited	20,960,024	21,568,262
	IFIC Money Transfer (UK) Limited	26,256,799	17,597,547
		<b>1,471,425,558</b>	<b>1,360,786,595</b>





		Amount in BDT	
	Note	2015	2014
<b>46</b>	<b>Cash and cash equivalents</b>		
	Cash in hand	1,626,141,729	1,829,379,694
	Balance with Bangladesh Bank and its agent Bank (s)	10,235,213,906	8,569,433,622
	Balance with other banks and financial Institutions	5,710,545,217	12,042,832,451
	Money at call and on short notice	-	1,450,000,000
	Prize Bonds	7,755,100	5,851,900
		<b>17,579,655,952</b>	<b>23,897,497,667</b>
<b>46.a</b>	<b>Consolidated cash and cash equivalents</b>		
	IFIC Bank Limited	17,579,655,952	23,897,497,667
	IFIC Securities Limited	30,096	40,351
	IFIC Money Transfer (UK) Limited	29,058,227	10,554,393
		<b>17,608,744,275</b>	<b>23,908,092,411</b>
<b>47</b>	<b>(Increase)/decrease of other assets</b>		
	<b>Stationery and stamps</b>	23,880,960	20,668,793
	Suspense account	472,775,672	467,338,723
	Advance, deposit and prepayments	2,217,402,880	1,125,060,501
	Investment in subsidiaries	834,879,920	836,270,870
	Revaluation account FDBP	1,792,520	1,792,520
	Accounts receivable others	5,123,046	7,020,448
	Off-shore banking unit	145,731,263	67,165,218
	<b>Closing other assets</b>	<b>3,701,586,261</b>	<b>2,525,317,075</b>
	<b>Opening other assets</b>	<b>2,525,317,075</b>	<b>2,794,439,731</b>
		<b>(1,176,269,186)</b>	<b>269,122,656</b>
<b>47.a</b>	<b>(Increase)/decrease of consolidated other assets</b>		
	IFIC Bank Limited	(1,176,269,186)	269,122,656
	IFIC Securities Limited	11,548,750	(37,967,037)
	IFIC Money Transfer (UK) Limited	1,525,473	(5,190,644)
		<b>(1,163,194,963)</b>	<b>225,964,975</b>
<b>48</b>	<b>Increase/(decrease) of other liabilities</b>		
	Withholding Tax payable to government	133,947,130	82,124,717
	Withholding VAT payable to government	27,942,952	15,809,793
	Excise duty payable to government	129,230,430	85,888,942
	Dividend payable	2,814,447	2,814,447
	Revaluation of investment abroad	28,184,837	28,184,837
	Exporter's cash assistance	10,300	153,300
	Oman International Exchange (LLC)	8,295,427	8,053,352
	Sale proceeds of PSP & TC	1,999,232	1,064,140
	Local commission on export	8,536,132	19,087,466
	Recovery on Court Cases	4,391,447	22,355,188
	Gratuity payable	-	269,528,413
	Others	57,391,179	49,188,919
	<b>Closing other liabilities</b>	<b>402,743,513</b>	<b>584,253,513</b>
	<b>Opening other liabilities</b>	<b>584,253,513</b>	<b>245,777,957</b>
		<b>(181,510,000)</b>	<b>338,475,556</b>

Amount in BDT

	Note	2015	2014
<b>48.a</b>	<b>Consolidated increase/(decrease) of other liabilities</b>		
	IFIC Bank Limited	(181,510,000)	338,475,556
	IFIC Securities Limited	338,727,184	346,214,227
	IFIC Money Transfer (UK) Limited	11,188,531	(7,605,254)
		<b>168,405,715</b>	<b>677,084,529</b>
<b>49</b>	<b>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</b>	<b>Earnings Per Share (EPS)*</b>		
	Net profit after tax	886,981,027	1,544,733,051
	Number of ordinary shares outstanding	503,412,417	503,412,417
	<b>Earning Per Share(EPS)</b>	<b>1.76</b>	<b>3.07</b>
	*Previous year's figure has been restated.		
<b>50.a</b>	<b>Consolidated Earnings Per Share (EPS)</b>		
	Net profit after tax attributable to equity holders of the Bank	1,057,141,126	1,765,080,258
	Number of ordinary shares outstanding	503,412,417	503,412,417
	<b>Consolidated Earning Per Share (EPS)</b>	<b>2.10</b>	<b>3.51</b>
	*Previous year's figure has been restated.		
<b>51</b>	<b>Net Asset Value (NAV) per Share</b>		
	Net assets value at the end of the year	11,654,213,295	10,628,115,868
	Number of ordinary shares outstanding	503,412,417	437,749,928
	<b>Net Asset Value (NAV) per Share</b>	<b>23.15</b>	<b>24.28</b>
<b>51.a</b>	<b>Consolidated Net Asset Value (NAV) per Share</b>		
	Net assets value at the end of the year attributable to equity holders of the Bank	12,370,373,663	11,198,623,424
	Number of ordinary shares outstanding	503,412,417	437,749,928
	<b>Consolidated Net Asset Value (NAV) per Share</b>	<b>24.57</b>	<b>25.58</b>
<b>52</b>	<b>Net Operating Cash Flow per Share</b>		
	Net cash flows from operating activities	(1,722,607,651)	4,450,130,717
	Number of ordinary shares outstanding	503,412,417	437,749,928
	<b>Net Operating Cash Flow per Share</b>	<b>(3.42)</b>	<b>10.17</b>
<b>52.a</b>	<b>Consolidated Net Operating Cash Flow per Share</b>		
	Consolidated net cash flows from operating activities	(1,576,469,468)	4,983,026,192
	Number of ordinary shares outstanding	503,412,417	437,749,928
	<b>Consolidated Net Operating Cash Flow per Share</b>	<b>(3.13)</b>	<b>11.38</b>

**53 Events after the reporting period**

Subsequent to the balance sheet date, 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 will be placed for approval by the shareholders in the forthcoming 39<sup>th</sup> Annual General Meeting of the Bank.



**BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS-OUTSIDE BANGLADESH (NOSTRO ACCOUNT)**

as at 31 December 2015

Name of the Bank and Financial Institutions	Account type	Currency type	2015			2014		
			FC amount	Conversion rate	Equivalent BDT	FC amount	Conversion rate	Equivalent BDT
J.P. Morgan Chase Bank, New York	CD	USD	2,334,386.54	78.500	183,250,043.71	3,161,022.26	77.949	246,399,788.55
Citi Bank N.A. New York	CD	USD	2,335,216.02	78.500	183,315,158.13	337,327.30	77.949	26,294,460.64
HSBC Bank, New York	CD	USD	6,399,474.06	78.500	502,360,633.55	1,809,837.63	77.949	141,075,757.36
Standard Chartered Bank, London	CD	USD	158,512.77	78.500	12,443,300.00	188,228.31	77.949	14,672,283.83
Masreq Bank PSC, New York	CD	USD	3,684,240.57	78.500	289,213,990.02	1,812,882.74	77.949	141,313,121.85
Mashreq Bank, PSC, Mumbai, India	CD	USD	370,168.75	78.500	29,058,357.93	389,057.75	77.949	30,326,818.18
Standard Chartered Bank, New York	CD	USD	734,817.55	78.500	57,683,398.12	463,252.58	77.949	36,110,260.66
Wells Fargo Bank, New York	CD	USD	2,014,574.61	78.500	158,144,711.26	561,344.42	77.949	43,756,460.73
Sonali Bank, (UK) Limited	CD	USD	174,973.40	78.500	13,735,464.39	292,065.96	77.949	22,766,366.34
Standard Chartered Bank, Kolkata	CD	USD	592,319.66	78.500	46,497,271.01	85,599.61	77.949	6,672,438.24
AB Bank Ltd., Mumbai	CD	USD	1,043,174.83	78.500	81,889,537.11	14,690.34	77.949	1,145,103.19
NIB Bank Ltd, Karachi, Pakistan	CD	USD	399,148.33	78.500	31,333,263.65	258,806.09	77.949	20,173,779.43
National Trust Bank Ltd., Colombo	CD	USD	2,119.65	78.500	166,393.16	41,320.07	77.949	3,220,874.66
Nepal Bangladesh Bank Ltd., Kathmandu, Nepal	CD	USD	148,879.10	78.500	11,687,054.01	147,329.10	77.949	11,484,214.95
Sonali Bank, Kolkata	CD	USD	201,021.92	78.500	15,780,281.03	239,499.10	77.949	18,668,811.15
State Bank of India, Kolkata	CD	USD	61,597.97	78.500	4,835,459.12	61,597.97	77.949	4,801,524.80
Bank of Bhutan, Phuentsoling	CD	USD	1,075.65	78.500	84,438.85	33,848.65	77.949	2,638,481.96
ICIC Bank Ltd., Kolkata	CD	USD	800,980.43	78.500	62,877,204.05	111,937.10	77.949	8,725,429.78
Commerz Bank AG, Frankfurt	CD	USD	865,137.13	78.500	67,913,524.25	432,708.54	77.949	33,729,371.07
Habib American Bank, New York	CD	USD	871,704.75	78.500	68,429,084.39	7,580.00	77.949	590,856.45
J.P. Morgan Chase Bank, Sydney	CD	AUD	70,113.80	57.215	4,011,554.06	7,943.72	63.396	503,601.66
The Bank Nova Scotia, Toronto, Canada	CD	-	-	-	-	(2,638.12)	66.938	(176,590.74)
Habib Bank AG, Zurich	CD	CHF	4,882.43	79.518	388,241.56	7,479.34	78.737	588,899.30
Commerz Bank AG, Frankfurt	CD	EUR	354,138.27	85.817	30,390,906.85	(158,945.00)	94.716	(15,054,682.30)
J.P. Morgan Chase Bank AG, Frankfurt	CD	EUR	66,787.57	85.816	5,731,475.50	38,158.49	94.716	3,614,230.99
Sonali Bank UK London	CD	EUR	9,119.17	85.816	782,575.25	6,574.57	94.716	622,718.94
Standard Chartered Bank, London	CD	GBP	79,907.01	116.286	9,292,098.53	71,259.80	120.923	8,616,941.67
Sonali Bank(UK)Limited	CD	GBP	53,405.67	116.286	6,210,353.10	119,210.77	120.923	14,415,312.02
Bank Of Tokyo- Mitsubishi,Tokyo	CD	JPY	220,885.00	0.652	143,906.58	262,273.00	0.646	169,402.13
AB Bank Ltd., Mumbai	CD	EUR	67,669.68	85.816	5,807,175.09	-	-	-
			<b>24,120,432.29</b>		<b>1,883,456,854.26</b>	<b>10,801,252.09</b>		<b>827,866,037.49</b>





Annexure-B

**OTHER INVESTMENT - SHARES AND DEBT SECURITIES**

as at 31 December 2015

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	590,000	44.00	25,960,000		18,959,479
		3,074,722		68,807,220		61,806,699
<b>Quoted shares</b>						
National Housing Finance & Investment Ltd.	10	4,808,100	8.11	39,010,000	34.80	167,321,880
Power Grid Company Ltd.	10	3,984,250	69.13	275,412,488	45.90	182,877,075
Delta Life Insurance Company Ltd.	10	2,478,100	33.57	83,187,944	122.20	302,823,820
Khulna Power Company Ltd.	10	89,115	50.14	4,467,884	74.90	6,674,714
Summit Power Ltd.	10	2,200,250	49.44	108,786,696	39.70	87,349,925
Summit Alliance Port Ltd.	10	217,364	126.73	27,546,745	60.30	13,107,049
British American Tobacco Bangladesh Eastland Insurance Company Ltd.	10	145,550	629.03	91,555,568	2,950.50	429,445,275
	10	177,749	50.30	8,941,428	19.40	3,448,331
TITAS Gas Transmission and Distribution Ltd.	10	6,079,872	76.60	465,701,734	47.40	288,185,933
Beximco Ltd.	10	22,042,354	57.35	1,264,121,634	29.00	639,228,266
Malek Spinning Mills Company Ltd.	10	350	21.95	7,681	15.70	5,495
Unique Hotel and Resorts Ltd.	10	200,000	105.15	21,029,385	50.60	10,120,000
The City Bank Ltd.	10	5,520,349	35.18	194,197,477	20.40	112,615,120
MJL Bangladesh Ltd.	10	442,774	102.29	45,291,198	94.30	41,753,588
Fareast Life Insurance Ltd.	10	910,071	150.13	136,631,812	62.50	56,879,438
Beximco Pharmaceuticals Ltd.	10	2,250,393	61.30	137,938,967	84.10	189,258,051
Northern General Insurance Company Ltd.	10	242,677	45.13	10,951,563	17.00	4,125,509
Reliance Insurance Ltd.	10	187,662	62.21	11,674,463	49.00	9,195,438
		<b>51,976,980</b>		<b>2,926,454,667</b>	<b>3,818</b>	<b>2,544,414,906</b>
<b>Mutual funds</b>						
IFIC Bank 1st Mutual Fund	10	31,912,222	7.83	250,000,000	7.83	250,000,000
ICB Employee 1st Mutual Fund	10	1,339,500	13.43	17,986,473	6.21	8,318,295
		<b>33,251,722</b>		<b>267,986,473</b>		<b>258,318,295</b>
<b>Outside Bangladesh</b>						
Nepal Bangladesh Bank Ltd.		12,434,025	103.46	1,286,433,768	411.12	5,111,847,262
Oman International Exchange LLC		2,680	6,657.94	17,843,275	6,657.94	17,843,275
NIB Bank Ltd, Pakistan		24,578,800	13.57	333,438,723	1.55	38,056,831
<b>Total other investment</b>		<b>37,015,505</b>		<b>1,637,715,766</b>		<b>5,167,747,368</b>
				<b>4,900,964,126</b>		<b>8,612,284,874</b>



## LOANS AND ADVANCES ALLOWED TO EACH CUSTOMER EXCEEDING 10% OF BANK'S TOTAL CAPITAL

as at 31 December 2015

Million BDT

Sl.	Name of the Group	Name of Clients	Outstanding as on 31 December 2015			Amount classified
			Funded	Non-funded	Total	
1	Soiltech Group	Soiltech International Ltd.	1,478.70	-	1,478.70	-
		Wahidunnabi	44.70	-	44.70	-
		Ace-Swee Hong Joint Venture	134.20	-	134.20	-
		Soiltech International & IJM	56.20	-	56.20	-
		<b>Sub Total:</b>	<b>1,713.80</b>	<b>-</b>	<b>1,713.80</b>	-
2	Stylo Group	Stylo Knitwear (Pvt) Ltd.	15.3	20.6	35.90	-
		Stylo Fashion Garments Ltd.	987.2	691.5	1,678.70	-
		<b>Sub Total:</b>	<b>1,002.50</b>	<b>712.10</b>	<b>1,714.60</b>	-
3	Newage Group	New Age Fashionwear Ltd.	56.70	138.10	194.80	-
		Newage Garments Ltd.	376.30	279.10	655.40	-
		Newage Apparels Ltd.	203.30	767.50	970.80	-
		Keilock Newage BD. Ltd.	39.40	182.50	221.90	-
		<b>Sub Total:</b>	<b>675.70</b>	<b>1,367.20</b>	<b>2,042.90</b>	-
4	Dekko	Dekko Knitwear Ltd.	606.40	65.90	672.30	-
		Epyllion Knitex Ltd.	677.40	126.30	803.70	-
		Bajpakhi Limited	3.10	-	3.10	-
		Dazzling Dresses Ltd.	-	2.30	2.30	-
		<b>Sub Total:</b>	<b>1,286.90</b>	<b>194.50</b>	<b>1,481.40</b>	-
5	Islam Garments	Islam Garments Ltd.	564.80	1,794.50	2,359.30	-
		<b>Sub Total:</b>	<b>564.80</b>	<b>1,794.50</b>	<b>2,359.30</b>	-
6	Wisdom	Wisdom Attires Ltd.	1,717.20	408.30	2,125.50	-
		<b>Sub Total:</b>	<b>1,717.20</b>	<b>408.30</b>	<b>2,125.50</b>	-
7	Abul Khair	Abul Khair Steel Products Ltd.	231.60	339.30	570.90	-
		Shah Dairy Foods Ltd.	-	4.70	4.70	-
		Abul Khair Condensed Milk & Beverage Ltd.	-	4.10	4.10	-
		Abul Khair Limited	54.70	168.10	222.80	-
		Shah Cement Industries Ltd	123.20	5.30	128.50	-
		Abul Khair Consumer Products Ltd.	516.80	-	516.80	-
		Abul Khair Milk Products Ltd.	50.30	13.60	63.90	-
		Abul Khair Ceramic Indust	10.90	-	10.90	-
Abul Khair Steel Ltd.	-	5.70	5.70	-		
		<b>Sub Total:</b>	<b>987.50</b>	<b>540.80</b>	<b>1,528.30</b>	-
8	Shirt Makers	Banglalion Communication Ltd.	1,848.50	-	1,848.50	-
		<b>Sub Total:</b>	<b>1,848.50</b>	<b>-</b>	<b>1,848.50</b>	-
9	Knit Concern	Knit Concern Ltd.	411.90	869.80	1,281.70	-
		K.C. Apparels Ltd.	313.70	178.10	491.80	-
		Kay Telecommunications Ltd.	53.10	-	53.10	-
		K.C. Lingerie Ltd.	115.50	69.30	184.80	-
		<b>Sub Total:</b>	<b>894.20</b>	<b>1,117.20</b>	<b>2,011.40</b>	-
10	Uttara	Uttara Jute Fibres & Inds. Ltd.	1,167.30	4.90	1,172.20	-
		Uttara Traders (PVT.) Ltd.	152.30	0.30	152.60	-
		Uttara Acrylic Mills Ltd	257.60	8.40	266.00	-
		Uttara Spinning Mills Ltd	72.70	13.10	85.80	-
		Six Seasons Food & Beverages Ltd.	80.40	0.30	80.70	-
		<b>Sub Total:</b>	<b>1,730.30</b>	<b>27.00</b>	<b>1,757.30</b>	-

Sl.	Name of the Group	Name of Clients	Outstanding as on 31 December 2015			Amount classified
			Funded	Non-funded	Total	
11	Cassiopea	Cassiopea Apparels Ltd.	346.30	1,549.00	1,895.30	-
		Cassiopea Fashion Ltd.	198.80	23.60	222.40	-
		Elegant Washing Plant Ltd.	-	10.50	10.50	-
		<b>Sub Total:</b>	<b>545.10</b>	<b>1,583.10</b>	<b>2,128.20</b>	-
12	Silver Line	Silver Line Composite Textile Mill Ltd.	745.60	302.00	1,047.60	-
		Silver Composite Textile Mills Ltd.	1,016.90	1,490.40	2,507.30	-
		<b>Sub Total:</b>	<b>1,762.50</b>	<b>1,792.40</b>	<b>3,554.90</b>	-
13	IFIC	IFIC Securities Ltd	1,295.40	450.00	1,745.40	-
		<b>Sub Total:</b>	<b>1,295.40</b>	<b>450.00</b>	<b>1,745.40</b>	-
14	Scholasticca	Scholastica Limited	1,671.40	-	1,671.40	-
		<b>Sub Total:</b>	<b>1,671.40</b>	-	<b>1,671.40</b>	-
15	Sikder	Powerpac Mutiara Keraniganj Power Plant Ltd.	1,689.80	-	1,689.80	-
		R & R Holdings	1,589.80	-	1,589.80	-
		<b>Sub Total:</b>	<b>3,279.60</b>	-	<b>3,279.60</b>	-
16	Jamuna	Jamuna Builders Ltd.	1,567.40	-	1,567.40	-
		<b>Sub Total:</b>	<b>1,567.40</b>	-	<b>1,567.40</b>	-
17	ENA	ENA Properties Ltd.	1,389.50	67.70	1,457.20	-
		ENA DDJ Construction Firm	4.80	544.50	549.30	-
		Northern Power Solutions Ltd.	1,738.50	111.00	1,849.50	-
		<b>Sub Total:</b>	<b>3,132.80</b>	<b>723.20</b>	<b>3,856.00</b>	-
18	Navana	Navana Ltd.	215.10	73.10	288.20	-
		Navana Real Estate Ltd.	456.00	-	456.00	-
		Navana Interlinks Ltd	33.00	13.30	46.30	-
		Navana Engineering Ltd.	487.20	-	487.20	-
		Navana Welding Electroed Ltd.	207.30	-	207.30	-
		<b>Sub Total:</b>	<b>1,398.60</b>	<b>86.40</b>	<b>1,485.00</b>	-
19		Bangladesh Rural Advancement Committee (BRAC)	1,608.80	-	1,608.80	-
		<b>Sub Total:</b>	<b>1,608.80</b>	-	<b>1,608.80</b>	-
20		SQ Celsius Ltd.	1,623.10	1,507.30	3,130.40	-
		<b>Sub Total:</b>	<b>1,623.10</b>	<b>1,507.30</b>	<b>3,130.40</b>	-
21		Pacific Bangladesh Teleco	1,655.10	-	1,655.10	-
		<b>Sub Total:</b>	<b>1,655.10</b>	-	<b>1,655.10</b>	-
22		Shepherd Industries Ltd.	258.50	517.50	776.00	-
		Shepherd Textiles Bd Ltd.	536.50	408.80	945.30	-
		<b>Sub Total:</b>	<b>795.00</b>	<b>926.30</b>	<b>1,721.30</b>	-
23		Dohatec Newmedia	540.70	511.50	1,052.20	-
		Global Voice Telecom Limited	1,223.20	2,127.20	3,350.40	-
		<b>Sub Total:</b>	<b>1,763.90</b>	<b>2,638.70</b>	<b>4,402.60</b>	-
24		Nassa Properties Ltd.	1,216.50	-	1,216.50	-
		<b>Sub Total:</b>	<b>1,216.50</b>	-	<b>1,216.50</b>	-
25		Appollo Ispat Complex Ltd.	1,549.30	240.70	1,790.00	-
		<b>Sub Total:</b>	<b>1,549.30</b>	<b>240.70</b>	<b>1,790.00</b>	-
26		Buyer Media Limited	1,797.50	13.80	1,811.30	-
		<b>Sub Total:</b>	<b>1,797.50</b>	<b>13.80</b>	<b>1,811.30</b>	-
27		Avalon Aviation Ltd.	319.30	-	319.30	-
		Foster Trading International Ltd.	1,373.90	110.00	1,483.90	-
		<b>Sub Total:</b>	<b>1,693.20</b>	<b>110.00</b>	<b>1,803.20</b>	-
28		Prisma Digital Network Ltd.	1,672.70	107.30	1,780.00	-
		<b>Sub Total:</b>	<b>1,672.70</b>	<b>107.30</b>	<b>1,780.00</b>	-
29		Rupayan Housing Estate Ltd.	1,294.00	79.10	1,373.10	-
		<b>Sub Total:</b>	<b>1,294.00</b>	<b>79.10</b>	<b>1,373.10</b>	-
		<b>Grand Total:</b>	<b>43,743.30</b>	<b>16,419.90</b>	<b>60,163.20</b>	-





## SCHEDULE OF FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURE

as at 31 December 2015

Particulars	Cost			Rate %	Balance as at 31 December 2015	Depreciation			Written down value as at 31 December 2015
	Balance as at 1 January 2015	Addition during the period	Disposal during the period			Balance as at 1 January 2015	Charged during the period	Disposal during the period	
Land	475,118,759	-	-	-	475,118,759	-	-	-	475,118,759
Buildings and premises	1,337,951,477	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	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	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	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	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	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	20	111,797,341	25,535,978	1,823,490	135,509,829	102,143,913
Vehicles (purchased & leased)	146,746,620	16,526,525	-	20	67,187,898	14,910,507	-	82,098,405	81,174,740
Soft Furnishing	12,271,161	469,323	86,847	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	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>1,340,265,806</b>	<b>265,697,257</b>	<b>30,825,286</b>	<b>1,575,137,777</b>	<b>2,383,772,153</b>
*Capital work in progress	593,198,539	420,232,987	166,836,752	-	-	-	-	-	846,594,774
<b>Total</b>	<b>4,269,585,564</b>	<b>738,592,061</b>	<b>202,672,922</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>

Particulars	Cost			Rate %	Balance as at 31 December 2014	Depreciation			Written down value as at 31 December 2014
	Balance as at 1 January 2014	Addition during the year	Disposal during the year			Balance as at 1 January 2014	Charged during the year	Disposal during the year	
Land	475,118,759	-	-	-	475,118,759	-	-	-	475,118,759
Buildings and premises	1,329,344,471	8,607,006	-	2.5	133,349,814	30,115,042	-	163,464,856	1,174,486,621
Wooden Furniture	104,315,604	14,526,526	5,404,346	20	56,497,408	12,300,715	4,563,201	64,234,923	49,202,862
Steel Furniture	53,308,417	3,016,128	294,610	10	28,977,265	2,725,069	198,026	31,504,309	24,525,627
Computer Equipment	520,385,693	22,359,390	6,002,832	30	319,735,265	66,728,318	5,420,748	381,042,836	155,699,415
Office Equipment	177,823,273	13,464,710	5,535,143	20	115,702,867	15,087,713	5,388,591	125,401,989	60,350,851
Electrical & Gas Equipment	320,434,211	46,730,763	11,149,125	20	196,468,183	33,656,677	8,735,715	221,389,145	134,626,704
Leasehold improvement	201,263,378	23,062,125	8,475,363	20	90,846,647	26,013,200	5,062,505	111,797,341	104,052,798
Vehicles (purchased & leased)	134,707,220	13,239,400	1,200,000	20	55,477,410	12,857,712	1,147,223	67,187,898	79,558,722
Soft Furnishing	10,593,496	2,322,305	644,641	40	9,208,739	1,473,550	621,453	10,060,836	2,210,325
<b>Intangible asset:</b>									
Software	193,954,088	47,204,221	688,100	30	132,129,457	32,695,087	642,872	164,181,673	76,288,536
	<b>3,521,248,610</b>	<b>194,532,575</b>	<b>39,394,159</b>		<b>1,138,393,056</b>	<b>233,653,083</b>	<b>31,780,333</b>	<b>1,340,265,806</b>	<b>2,336,121,219</b>
*Capital work in progress	-	593,198,539	-	-	-	-	-	-	593,198,539
<b>Total</b>	<b>3,521,248,610</b>	<b>787,731,114</b>	<b>39,394,159</b>		<b>1,138,393,056</b>	<b>233,653,083</b>	<b>31,780,333</b>	<b>1,340,265,806</b>	<b>2,929,319,758</b>

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



## COMPUTATION OF RISK WEIGHTED ASSETS

### Solo Basis

as at 31 December 2015

#### 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	1,626.14	-
b.	Claims on Bangladesh Government (other than PSEs) and Bangladesh Bank		0	23,627.17	-
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	2,070.24	414.05
		2,3	0.50	169.56	84.78
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	1.00	-	-
	ii) Maturity less than 3 months		0.20	6,967.01	1,393.40
h.	Claims on Corporate (excluding equity exposure)	1	0.20	4,761.78	952.36
		2	0.50	13,334.98	6,667.49
		3,4	1.00	8,196.85	8,196.85
		5,6	1.50	-	-
		Unrated	1.25	13,423.99	16,779.98
h (1)	Claims on SME	SME 1	0.20	65.39	13.08
		SME 2	0.40	-	-
		SME 3	0.60	12.72	7.63
		SME 4	0.80	19.86	15.89
		SME 5	1.20	-	-
		SME 6	1.50	-	-
		Unrated (small enterprise & <BDT 3m)	0.75	2,174.34	1,630.76
		Unrated (small enterprise having ≥ BDT 3m & Medium enterprise)	1.00	9,654.51	9,654.51





BDT in Million						
Sl.	Exposure Type	Rating	Risk Weight	Exposure	RWA	
1	2	3	4	5	6 = (4x5)	
i.	Claims under Credit Risk Mitigation	PSE		-	-	
		Banks & NBFIs		-	-	
		Corporate			1,721.35	79.97
		Retail			650.07	35.13
		SME			2,239.96	1,645.42
		Consumer finance			2,211.03	328.17
		Residential property			39.23	19.53
		Commercial real estate			717.70	717.45
j.	Claims categorized as retail portfolio (excluding SME, Consumer Finance and Staff loan) upto 1 crore		0.75	714.12	535.59	
k.	Consumer finance		1.00	455.00	455.00	
l.	Claims fully secured by residential property		0.50	26,472.33	13,236.16	
m.	Claims fully secured by Commercial real estate		1.00	2,168.36	2,168.36	
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	5,093.30	7,639.95	
	ii) Where specific provisions are no less than 20 percent of the outstanding amount of the past due claim		1.00	1,917.80	1,917.80	
	iii) Where specific provisions are more than 50 percent of the outstanding amount of the past due claim		0.50	893.20	446.60	
	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	133.40	133.40	
	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	7.10	5.33	
	o.	Capital Market Exposure		1.25	-	-
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	921.53	1,151.91	
q.	Investments in venture capital		1.50	-	-	
r.	Investments in premises, plant and equipment and all other fixed assets		1.00	3,230.37	3,230.37	
s.	Claims on all fixed assets under operating lease		1.00	474.15	474.15	
t.	All other assets			-	-	
	i) Claims on GoB & BB		0.00	2,150.24	-	
	ii) Staff loan/Investment		0.20	1,957.59	391.52	
	iii) Cash items in Process of Collection		0.20	-	-	
	iv) Claims on Off-shore Banking Units (OBU)		1.00	2,042.39	2,042.39	
	v) Other assets (net off specific provision, if any)		1.00	2,282.94	2,282.94	
<b>Sub-Total</b>				<b>144,617.68</b>	<b>84,757.90</b>	

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

BDT in Million

Sl.	Exposure Type	Rating	Risk Weight	Exposure	RWA
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	1,292.00	258.40
		2	0.50	3,092.63	1,546.32
		3,4	1.00	993.31	993.31
		5,6	1.50	-	-
		Unrated	1.25	8,675.43	10,844.29
h)	Claims under retail exposure		0.75	221.77	166.33
h(1)	Claims under SME Credit Rating-wise exposure	1	0.20	3.00	0.60
		2	0.40	22.64	9.06
		3	0.60	-	-
		4	0.80	-	-
		5	1.20	-	-
		6	1.50	-	-
		Unrated (small enterprise & <BDT 3.00m)	0.75	360.56	270.42
		Unrated (small enterprise having ≥ BDT 3.00m & Medium enterprise)	1.00	1,851.47	1,851.47
i)	Consumer Loan		1.00		
j)	Claims fully secured by residential property		0.50		
k.)	Claims fully secured by commercial real estate		1.00		



BDT in Million

Sl.	Exposure Type	Rating	Risk Weight	Exposure	RWA
1	2	3	4	5	6 = (4x5)
l)	Investments in venture capital		1.50		
m)	All other assets		1.00		
<b>Sub-Total</b>				<b>16,512.82</b>	<b>15,940.19</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	-	10.00	-
b	Equities	538.55	10.00	5,385.46
c	Foreign Exchange Position	1.86	10.00	18.62
d	Commodities	-	10.00	-
<b>Sub-Total</b>			<b>540.41</b>	<b>5,404.08</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	1,121.23	10.00	11,212.25
<b>Sub-Total</b>			<b>1,121.23</b>	<b>11,212.25</b>
<b>Grand Total Risk Weighted Assets</b>				<b>117,314.42</b>

**RELATED PARTY DISCLOSURES**  
**Name of Directors and their interest in different entities**  
**as at 31 December 2015**

SI 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.
			Alternate 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.





Sl No.	Name	Status with the Bank	Status with interested entities	Name of the firms/companies in which they have interest
			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
			Additional Secretary	Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.
6	Mr. Arijit Chowdhury***	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.

\* Mr. Monirul Islam, however, has been nominated as Director of Nepal Bangladesh Bank Limited with effect from 12 January 2016.

\*\* Mr. A.R.M. Nazmus Sakib has been nominated as Director of IFIC Money Transfer (UK) Ltd. with effect from 12 January 2016.

\*\*\* Mr. Arijit Chowdhury was withdrawn from the Board of the Bank on 6 January 2016.

## Related party transactions

- i) Significant contracts with the Bank wherein Directors have interest during the year: 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:

Name of the Party	Relationship	Nature of Facilities	31-Dec-14	Transactions		31-Dec-15
				Debit	Credit	
IFIC Securities Limited	Subsidiary	Loan	1,199,738,281	95,629,891	-	1,295,368,172
		Current & SND Account	92,148,003	85,683,288	-	6,464,715
		BO Account	170,307,518	-	168,869,325	1,438,193
		Office Rent	-	2,676,480	2,676,480	-

- 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 392,800 and Bangladesh Export Import Co. Limited for Broadband Internet Service paid BDT1,269,600 upto December 2015.
- 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	137,938,967







## DISCLOSURE ON AUDIT COMMITTEE OF THE BANK

### 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 (Since 16 September 2015)	Independent Director	Member	MBA
3	Mr. Jalal Ahmed	Director	Member	B. S. S (Hons), M. S. S. in Public Administration
4	Mr. Syed Anisul Huq (Upto 16 June 2015)	Independent Director	Member	B. Com.

\*The Audit Committee of the Board was lastly reconstituted by the Board of Directors of the Bank in its 657<sup>th</sup> Meeting held on September 16, 2015.

### b) Particulars of meetings held by the Audit Committee during the year 2015

Sl.	Meeting No	Meeting held on
1	88 <sup>th</sup> Audit Committee Meeting	16.03.2015
2	89 <sup>th</sup> Audit Committee Meeting	06.04.2015
3	90 <sup>th</sup> Audit Committee Meeting	22.04.2015
4	90 <sup>th</sup> adjourned Audit Committee Meeting	04.05.2015
5	91 <sup>st</sup> Audit Committee Meeting	22.06.2015
6	92 <sup>nd</sup> Audit Committee Meeting	22.07.2015
7	93 <sup>rd</sup> Audit Committee Meeting	25.08.2015
8	94 <sup>th</sup> Audit Committee Meeting	20.10.2015
9	95 <sup>th</sup> Audit Committee Meeting	16.11.2015
10	96 <sup>th</sup> Audit Committee Meeting	22.12.2015

### c) 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 2015, 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 2015 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 2015 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 31 December 2015

Amount in BDT

Sl.	Particulars	2015	2014
1	Paid up capital	5,034,124,170	4,377,499,280
2	Total capital	11,813,122,670	11,308,447,905
3	Capital surplus	81,680,171	151,078,903
4	Total assets	178,333,951,390	156,338,637,021
5	Total deposits	146,819,705,532	129,745,805,362
6	Total loan & advances	123,268,667,873	102,282,149,309
7	Total contingent liabilities & commitments	47,779,027,775	47,824,432,743
8	Credit deposit ratio	83.96%	78.83%
9	Percentage of classified loan against total loans & advances	6.46%	4.95%
10	Profit after tax & provision	886,981,027	1,544,733,051
11	Amount of classified loans	7,962,051,830	5,061,133,652
12	Provision kept against classified loans	2,699,917,003	1,966,388,319
13	Provision surplus/deficit	4,417,597	108,665,348
14	Cost of fund	6.16%	6.79%
15	Interest earning assets	151,498,806,527	132,838,447,524
16	Non-interest earning assets	26,835,144,863	23,500,189,497
17	Return on Investment (ROI)	6.48%	7.22%
18	Return on Assets (ROA)	0.53%	1.07%
19	Income from investment	2,375,204,608	2,377,463,292
20	Earnings per share	1.76	3.07
21	Net income per share	1.76	3.07
22	Net Asset Value (NAV)	11,654,213,295	10,628,115,868
23	Net Asset Value (NAV) per share	23.15	24.28
24	Net Operating Cash Flow Per Share (NOCFPS)	(3.42)	10.17
25	Price earning ratio (Times)	12.03	8.51



## CONSOLIDATED SEGMENT REPORTING

for the year ended 31 December 2015

Particulars	BDT in Million						
	Corporate	Retail	SME/Agri and Green	Treasury and Money Market Operations	IFICSL	Others	Consolidated
Interest income	8,500.05	1,656.26	2,343.76	64.26	221.31	(65.40)	12,720.24
Interest expense	5,750.73	1,167.44	1,729.54	24.76	193.01	80.25	8,945.73
<b>Net interest income</b>	<b>2,749.33</b>	<b>488.82</b>	<b>614.22</b>	<b>39.50</b>	<b>28.30</b>	<b>(145.66)</b>	<b>3,774.51</b>
Income from Investment	-	-	-	2,281.77	0.21	-	2,281.97
Commission, exchange, brokerage, etc.	387.27	105.17	143.06	682.41	53.82	147.98	1,519.71
Other operating income	225.62	50.14	75.21	95.26	2.42	55.15	503.79
<b>Total operating income</b>	<b>3,362.21</b>	<b>644.13</b>	<b>832.49</b>	<b>3,098.94</b>	<b>84.74</b>	<b>57.47</b>	<b>8,079.98</b>
Operating expenses	2,164.71	515.57	613.16	1,022.23	38.74	113.87	4,468.28
<b>Operating profit/(loss)</b>	<b>1,197.51</b>	<b>128.55</b>	<b>219.32</b>	<b>2,076.71</b>	<b>46.00</b>	<b>(56.40)</b>	<b>3,611.70</b>

There are 8 (eight) operating segments including subsidiaries as on 31 December 2015. 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.





Annexure - J

**DISCLOSURE OF RESTRUCTURED LOAN**  
for the year ended 31 December 2015

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 31 December 2015	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	1,689.82	33.80	33.80	SMA(RST)
2	M/s R&R Holdings	TL (O)-1	07.12.2015	8.20	8.20	07.03.2017	746.00	Nil	820.89	16.42	16.42	SMA(RST)
3	M/s R&R Holdings	TL (O)-2	07.12.2015	7.70	7.70	07.03.2017	702.00	Nil	768.86	15.38	15.38	SMA(RST)
4	Jamuna Builders Ltd.	TL (I)-1	14.12.2015	14.20	14.30	21.07.2016	1,546.20	Nil	1,554.27	31.09	31.09	SMA(RST)
5	Jamuna Builders Ltd.	TL (O)-2	14.12.2015	0.10	0.10	21.07.2016	13.00	Nil	13.07	0.26	0.26	SMA(RST)
<b>Total</b>				<b>47.10</b>	<b>47.20</b>		<b>4,553.30</b>		<b>4,846.92</b>	<b>96.94</b>	<b>96.94</b>	



## INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

### Off-shore Banking Unit

#### Balance Sheet

as at 31 December 2015

Particulars	Note	31 December 2015		31 December 2014	
		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>	<b>3</b>	<b>24,161,133</b>	<b>1,896,656,202</b>	<b>22,654,502</b>	<b>1,765,904,872</b>
Loans, cash credits, overdrafts etc.	3.1	9,469,692	743,373,693	8,394,537	654,349,138
Bills purchased and discounted	3.2	14,691,441	1,153,282,509	14,259,965	1,111,555,734
<b>Fixed assets including premises, furniture and fixtures</b>		-	-	-	-
<b>Other assets</b>	<b>4</b>	<b>1,856,442</b>	<b>145,731,263</b>	<b>861,652</b>	<b>67,165,218</b>
<b>Non banking assets</b>		-	-	-	-
<b>Total assets</b>		<b>26,017,575</b>	<b>2,042,387,465</b>	<b>23,516,154</b>	<b>1,833,070,090</b>
<b>LIABILITIES AND CAPITAL</b>					
<b>Liabilities</b>					
<b>Borrowing from other banks, financial Institutions and agents</b>	<b>5</b>	<b>25,386,327</b>	<b>1,992,834,279</b>	<b>22,805,121</b>	<b>1,777,645,520</b>
<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>	<b>6</b>	<b>524,561</b>	<b>41,178,214</b>	<b>470,379</b>	<b>36,665,797</b>
<b>Total liabilities</b>		<b>25,910,888</b>	<b>2,034,012,493</b>	<b>23,275,501</b>	<b>1,814,311,317</b>

Particulars	Note	31 December 2015		31 December 2014	
		USD	Taka	USD	Taka
<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	106,687	8,374,971	240,653	18,758,773
<b>Total shareholders' equity</b>		<b>106,687</b>	<b>8,374,971</b>	<b>240,653</b>	<b>18,758,773</b>
<b>Total liabilities and shareholders' equity</b>		<b>26,017,575</b>	<b>2,042,387,464</b>	<b>23,516,154</b>	<b>1,833,070,090</b>
<b>OFF BALANCE SHEET ITEMS</b>					
<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>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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 year ended 31 December 2015



Particulars	Note	31 December 2015		31 December 2014	
		USD	Taka	USD	Taka
Interest income	8	1,129,024	88,628,713	1,087,752	84,789,638
Interest paid on deposits, borrowings etc.	9	1,022,337	80,253,742	847,099	66,030,864
<b>Net interest income</b>		<b>106,687</b>	<b>8,374,971</b>	<b>240,653</b>	<b>18,758,773</b>
Investment Income		-	-	-	-
Commission, exchange and brokerage		-	-	-	-
Other operating income		-	-	-	-
<b>Total operating income</b>		<b>106,687</b>	<b>8,374,971</b>	<b>240,653</b>	<b>18,758,773</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		-	-	-	-
Depriciation 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>106,687</b>	<b>8,374,971</b>	<b>240,653</b>	<b>18,758,773</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>106,687</b>	<b>8,374,971</b>	<b>240,653</b>	<b>18,758,773</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 year ended 31 December 2015

Particulars	Note	2015		2014	
		USD	Taka	USD	Taka
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Interest received in cash		1,129,024	88,628,713	1,087,752	84,789,638
Interest payments		(1,022,337)	(80,253,742)	(847,099)	(66,030,864)
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		-	-	-	-
Cash paid for other operating activities		(240,653)	(18,758,773)	(146,518)	(11,391,766)
<b>Cash flows before charges in operating assets and liabilities</b>		<b>(133,966)</b>	<b>(10,383,802)</b>	<b>94,135</b>	<b>7,367,007</b>
<b>Increase / Decrease in operating assets and liabilities</b>					
Loans and advances to customers		(1,506,631)	(130,751,330)	(13,537,598)	(1,057,065,524)
Other assets		(994,791)	(78,566,045)	(713,649)	(55,658,015)
Borrowing from banks		2,581,206	215,188,759	13,838,201	1,080,467,486
Deposits from other banks		-	-	-	-
Deposit from customers		-	-	-	-
Other Liabilities		54,182	4,512,417	318,910	24,889,046
		<b>133,966</b>	<b>10,383,801</b>	<b>(94,135)</b>	<b>(7,367,007)</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

as at and for the year ended 31 December 2015



#### 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 78.5003 (closing weighted average rate as at 31 December 2015) 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 31 December 2015.

### 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	31 December 2015		31 December 2014	
		USD	Taka	USD	Taka
<b>3 Loans and advances</b>					
3.1 Loans, cash credits, overdrafts etc					
Term loan		9,469,692	743,373,693	8,394,537	654,349,138
		<b>9,469,692</b>	<b>743,373,693</b>	<b>8,394,537</b>	<b>654,349,138</b>
<b>3.2 Bills purchased and discounted</b>	5				
Inside Bangladesh		14,691,441	1,153,282,509	14,259,965	1,111,555,734
Outside Bangladesh		-	-	-	-
		<b>14,691,441</b>	<b>1,153,282,509</b>	<b>14,259,965</b>	<b>1,111,555,734</b>
		<b>24,161,133</b>	<b>1,896,656,202</b>	<b>22,654,502</b>	<b>1,765,904,872</b>






Particulars	Note	31 December 2015		31 December 2014	
		USD	Taka	USD	Taka
<b>3.3 Geographical location-wise loans and advances</b>					
Dhaka		24,161,133	1,896,656,202	22,654,502	1,765,904,872
Chittagong Division		-	-	-	-
Sylhet		-	-	-	-
Rajshahi Division		-	-	-	-
Khulna		-	-	-	-
Barisal		-	-	-	-
		<b>24,161,133</b>	<b>1,896,656,202</b>	<b>22,654,502</b>	<b>1,765,904,872</b>
<b>3.4 Classification of loans and advances</b>					
<b>Unclassified :</b>					
(i) Standard		24,161,133	1,896,656,202	22,654,502	1,765,904,872
(ii) Special mention account		-	-	-	-
<b>Classified :</b>					
(i) Substandard		-	-	-	-
(ii) Doubtful		-	-	-	-
(iii) Bad / Loss		-	-	-	-
		<b>24,161,133</b>	<b>1,896,656,202</b>	<b>22,654,502</b>	<b>1,765,904,872</b>
<b>4 Other assets</b>					
Interest receivable on Term loan		639,180	50,175,787	285,479	22,252,914
Interest receivable on Bills discount		1,217,263	95,555,475	576,173	44,912,305
		<b>1,856,442</b>	<b>145,731,263</b>	<b>861,652</b>	<b>67,165,218</b>
<b>5 Borrowing from other banks, financial Institutions and its agents</b>					
<b>In Bangladesh:</b>					
IFIC Bank Limited		25,386,327	1,992,834,279	22,805,121	1,777,645,520
Bangladesh Bank		-	-	-	-
		<b>25,386,327</b>	<b>1,992,834,279</b>	<b>22,805,121</b>	<b>1,777,645,520</b>
<b>Outside Bangladesh</b>		-	-	-	-
		<b>25,386,327</b>	<b>1,992,834,279</b>	<b>22,805,121</b>	<b>1,777,645,520</b>
<b>6 Other liabilities</b>					
Interest on bills discounted		-	-	-	-
Due to Head Office		524,561	41,178,214	470,379	36,665,797
		<b>524,561</b>	<b>41,178,214</b>	<b>470,379</b>	<b>36,665,797</b>

Particulars	Note	31 December 2015		31 December 2014	
		USD	Taka	USD	Taka
<b>7 Surplus in profit and loss account</b>					
Opening balance		240,653	18,758,773	146,518	11,391,766
Less: Adjustment/ payment for the year		(240,653)	(18,758,773)	(146,518)	(11,391,766)
Add: Addition during the year		106,687	8,374,971	240,653	18,758,773
		<b>106,687</b>	<b>8,374,971</b>	<b>240,653</b>	<b>18,758,773</b>
<b>8 Interest income</b>					
Term Loan		426,592	33,487,594	291,037	22,686,159
LTR loan		-	-	-	-
Bills discount		702,432	55,141,119	796,715	62,103,479
Others		-	-	-	-
<b>Interest on loans and advances</b>		<b>1,129,024</b>	<b>88,628,713</b>	<b>1,087,752</b>	<b>84,789,638</b>
Interest on balance with other banks and financial institutions		-	-	-	-
Interest received from foreign banks		-	-	-	-
		-	-	-	-
<b>Total Interest income</b>		<b>1,129,024</b>	<b>88,628,713</b>	<b>1,087,752</b>	<b>84,789,638</b>
<b>9 Interest paid on deposits, borrowings etc.</b>					
Interest paid on IFIC Bank Limited		1,022,337	80,253,742	847,099	66,030,864
Interest paid on Bangladesh Bank		-	-	-	-
		<b>1,022,337</b>	<b>80,253,742</b>	<b>847,099</b>	<b>66,030,864</b>



# FINANCIAL STATEMENTS OF THE SUBSIDIARIES

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# IFIC SECURITIES LIMITED

## Directors' Report

### Respected Shareholders,

The Board of Directors is pleased to present the 5th Annual Report of IFIC Securities Ltd. (IFICSL) for the year ended on 31 December 2015. In the report, IFICSL's operational performance of the year 2015 as compared to 2014 has been evaluated and analyzed within prevailing business environment. The information and analysis may be read in conjunction with the audited financial statements presented herewith.

### Bangladesh Capital Market in 2015

The Capital Market of the country passed a challenging year in 2015 with the fall of the market index coupled with sharp decline of trade volume. The market has been down trend during the last consecutive five years. All the stakeholders of the capital market had to face a tough time in managing their portfolio and operations due to this bearish trend.

### Our business

IFICSL has been established with the objectives of rendering efficient and innovative brokerage services to the prospective investors of the country, as well as to ensure adequate return on equity to the shareholders.

IFIC Securities Limited is a fully owned subsidiary of International Finance Investment and Commerce Bank Limited (IFIC Bank Ltd) and was incorporated with the Registrar of Joint Stock Companies and Firms, Bangladesh as a public limited company on 02 November 2010 under Companies Act, 1994. IFICSL bought the brokerage license from IFIC Bank in 2010 and is authorized to undertake the following activities:

- Opening of Beneficiary owners (BO) account;
- Buy and Sell of Securities in Dhaka Stock Exchange Ltd;
- Margin Loan facilities to its clients;
- Settlement of buying and selling of Securities in Dhaka Stock Exchange through CDBL;
- Process IPO applications on behalf of clients;

IFICSL started its operation on 10 March 2011 by taking over all the Asset & Liabilities of the Capital Market Division of its parent company IFIC Bank Ltd except the Own Investment Portfolio of IFIC Bank Ltd to comply with the instructions of Bangladesh Bank.

### Capital

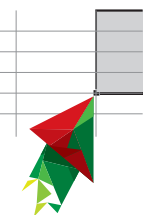
The authorized capital of IFICSL is BDT 3,000 million of which BDT 800 million has been paid up. Total shareholders' equity at the end of December 2015 stood at BDT 1,002.93 million including retained earnings of BDT 202.93 million. The Paid-up capital represents the face value of 80,000,000 shares of BDT 10 each fully subscribed by the shareholders.

### Profit & Operating Results

Total operating income of IFICSL for the year 2015 was BDT. 277.76 million against a total expenses of BDT 231.75 million. Total profit before provision stood at BDT 46.01 million during 2015. For the year 2015, the net profit was BDT 10.04 million, after keeping BDT 19.84 million and BDT 16.26 million as provision for investment(Including provision for margin loan to clients) and as provision for income tax respectively. It is noted here that we have transferred BDT 301.73 million to our suspense account from our total interest income during the year.

### Loans & Advances

Total margin loan facilities provided to the investors by IFICSL was Tk. 3,694.75 million as on 31 December 2015. The borrowing of IFICSL was Tk. 1,588.02 million of which Tk. 1,295.38 million was borrowed from IFIC Bank Ltd, Motijheel Branch; Tk. 106.88 million was borrowed from Dhaka Bank Ltd, Foreign Exchange Branch, and Tk. 185.76 million was borrowed from Prime Bank Ltd, SBC Tower Branch as on 31 December 2015. The total loan outstanding at the end of 2014 was 1,502.89 million and Tk. 1,588.02 million at the end of 2015. Despite efficient management of funds by the team the increase in the outstanding loan was due to the market recession.





### **Own Portfolio**

Managing own investment portfolio is a regulatory requirement and also a core business objective of IFICSL to ensure higher return on equity. IFICSL has established an investment process and has been maintaining its own portfolio following this process in compliance with the Investment Policy of IFICSL.

### **Information Technology & Automation**

The operations of IFICSL are fully centralized using reputed software for back office maintenance. Steps have been taken to automate the accounting system with Back Office Management System from the same vendor and to update the core module of Leads application software to support the latest Operating Systems. DSE and CDBL software has been upgraded. We have also updated our Application Software as per DSE and CDBL guideline to meet the market requirement to introduce Flex TP, the new trading software under DSE trading platform in consultation with DSE, CDBL, vendor and Information Technology Division, IFIC Bank Limited.

### **Support Services from IFIC Bank Ltd**

IFIC Bank Ltd is providing professional support services to the IFICSL in the field of HRM, Support Services and IT. As such entire functions of these fields are being managed from the respective IFIC Bank Limited divisions minimizing overall cost of operations.

### **Rotation/Re-election of Directors**

According to clause 52 of the Articles of Association of the Company, the Directors shall retire by rotation at the 5<sup>th</sup> Annual General Meeting. However, as per clause 53 they are eligible for re-election.

### **Appointment of Auditors and fix-up their remuneration**

In the 4<sup>th</sup> Annual General Meeting of the company M. J. Abedin & Co, Chartered Accountants were appointed as the statutory auditors of the company up to the conclusion of the 5<sup>th</sup> Annual General Meeting.

### **Dividend**

In order to strengthen the capital base of the Company and also to ensure sufficient liquidity for smooth operations, the Board of Directors of the company did not recommend any dividend for the year 2015.

### **Acknowledgement**

The Board of Directors would like to express its gratitude and thanks to our valued shareholders, customers, bankers, regulators, DSE, CDBL, BSEC and other stakeholders for their continuous support and assistance. The Board has special thanks for the management and employees for their commitments and hard work about the company.

For and on behalf of the Board of Directors.

**Chairman**



এম,জে, আবেদীন এন্ড কোং  
চার্টার্ড একাউন্টেন্টস্  
**M.J. ABEDIN & CO**  
CHARTERED ACCOUNTANTS

Telephone Off : +880-2-9675340, 9666508  
Fax : +880-2-58616524  
E-mail : audit@mjabedin.com  
mjabinbd@gmail.com  
Web Site : www.mjabinbd.com

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109, Bir Uttam C.R. Datta Road,  
Dhaka-1205, Bangladesh

**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 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, 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 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 31 December 2015, and its financial performance and its cash flows for the year ended in accordance with Bangladesh Financial reporting Standards (BFRSs).

**Other Matter:**

The Financial Statements of the company for the year ended 31 December 2014 were audited by **Howlader Yunus & Co.** Chartered Accountants, who through their report dated 06 April 2015 expressed an unqualified opinion on those statements.

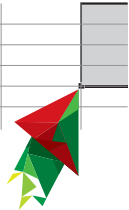
**We also report that:**

- 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;
- 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;
- 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
- the expenditure incurred was for the purpose of the company's business.

Dated, Dhaka  
March 30, 2016



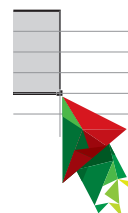
**M. J. ABEDIN & CO**  
Chartered Accountants





**IFIC SECURITIES LIMITED**  
**Statement of Financial Position**  
As at December 31, 2015

Annexure-L



		Amount in Taka	
	Notes	31 December 15	31 December 14
<b>ASSETS:</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipments	4.00	5,665,189	6,910,734
Intangible Assets	5.00	405,935	200,417
Deferred Tax Assets	6.00	83,084	-
Investments	7.00	89,321,750	89,324,738
		<b>95,475,958</b>	<b>96,435,889</b>
<b>Current Assets</b>			
Margin Loan to Clients	8.00	3,694,754,439	3,336,996,642
Accounts Receivable (DSE)		41,643,178	60,009,459
Dividend Receivable		163,725	371,650
Advance Deposits and Prepayments	9.00	136,891,896	129,949,024
Cash & Cash Equivalents	10.00	6,464,812	92,202,910
		<b>3,879,918,050</b>	<b>3,619,529,685</b>
<b>TOTAL</b>		<b>3,975,394,008</b>	<b>3,715,965,574</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Shareholders Equity</b>			
Share Capital	11.00	800,000,000	800,000,000
Retained Earnings	12.00	202,773,124	192,731,674
		<b>1,002,773,124</b>	<b>992,731,674</b>
<b>Non Current Liabilities</b>			
Deferred Tax Liabilities	13.00	-	49,961
		-	49,961
<b>Current Liabilities</b>			
Provision for Income Tax	14.00	135,183,258	118,927,354
Clients Payable	15.00	34,940,487	209,410,400
DSE Payable		56,329	46,987
General Provision	16.00	95,630,969	75,791,662
Bank Loan	17.00	1,588,024,135	1,502,894,423
Other Liabilities	18.00	1,118,785,706	816,113,113
		<b>2,972,620,884</b>	<b>2,723,183,938</b>
<b>TOTAL</b>		<b>3,975,394,008</b>	<b>3,715,965,574</b>

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

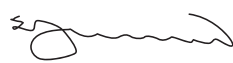
  
**Chief Executive Officer**  
(Current Charge)

  
**Director**

  
**Director**

As per annexed report on even date

Dated, Dhaka  
March 30, 2016

  
**M.J. Abedin & Co**  
Chartered Accountants

## IFIC SECURITIES LIMITED

### Statement of Profit and Loss and Other Comprehensive Income

For the Year ended December 31, 2015

		Amount in Taka	
	Notes	31-Dec-15	31-Dec-14
<b>Income:</b>			
Operating Income	19.00	275,130,703	299,072,235
Non-Operating Income	20.00	2,626,813	2,080,669
		<b>277,757,516</b>	<b>301,152,904</b>
<b>Expenses:</b>			
Operating Expenses	21.00	7,461,846	8,581,983
Office & Administrative Expenses	22.00	28,513,251	33,129,992
Financial Expenses	23.00	195,778,802	221,846,270
		<b>231,753,899</b>	<b>263,558,245</b>
<b>Profit/(Loss) before Provisions and Tax</b>		<b>46,003,617</b>	<b>37,594,659</b>
<b>Less: Provision</b>	24.00	19,839,307	3,660,484
		26,164,310	33,934,175
Add: Holding Gain on Investment		-	-
<b>Profit After Provision</b>		<b>26,164,310</b>	<b>33,934,175</b>
<b>Less: Tax</b>			
Deferred Tax	6.00	(133,045)	49,961
Current Tax	14.00	16,255,904	11,314,763
		<b>16,122,859</b>	<b>11,364,724</b>
<b>Net Profit After Tax</b>		<b>10,041,450</b>	<b>22,569,451</b>

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


  
**Chief Executive Officer**  
(Current Charge)

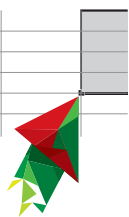
  
**Director**

  
**Director**

As per annexed report on even date

Dated, Dhaka  
March 30, 2016

  
**M.J. Abedin & Co**  
Chartered Accountants



**IFIC SECURITIES LIMITED**  
**Statement of Changes in Equity**  
For the period ended December 31, 2015

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

**STATEMENT OF CHANGES IN EQUITY**  
For the period ended December 31, 2014

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Opening Balance as on January 1, 2014	800,000,000	170,162,223	970,162,223
Profit/(Loss) during the period		22,569,451	22,569,451
<b>Balance as on December 31, 2014</b>	<b>800,000,000</b>	<b>192,731,674</b>	<b>992,731,674</b>

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


  
**Chief Executive Officer**  
(Current Charge)

  
**Director**

  
**Director**

As per annexed report on even date

Dated, Dhaka  
March 30, 2016

  
**M.J. Abedin & Co**  
Chartered Accountants

# IFIC SECURITIES LIMITED

## Statement of Cash Flows

For the Year ended December 31, 2015

		Amount in Taka	
	Notes	31-Dec-15	31-Dec-14
<b>A. Cash flows from Operating Activities:</b>			
Net profit before tax		46,003,617	37,594,659
<b>Add: Non Cash Transaction</b>			
Sundry Payable		(21,335)	(110,690)
Liabilities for Expenses		1,051,682	195,449
Unrealized Interest Income	18.03	301,732,246	330,471,105
Amortization of Intangible Assets	Annx- A.2	173,972	85,893
Depreciation	Annx- A.1	1,285,745	1,648,986
		<b>304,222,310</b>	<b>332,290,743</b>
Increase/(Decrease) in Clients Payable		(174,469,913)	(57,904,715)
Increase/(Decrease) in Payable to IPO App		(90,000)	90,000
Increase/(Decrease) in Dividend Receivable		207,925	(20,425)
Increase/(Decrease) in DSE Payable		9,342	(20,496)
(Increase)/Decrease in Accounts Receivable (DSE)		18,366,280	(27,355,204)
(Increase)/Decrease Advance Deposit and Prepayments		(6,942,872)	(10,591,408)
<b>Net cash flows from operating activities</b>		<b>187,306,689</b>	<b>274,083,154</b>
<b>B. Cash flows from Investing Activities:</b>			
Investments in Securities		2,988	34,894,742
Purchase of Property, Plant and Equipments	Annx-A.1 & 2	(419,690)	(156,000)
Loan to Clients		(357,757,797)	(145,938,238)
<b>Net Cash flows from Investing Activities</b>		<b>(358,174,501)</b>	<b>(111,199,496)</b>
<b>C. Cash flows from Financing Activities:</b>			
Loan from Dhaka Bank Limited		(39,888,340)	(1,932,389)
Loan from IFIC Bank Limited		95,634,893	(80,955,622)
Loan from Prime Bank Limited		29,383,160	(42,886,565)
<b>Net cash flows from Financing Activities</b>		<b>85,129,713</b>	<b>(125,774,576)</b>
<b>D. Net increase in Cash and Cash Equivalents (A+B+C)</b>		<b>(85,738,098)</b>	<b>37,109,082</b>
<b>E. Opening Cash and Cash Equivalents</b>		<b>92,202,910</b>	<b>55,093,828</b>
<b>F. Closing Cash and Cash Equivalents (D+E)</b>	10.00	<b>6,464,812</b>	<b>92,202,910</b>

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



**Chief Executive Officer**  
(Current Charge)



**Director**



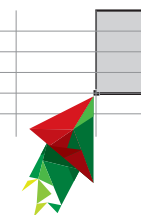
**Director**

As per annexed report on even date

Dated, Dhaka  
March 30, 2016



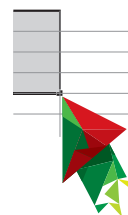
**M.J. Abedin & Co**  
Chartered Accountants



# IFIC SECURITIES LIMITED

## Notes to the Financial Statements

As at and for the period ended December 31, 2015



### 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 Tk. 3,000,000,000 divided into 300,000,000 ordinary shares of Tk.10 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 (BAS) and Bangladesh Financial Reporting Standards (BFRS), 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.

##### 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 twelve months from 01 January 2015 to 31 December 2015.

##### 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 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.

##### 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:

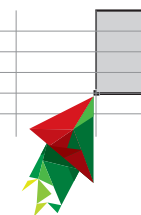
Liabilities are carried at the anticipated settlement amount in respect of goods and services received, whether or not billed by the supplier.

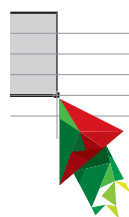
#### 3.7 Income tax:

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.

#### 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.

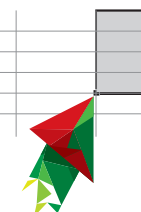
**3.13 Comparative amounts:**

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

	Amount in Taka	
	31-Dec-15	31-Dec-14
<b>4.00 Property, Plant &amp; Equipment</b>		
Furniture and Fixture	2,511,784	2,790,871
Electric Goods	1,004,226	1,255,282
Computer and Equipments	1,122,925	1,563,979
Office Renovation	983,569	1,229,461
Other Assets	42,686	71,141
	<b>5,665,189</b>	<b>6,910,734</b>
Details please refer to Annexure -A-1		
<b>5.00 Intangible Asset</b>	<b>405,935</b>	<b>200,417</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>	-
Tax rate	35.00%	-
Closing deferred tax assets/(liabilities)	83,084	-
Opening deferred tax assets/(liabilities)	(49,961)	-
Deferred tax (expense)/income	<b>133,045</b>	-



		Amount in Taka	
		31-Dec-15	31-Dec-14
<b>7.00</b>	<b>Investments</b>		
	Membership with DSE *	74,989,000	74,989,000
	Investment in Shares	14,332,750	14,335,738
		<b>89,321,750</b>	<b>89,324,738</b>
	<b>Investment in Shares are detail in Annexure - B</b>		
	* This represents our original Investment cost for DSE membership in exchange of which shares at a face value of Tk. 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 Tk. 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.		
<b>8.00</b>	<b>Margin Loan to Clients</b>		
	Opening Balance	3,336,996,642	3,191,058,405
	Add: Interest charge during the Year	523,043,464	563,023,729
	Add: Margin Loan Provided during the Year	617,471,380	647,528,195
	Less: Margin Loan Adjusted during the Year	(782,757,047)	(1,064,613,687)
		<b>3,694,754,439</b>	<b>3,336,996,642</b>
<b>9.00</b>	<b>Advance Deposit and Prepayments</b>		
	Advance Income Tax	133,978,956	126,935,784
	Advance For Nikunjo	850,000	850,000
	Pre-Paid Expenses		
	Advance Bank Guarantee Commission	1,995,083	1,495,383
	Pre-Paid Rent	67,857	667,857
		<b>136,891,896</b>	<b>129,949,024</b>
<b>10.00</b>	<b>Cash and Cash Equivalents</b>		
	Cash in Hand	30,095	40,350
	<b>Cash at Bank</b>		
	IFIC Bank Ltd. Motijheel Br. A/C-365185-001	5,757,653	91,309,093
	IFIC Bank Ltd. Motijheel Br. A/C-354511-001	642,064	838,910
	IFIC Bank Ltd. Motijheel Br. SND	34,999	14,556
	Dhaka Bank Ltd. Foreign Ex. Br. A/C-2031.10.11050	1	1
		<b>6,434,717</b>	<b>92,162,560</b>
		<b>6,464,812</b>	<b>92,202,910</b>
<b>11.00</b>	<b>Share Capital</b>		
	<b>Authorized Capital</b>		
	30,00,00,000 Ordinary Shares of Tk 10/- each	<b>3,000,000,000</b>	<b>3,000,000,000</b>





	Amount in Taka	
	31-Dec-15	31-Dec-14
<b>11.01 Issued, Subscribed &amp; Paid-up Capital</b>		
80,000,000 Ordinary Share of Tk 10/- each	800,000,000	800,000,000

#### 11.02 Shareholding Position

Shareholder	No. of Shares		Face value	Amount in Taka	
	Y2015	Y2014		Y2015	Y2014
IFIC Bank Limited	79,999,400	79,999,400	10	799,994,000	799,994,000
Mr. M. Shah Alam Sarwar	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 Mahmud	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	192,731,674	170,162,224
Add: Profit during the year	10,041,450	22,569,451
	<b>202,773,124</b>	<b>192,731,674</b>

#### 13.00 Deferred Tax

<b>A. Deferred Tax on Holding Gain</b>		
Opening	-	1,109,130
Addition for Holding on Investment @ 10%	-	-
Less: Adjustment for Holding Gain Realization	-	(1,109,130)
	-	-
<b>B. Deferred Tax on Tangible Assets</b>		
Tax Written Down value	-	6,767,986
Accounting Written Down Value	-	6,910,733
Temporary Difference on Written Down Value	-	(142,746)
Deferred Tax Liabilities @ 35%	-	(49,961)
	-	(49,961)
<b>(A+B) Closing Balnce of Deferred Tax Liabilities</b>	-	<b>49,961</b>

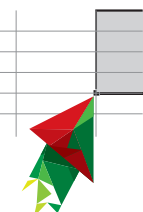
#### 14.00 Provision for Income Tax

Opening Balance	118,927,354	106,503,461
Add: Provision for the year	16,255,904	11,314,763
Add: Transfer from Deferred Tax	-	1,109,130
	<b>135,183,258</b>	<b>118,927,354</b>

#### 15.00 Clients Payable

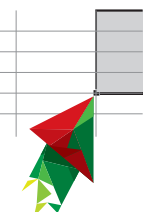
Payable to IFIC Bank Ltd	1,438,193	170,307,519
Others Client Payble	33,502,294	39,102,881
	<b>34,940,487</b>	<b>209,410,400</b>

		Amount in Taka	
		31-Dec-15	31-Dec-14
<b>16.00</b>	<b>General Provision</b>		
	Provision For Investment	6,884,350	2,720,001
	Provision For Margin (Note-16.01)	88,746,619	73,071,661
		<b>95,630,969</b>	<b>75,791,662</b>
<b>16.01</b>	<b>Provision For Margin Loan</b>		
	Opening balance	73,071,661	70,972,228
	Add: Transfer During The Year	15,674,958	2,099,433
		<b>88,746,619</b>	<b>73,071,661</b>
<b>17.00</b>	<b>Bank Loan</b>		
	Loan from IFIC Bank Ltd, Motijheel Branch	1,295,383,173	1,199,748,281
	Loan from Dhaka Bank Ltd, Foreign Ex. Branch	106,882,845	146,771,185
	Loan from Prime Bank Ltd, SBC Tower Branch	185,758,117	156,374,957
		<b>1,588,024,135</b>	<b>1,502,894,423</b>
<b>18.00</b>	<b>Other Liabilities</b>		
	Sundry Payable Note-18.01	139,501	160,836
	IPO Application		90,000
	Liabilities for Expenses Note-18.02	3,659,162	2,607,480
	Unrealized Interest Income Note-18.03	1,114,987,043	813,254,797
		<b>1,118,785,706</b>	<b>816,113,113</b>
<b>18.01</b>	<b>Sundry Payable</b>		
	VAT Payables	78,768	65,578
	Tax Payable	60,733	95,258
		<b>139,501</b>	<b>160,836</b>
<b>18.02</b>	<b>Liabilities for Expenses</b>		
	Mobile/ Telephone Allowance	2,875	2,875
	Office Rent Payable	1,768,651	
	Electricity	15,850	15,850
	CDBL	491,570	235,461
	Audit & Professional Fees	200,000	200,000
	Printing & Stationery	19,500	19,500
	Insurance	8,846	8,846
	Incentive Bonus	1,151,870	2,124,948
		<b>3,659,162</b>	<b>2,607,480</b>
<b>18.03</b>	<b>Unrealized Interest Income</b>		
	Opening balance	813,254,797	482,783,692
	Add: During the year	366,722,788	330,471,105
	Less :Dividend Income	(8,600,614)	-
	Less :Interest Realized	(56,389,927)	-
		<b>1,114,987,043</b>	<b>813,254,797</b>



	Amount in Taka	
	31-Dec-15	31-Dec-14
<b>19.00 Operating Income</b>		
Brokerage Commission	53,819,485	66,519,611
Interest on Margin Loan	221,311,218	232,552,624
	<b>275,130,703</b>	<b>299,072,235</b>
<b>20.00 Non-Operating Income:</b>		
Documentations Charge	25,500	73,500
Account Opening Fee	129,400	208,100
Interest on SND	35,727	145
Miscellaneous	2,215,805	615,026
IPO Income	14,804	
Dividend Income	206,625	530,150
Capital Gain (Realized)	(1,048)	653,748
	<b>2,626,813</b>	<b>2,080,669</b>
<b>21.00 Operating Expenses</b>		
Howla	-	645,194
Laga	3,471,846	3,556,789
CDBL	3,990,000	4,380,000
	<b>7,461,846</b>	<b>8,581,983</b>
<b>22.00 Office &amp; Administrative Expenses</b>		
Salary and Allowances      Note-22.01	16,330,982	20,961,783
Director's Remuneration	86,250	189,750
Entertainment	256,777	375,280
Conveyance	44,185	49,099
Printing Stationery	156,587	429,627
DSE	60,905	66,108
Office Rent	8,127,429	7,546,760
Electricity	78,948	96,137
Regulatory	132,153	39,510
Repair and Maintenance	119,820	207,871
Audit Fee	262,500	200,000
Legal and Professional Fee	237,188	64,688
WASA	36,000	33,000
Newspaper	15,508	21,433
Cleaner's Bill	24,610	19,400
Water	47,915	55,190
Software Maintenance	219,450	219,450
Connectivity	576,800	582,800
Depreciation	1,285,746	1,648,986
Amortization	173,972	85,893

		Amount in Taka	
		31-Dec-15	31-Dec-14
	Cokaries	3,510	7,830
	Security Guard	202,860	196,896
	Gas & Fuel	4,975	3,970
	Postage & Courier	1,141	726
	Beautification Exp.	18,000	19,500
	Washing Expenses	9,040	8,305
		<b>28,513,251</b>	<b>33,129,992</b>
<b>22.01</b>	<b>Salary and Allowances</b>		
	Salary & Benefit	12,517,058	14,407,776
	Car Maintenance	383,340	383,340
	Fuel Allowance	451,440	451,800
	Utility	319,000	324,000
	Office Attendant Allow	9,630	6,441
	Cash Risk Allowance		24,000
	Diploma Honarium	30,000	10,000
	Car Insurance	36,824	31,243
	Bonus	1,239,390	1,468,317
	Incentive Bonus		2,124,948
	Leave Fare Assistance	1,030,800	1,353,768
	Casual Worker Wages	123,000	160,650
	Telephone and Mobile Bill	190,500	215,500
		<b>16,330,982</b>	<b>20,961,783</b>
<b>23.00</b>	<b>Financial Expenses</b>		
	Bank Charges	177,260	135,626
	Bank Guarantee Charge	2,588,400	2,588,400
	Interest on Bank Loan	193,013,142	219,122,244
		<b>195,778,802</b>	<b>221,846,270</b>
<b>24.00</b>	<b>Provisions</b>		
	Provision for Investment	4,164,349	1,561,051
	Provsion for Margin Loan to Clients	15,674,958	2,099,433
		<b>19,839,307</b>	<b>3,660,484</b>
<b>25.00</b>	<b>Contingent Liabilites</b>		
	Bank Guarantee for DSE Member Margin	100,000,000	100,000,000
		<b>100,000,000</b>	<b>100,000,000</b>



## 26.00 RELATED PARTY DISCLOSURES

Name of the Company	Total Transactions during the year (TK)		Relationship with the company	Nature of Transaction	Balance as on 30.12.2015	Balance as on 30.12.2014
	Debit	Credit				
IFIC Bank Limited	276,100,500	106,183,880	Holding Company	Trading Account, Code # 1111	390,898	170,307,518
	59,200,500	60,249,295		Trading Account, Code#2323	1,047,295	1,500
	-	770,102		Provident Fund	-	-
	-	15,200		Welfare Fund	-	-
	520,000,000	615,634,892		Loan from Motijheel Branch	1,295,383,173	1,199,748,281
	1,971,934,840	2,057,486,280		Current Account Motijheel Branch 365185	5,757,653	91,309,093
	31,530,015	31,726,863		Current Account Motijheel Branch 354511	642,063	838,910
	1,768,656	-		Rent Paid	-	-



Chief Executive Officer  
(Current Charge)

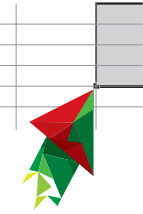


Director



Director

Dated: March 30, 2016  
Dhaka



**IFIC SECURITIES LIMITED**  
**Schedule of Fixed Assets**

As at December 31, 2015

Annexure-A -1  
Amount in Taka

Particulars	Cost			Rates	Depreciation			Written Down Value
	Opening Balances	Addition	Disposal		Closing Balances	For the Year	Closing Balances	
Furniture and Fixture	4,245,462	-	-	10%	1,454,591	279,087	1,733,678	2,511,784
Electric Goods	3,037,561	-	-	20%	1,782,279	251,056	2,033,336	1,004,226
Computer and Equipments	4,151,586	40,200	-	30%	2,587,607	481,254	3,068,861	1,122,925
Office Renovation	2,108,129	-	-	20%	878,668	245,892	1,124,560	983,569
Other Assets	336,183	-	-	40%	265,042	28,455	293,498	42,685
<b>Total</b>	<b>13,878,922</b>	<b>40,200</b>	<b>-</b>		<b>6,968,189</b>	<b>1,285,745</b>	<b>8,253,933</b>	<b>5,665,189</b>

**Schedule of Intangible Assets**

As at December 31, 2015

Annexure-A -2  
Amount in Taka

Particulars	Cost			Rates	Depreciation			Written Down Value
	Opening Balances	Addition	Disposal		Closing Balances	For the Year	Closing Balances	
Windows License	82,200	25,890	-	30%	52,740	16,605	69,345	38,745
Sign up DSE	87,000	-	-	30%	55,819	9,354	65,173	21,827
Software Development	345,000	353,600	-	30%	221,352	143,174	364,526	334,074
Escan Entry Virus	45,000	-	-	30%	28,872	4,838	33,710	11,290
<b>Total</b>	<b>559,200</b>	<b>379,490</b>	<b>-</b>		<b>358,783</b>	<b>173,972</b>	<b>532,755</b>	<b>405,935</b>

**IFIC SECURITIES LIMITED**  
Statement of Investment in Shares

As at December 31, 2015

Annexure-B  
Amount in Taka

SL. No.	Name of the company	Opening Balances			Buy during the Year			Sale during The Year			Closing Balance			Market Units Cost on 30.12.2015	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	47.40	4,443,750	2,966,910
2	Power grid	15,400	58.97	908,140	-	-	-	-	-	-	-	15,400	58.97	908,140	45.90	706,860	201,280
3	Northern Ins	73,920	50.15	3,706,950	-	-	-	-	-	-	-	81,312	45.59	3,706,950	17.00	1,382,304	2,324,646
4	Eastland Ins	42,900	53.78	2,307,000	-	-	-	-	-	-	-	47,190	48.89	2,307,000	19.40	915,486	1,391,514
	<b>Total</b>			<b>14,332,750</b>										<b>14,332,750</b>		<b>7,448,400</b>	<b>6,884,350</b>



# IFIC MONEY TRANSFER (UK) LIMITED

## Directors' Report

The directors present their report with the financial statements of the company for the year ended 31 December 2015.

### PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of money service business including international money transfers.

### DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2015 to the date of this report.

Jalal Ahmed  
Mohammad Shah Alam Sarwar

Other changes in directors holding office are as follows:

Mohammad Lutfar Rahman - resigned 4 November 2015  
Mohammed Nayem Syed - resigned 1 July 2015  
Anwaruzzaman Chowdhury - appointed 1 July 2015  
Monirul Islam - appointed 14 December 2015

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### AUDITORS

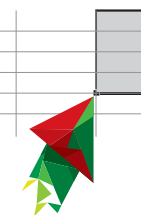
The auditors, Ahmed & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

### ON BEHALF OF THE BOARD:



Jalal Ahmed - Chairman  
7 February 2016





## 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 year ended 31 December 2015 on pages six to ten. 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 31 December 2015 and of its profit for the year 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.



**Tofail Ahmed (Senior Statutory Auditor)**

for and on behalf of Ahmed & Co  
Ferrari House (2nd Floor )  
102 College Road  
Harrow, Middlesex, HA1 1ES

7 February 2016

**IFIC MONEY TRANSFER (UK) LIMITED****Profit and Loss Account**

for the Year Ended 31 December 2015

	Notes	2015 £	2014 £
<b>TURNOVER</b>		371,336	240,676
Administrative expenses		<u>321,167</u>	<u>230,613</u>
<b>OPERATING PROFIT and PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	<u>50,169</u>	<u>10,063</u>
Tax on profit on ordinary activities	3	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>50,169</u></u>	<u><u>10,063</u></u>

**IFIC MONEY TRANSFER (UK) LIMITED****Balance Sheet**

31 December 2015

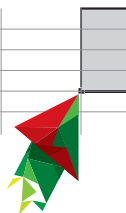
	Notes	2015 £	2014 £
<b>FIXED ASSETS</b>			
Tangible assets	4	72,605	86,190
<b>CURRENT ASSETS</b>			
Debtors	5	5,750	6,642
Cash at bank and in hand		<u>249,885</u>	<u>87,282</u>
		255,635	93,924
<b>CREDITORS</b>			
Amounts falling due within one year	6	<u>141,640</u>	<u>43,683</u>
<b>NET CURRENT ASSETS</b>		<u>113,995</u>	<u>50,241</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>186,600</u></u>	<u><u>136,431</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	300,000	300,000
Profit and loss account	8	<u>(113,400)</u>	<u>(163,569)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><u>186,600</u></u>	<u><u>136,431</u></u>

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 7 February 2016 and were signed on its behalf by:



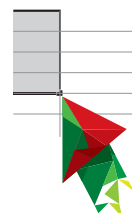
Jalal Ahmed - Chairman  
7 February 2016



# IFIC MONEY TRANSFER (UK) LIMITED

## Notes to the Financial Statements

for the Year Ended 31 December 2015



### 1. ACCOUNTING POLICIES

#### 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.

Short leasehold	-	10% on cost
Plant and machinery	-	15% on cost
Computer equipment	-	33% on cost

### 2. OPERATING PROFIT

The operating profit is stated after charging:

	2015	2014
	£	£
Depreciation - owned assets	16,939	17,176
Auditors' remuneration	<u>3,600</u>	<u>2,400</u>
Directors' remuneration and other benefits etc	<u>-</u>	<u>-</u>

### 3. TAXATION

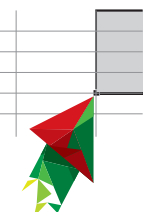
#### Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2015 nor for the year ended 31 December 2014

### 4. TANGIBLE FIXED ASSETS

	Short leasehold	Plant and machinery	Computer equipment	Total
	£	£	£	£
<b>COST</b>				
At 1 January 2015	75,006	56,679	3,536	135,221
Additions	<u>-</u>	<u>2,839</u>	<u>515</u>	<u>3,354</u>
At 31 December 2015	<u>75,006</u>	<u>59,518</u>	<u>4,051</u>	<u>138,575</u>
<b>DEPRECIATION</b>				
At 1 January 2015	21,250	24,783	2,998	49,031
Charge for year	<u>7,500</u>	<u>8,928</u>	<u>511</u>	<u>16,939</u>
At 31 December 2015	<u>28,750</u>	<u>33,711</u>	<u>3,509</u>	<u>65,970</u>
<b>NET BOOK VALUE</b>				
At 31 December 2015	<u>46,256</u>	<u>25,807</u>	<u>542</u>	<u>72,605</u>
At 31 December 2014	<u>53,756</u>	<u>31,896</u>	<u>538</u>	<u>86,190</u>

5.	<b>DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			2015	2014
				£	£
	Other debtors			<u>5,750</u>	<u>6,642</u>
6.	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			2015	2014
				£	£
	Trade creditors			133,428	30,462
	Taxation and social security			2,812	-
	Other creditors			<u>5,400</u>	<u>13,221</u>
				<u>141,640</u>	<u>43,683</u>
7.	<b>CALLED UP SHARE CAPITAL</b>				
	Allotted, issued and fully paid:				
	Number:	Class:	Nominal value:	2015	2014
				£	£
	300,000	Ordinary	£1	<u>300,000</u>	<u>300,000</u>
8.	<b>RESERVES</b>				
					Profit and loss account £
	At 1 January 2015				(163,569)
	Profit for the year				<u>50,169</u>
	At 31 December 2015				<u>(113,400)</u>
9.	<b>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.				
10.	<b>ULTIMATE CONTROLLING PARTY</b>				
	The company is fully owned and controlled by IFIC Bank Limited, a company incorporated in Bangladesh.				



## IFIC MONEY TRANSFER (UK) LIMITED

### Profit and Loss Account

for the Year Ended 31 December 2015

	2015		2014	
	£	£	£	£
Commission receivable		371,336		240,676
Establishment costs				
Rent	36,483		26,200	
Rates and water	19,399		17,581	
Insurance	543		1,537	
Light and heat	1,371		919	
		57,796		46,237
		313,540		194,439
<b>Administrative expenses</b>				
Wages	76,914		58,348	
Social security	4,336		1,723	
Telephone	1,155		1,635	
Printing, postage & stationery	6,172		3,778	
Travelling	1,420		587	
Subscription	1,330		1,796	
IT costs	4,980		4,500	
Repairs and renewals	6,686		9,562	
Cleaning	535		628	
Sundry expenses	1,789		833	
Accountancy	4,800		3,600	
Legal fees	-		1,800	
Compliance costs	8,580		5,100	
Other professional fees	500		-	
Auditors' remuneration	3,600		2,400	
		122,797		96,290
		190,743		98,149
<b>Selling and marketing costs</b>				
Advertising		6,680		1,250
		184,063		96,899
<b>Finance costs</b>				
Bank charges	116,394		69,660	
Credit card	561		-	
		116,955		69,660
		67,108		27,239
<b>Depreciation</b>				
Short leasehold	7,500		7,500	
Plant and machinery	8,928		8,500	
Computer equipment	511		1,176	
		16,939		17,176
<b>NET PROFIT</b>		50,169		10,063



# IMPORTANT EVENTS 2015



IFIC Bank Limited rewarded the children of its officials for their outstanding academic achievements.

Cash rewards and certificates were handed over to the children for their brilliant results in S.S.C. or O Level and H.S.C. or A Level examinations.

Managing Director & CEO of IFIC Bank Mr. Shah Alam Sarwar, Deputy Managing Directors, other senior officials and parents of the meritorious children were present in the awarding ceremony.



IFIC Bank Limited organized a Long Service Award Ceremony for its employees to acknowledge their 30 years of relentless service for the Bank.

Crests and gifts were handed over to those employees during the ceremony held at the Bank's Training Institute at Motijheel.

Managing Director & CEO of the Bank Mr. Shah Alam Sarwar, Deputy Managing Directors, top officials of the Bank and family members of the awardees were also present at the ceremony.



IFIC Bank Limited opened a branch at Darus Salam in Mirpur, Dhaka. Managing Director & CEO Mr. Shah A Sarwar, Deputy Managing Directors and local dignitaries were present at the inaugural ceremony.



IFIC Bank authorities signed a Memorandum of Understanding (MoU) with National Institute of Burn and Plastic Surgery (NIBPS) of Dhaka Medical College Hospital to establish a state-of-the-art High Dependency Unit (HDU) at the institute.

In presence of former Bangladesh Bank Governor Dr. Atiur Rahman, Managing Director & CEO of IFIC Bank Mr. Shah Alam Sarwar and Project Director of NIBPS, DMCH Professor Abul Kalam signed the MoU on behalf of respective sides.

Deputy Governor of Bangladesh Bank Mr. S.K. Sur Chowdhury and Adviser of NIBPS, DMCH Dr. Samanta Lal Sen were also present at the signing ceremony.



Bangladesh Bank (BB) and IFIC Bank Limited signed an agreement on 23 of December 2015 to facilitate long-term financing under the World Bank funded Financial Sector Support Project (FSSP) at BB Head Office at Motijheel.

Executive Director (FSSP) of BB Md. Ahsan Ullah and Managing Director & Chief Executive Officer of IFIC Bank Mr. Shah A Sarwar signed the agreement on behalf of respective organisations.



IFIC Bank received the "ICMAB Best Corporate Award 2014" (Certificate of Merit).

Finance Minister Mr. AMA Muhit MP handed over the award to Deputy Managing Director Mr. S.M. Abdul Hamid at a ceremony organized by Institute of Cost and Management Accountants of Bangladesh (ICMAB) on 20 January 22, 2015 at Pan Pacific Sonargaon Hotel.



IFIC Bank's Mobile Banking Division signed an agreement with the National Identity Registration Wing of Election Commission Bangladesh to facilitate information verification.

Director (Operations) of the NID Registration Wing Brigadier General Sultanuzzaman Md. Salehuddin and Deputy Managing Director of IFIC Bank Mr. Raihan Ul Ameen signed the agreement on behalf of respective sides.



IFIC Bank organized a Long Service Award Ceremony for its employees to acknowledge their 25 or more years of relentless service to the Bank.

Managing Director & CEO of the Bank Mr. Shah Alam Sarwar, Deputy Managing Directors, top officials of the Bank and family members of the awardees were present in the ceremony held at Nabaratni Hall of Bashundhara International Convention City, Dhaka.

## CONTACT CENTER SERVICE 2015

IFIC Bank, aiming to provide excellent service to the customer, has been operating 24/7 servicing hours Contact Center equipped with state-of-the-art technology since 2012. By simply dialing **16255 or 096667 16255** customers can avail banking service anytime from anywhere. The Contact Center has now become an essential part of Bank to maximize customer satisfaction through highest service level in a timely and cost-efficient manner.

The IFIC Bank Contact Center team is dedicated to provide services that facilitate all other departments of bank. The major services are as follows:

### Contact Center Services:

Customers would be able to avail services from this Contact Center of below way:

1. Inbound Call Service Through Interaction with Agents.
2. Outbound Call Services E-Mail Corresponding Service.
3. Call Recording System for Future Reference.

### Inbound Call Services:

1. Account Services
2. Cards Services
3. Mobile Banking Services
4. Internet & SMS Banking Services
5. Foreign Remittance Services
6. IFIC Products Information
7. Outbound Call Services:

#### ■ Follow-up Activities:

- Daily complaint resolution.
- Feedback / follow-up to customer.

#### ■ Pre-Engagement Activities:

- Campaign of up sell and cross sell of home loan of Retail Banking.
- Mobile Banking Campaign of new customer (PIN reset).
- Welcome call (recovering of captured Card, Cards dispute call etc.)
- Campaign of Internet Banking.

#### ■ Customer Retention Activities:

- Card collection recovery call (soft reminder).
- Reactivation notification call of existing accounts having zero balance.

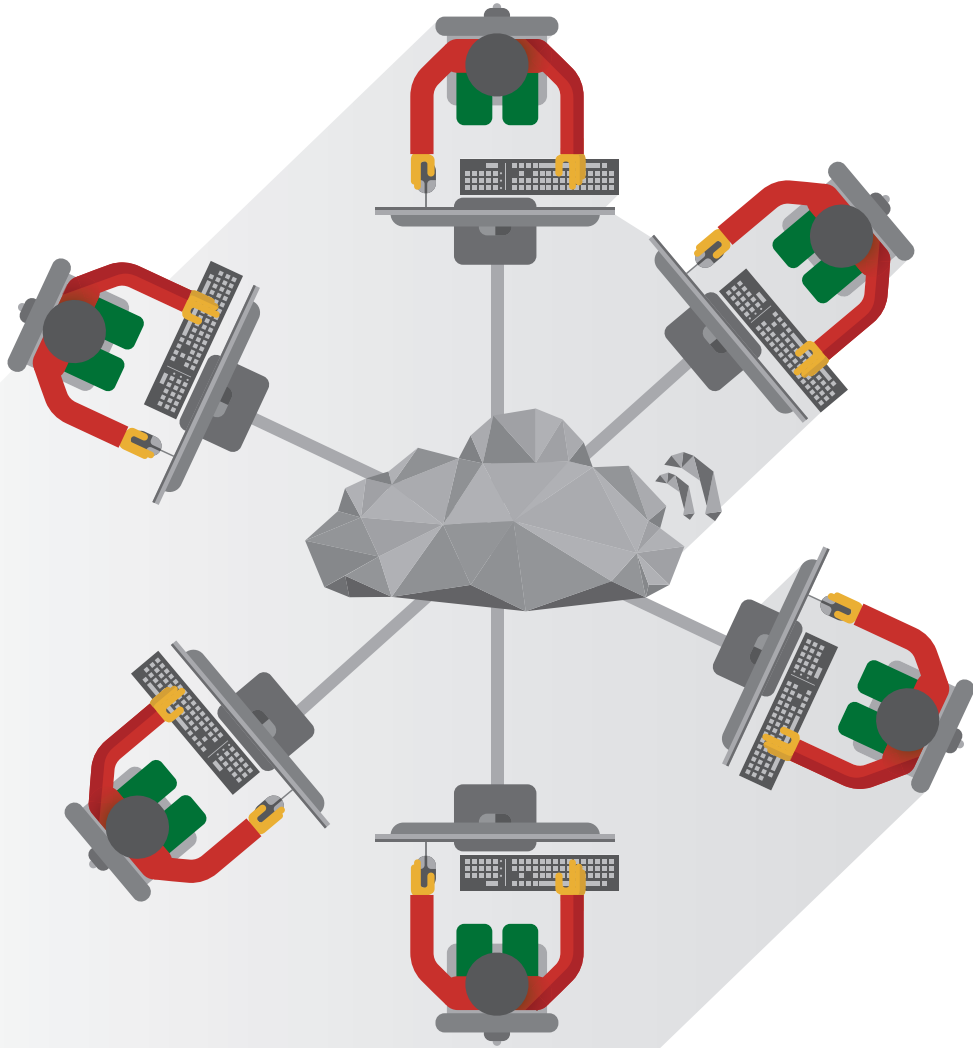
### Performance of Contact Center:

Year	Total number of Calls	Growth
2015	1, 52,293	17 %
2014	1,29,828	

### CONTACT CENTER VISION OF 2016:

With the success of and the objective to broaden the service spectrum of our banking services, we leap forward and provide the full range of Contact Center services global standards by handling the **IFIC official e-mail "info@ificbankbd.com"**.



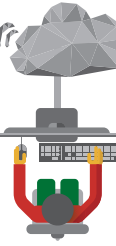


# BRANCH NETWORK

## BRANCH NETWORK

Sl. No.	Name of Branch & Opening date	Address	Telephone Number
<b>DHAKA DIVISION</b>			
1	<b>Motijheel Branch 24.06.1983</b>	Islam Chamber 125/A, Motijheel C/A. Dhaka-1000	Tel : 9565215-18, 7111934, 7111923-26, 7162701 Mobile: 01787668282, 01678010050 Fax : 880-2-9566352
2	<b>Federation Branch 28.08.1987</b>	FBCCI Building 60, Motijheel C/A. Dhaka-1000	Tel : 9561141-3, 9552176, 9586485, 9552175, 9586484 Mobile: 01713080218, 01678010051 Fax : 880-2-9567488
3	<b>Moulvibazar Branch 08.03.1984</b>	6/1, Mokim Katra Dhaka	Tel : 57316891, 57316097, 57315934 Fax : 57316421 Mobile: 01713038736, 01678010052,
4	<b>Dhanmondi Branch 11.10.1986</b>	Royal Plaza (Ground & 1 <sup>st</sup> floor), House # 8A, Road # 4, Mirpur Road, Dhanmondi, Dhaka-1205.	Tel : 8628381, 8628379, 9660320, 9660336 Mobile: 01713229815, 01678010053 Fax : 880-2-9615861
5	<b>Shantinagar Branch 29.11.1986</b>	24, Shantinagar Chamelibag, Dhaka.	Tel : 8317839, 8318728, 9356094 Mobile: 01713-229827, 01678010054 Fax: 9353759
6	<b>Gulshan Branch 27.01.1986</b>	Holding No.109, Gulshan Avenue, Ward No.19, P.S.-Gulshan Dhaka-1212.	Tel : 8814912, 9884045, 8828187, 9896056 Mobile: 01713-041420, 01678010056 Fax : 880-2-8826682
7	<b>Islampur Branch 26.12.1984</b>	Paradise Bhaban, 104, Islampur Road, Dhaka	Tel : 57391607, 57391369 Fax: 57391240 Mob: 01713-229829, 01678010057
8	<b>Bangshal Branch 27.11.1988</b>	29/1, Nazira Bazar Lane North South Road, Dhaka	Tel : 9563679, 9566407, 7118521 Mobile: 01713229830, 01678010058, Fax: 9580438
9	<b>Elephant Road Branch 30.11.1989</b>	73/1, Elephant Road (1st Floor), Dhaka	PABX: 9676151-2, 9672119 Mobile: 01711-431981, 01678010059 Fax: 8613361
10	<b>Naya Paltan Branch 05.12.1993</b>	Orchard Faruque Tower 72, Naya Paltan (1 <sup>st</sup> Floor), Dhaka	Tel : 58312762, 58313716, 9348603, 9334684,9334669 Mobile: 01713229831, 01678010060 Fax: 8317263
11	<b>Kawran Bazar Branch 22.10.1991</b>	3, Kawran Bazar Petro Centre Building, Dhaka	Tel : 8189991, 8189992, 8189745 Mobile: 01713229832, 01678010061, Fax: 8189990
12	<b>Malibagh Branch 07.12.1992</b>	91- B, Khilgaon Malibagh Chowdhury Para DIT Road, Dhaka-1219	Tel : 9343796, 9356431, Mobile: 01713011054, 01678010062 Fax: 9362737
13	<b>Uttara Branch 10.01.2002</b>	ABC Heritage (1 <sup>st</sup> floor) 02 & 04, Jasimuddin, Avenue Sector – 03, Urrata, Dhaka-1230	Tel : 58957883, 58956266, Mobile: 01755620824, 01678010063 Fax: 8950224
14	<b>Lalmatia Branch 12.01.2002</b>	House # 405E, Road No.16 (New), 27(Old), Dhanmondi R/A, Dhaka.	Tel : 9103830, 9128746, Mobile: 01720034790, 01678010064, Fax: 8150801
15	<b>Pallabi Branch 10.12.2003</b>	Kashem Chamber (1 <sup>st</sup> & 2 <sup>nd</sup> floor), Commercial Plot # 11, Main Road # 3, Section # 7, Pallabi, Mirpur, Dhaka	Tel : 9016441, 8061258 Mobile: 01713035111, 01678010065, Fax: 9001276
16	<b>North Brook Hall Road. 17.12.2003</b>	58-60, North Brook Hall Road, Sutrapur, (1 <sup>st</sup> floor), Dhaka-1100	Tel: 958113, 9580749 Mobile: 01713011719, 01678010067 Fax: 9580748





Sl. No.	Name of Branch & Opening date	Address	Telephone Number
17	<b>Nawabpur Road Branch</b> 28.11.2005	Barek Plaza 63, Nawabpur Road P.S. Sutrapur, Dhaka.	Tel : 9561036, 9561094 Mobile: 01713064289, 01713229826, 01678010068, Fax: 7125268
18	<b>Narayanganj Branch</b> 25.11.1983	66/1, Bangabandhu Road Narayanganj	Tel : 7645000-3, 7633206 Mobile: 0173229808, 01678010071 Fax : 7633485
19	<b>Netaiganj Branch</b> 09.05.1991	28, R.K. Das Road, Netaigonj Narayanganj	Tel : 7632464, 7632943 Fax: 7632943 Mob: 01713229834, 01678010072
20	<b>Konabari Branch</b> 02.02.1993	Konabari Plaza, Konabari Neelnagar, Gazipur Sadar, Gazipur	Tel : 9297133 Mobile: 01711-436078, 01678010074, Fax: 9298727
21	<b>Muktarpur Branch</b> 29.12.1990	Muktarpur P.O. Panchasar Dist. Munsiganj	Tel : 7611390 Fax: 0691-62390 Mob: 01713229835, 01678010075
22	<b>Narsingdi Branch</b> 05.01.1988	Nayan Tara Plaza (1 <sup>st</sup> floor) 137/1, C & B Road, Narsingdi. Sadar, Narsingdi	Tel : 9462617, 9462761 Mobile : 01713229836, 01678010076 Fax : 9462985
23	<b>Ghorasal Branch</b> 04.01.1988	Ghorasal Bazar, P.O. Ghorasal, P.S. + Upazila. Palash Dist. Narsingdi	Tel : 9466301, 9466330(R) Mobile : 01713229837, 01678010078, Fax: 9466301
24	<b>Madhabdi Branch</b> 28.10.1991	Mitali Building (1st Floor) 35, Madhabdi Bazar, Dist. Narsingdi	Tel : 029446498, Mob: 01711436624, 01678010079 Fax: 029446498,
25	<b>Bajitpur Branch</b> 12.12.1988	215, Bajitpur Bazar P.O. Bajitpur Dist. Kishoreganj	Tel : 09423-64014 Mobile: 01713229839, 01678010080 Fax: 09423-64329
26	<b>Faridpur Branch</b> 05.04.1997	Razzaque Palaza, Oriental Property (1st Floor) 118, Thana Road, Faridpur	Tel : (0631) 62101, 64051 Fax: 063164051 Mob: 01711434947, 01678010082
27	<b>Takerhat Branch</b> 30.11.2003	Sufi Janab Ali Road (Lasker Market), P.O. Khalia P.S. Rajoir, Dist. Madaripur.	Tel: 06623-56248 Mobile # 01713-010614, 01678010083 Fax:
28	<b>Ashulia Branch</b> 26.11.2007	"Rifat Square Plaza" Jamgora, Ashulia, Dhaka	Tel: 7788411, Mob: 01713423767, 01678010069, Fax: 7788412
29	<b>Rupganj Branch</b> 28.11.2007	"Manik Villa" Tarabo Bazar Road, Trabo Rupganj, Narayanganj	Mobile No. 01714166955, 01678010073
30	<b>Banani Branch</b> 26.02.2008	"Glowing Stone" House No. 54, Road No. 11, Block-C, Banani, Dhaka	Tel: 9821757, 8836486, 8836091 Mobile No. 01730019781, 01678010070 Fax: 9821756
31	<b>Keranigonj Branch</b> 30.11.2008	"Bikrampur Plaza" (1 <sup>st</sup> floor), Shahid Delwar Hossain Road, East Aganagar, Keranigonj, Dhaka	Tel: 7762738, 7762737 Mob: 01730019788, 01678018354 Fax: 7762736
32	<b>Shariatpur Branch</b> 24.12.2008	469, Tulasar Sadar Road, Shariatpur Sadar, Shariatpur	Tel: 0601-61496 Mob: 01730332032, 01678018357 Fax: 0601-61497
33	<b>Mohakhali Branch</b> 28.12.2008	"Siddique Tower" Holding No.49, A.K. Khandaker Sarak, Ward No.20, P.S.-Banani, Dhaka	Tel: 9899503, 9899507, Mo:1730332033, 01678018356 Fax: 9899503
34	<b>Dania Branch</b> 28.12.2008	"Al-Madina Shopping Complex" (1 <sup>st</sup> floor), Gobindapur Bazar, Dania, Jatrabari, Dhaka	Tel: 7546218, 7546268 Mobile No. 01730332034, 01678018352 Fax: 7546218

Sl. No.	Name of Branch & Opening date	Address	Telephone Number
35	<b>Chandra SME/Krishi Branch.</b> 27.09.2012	“Subarna Ibrahim General Hospital” (Ground floor), Nayarhat Chandra Sarak Village – Bhataria (Chandra) P.S. Kaliakoir, P.O. – Boroipara, Ward No.8, Union Parisad – Atabahar, Dist. – Gazipur.	Tel: 06822-52058, 06822-52059 Fax: 06822-52058 Mobile No. 01755620822
36	<b>Tongi SME/Krishi Branch</b> 27.12.2010	29, Tongi Bazar Road, Tongi Bazar, Tongi Gazipur	Tel: 9816354 Mobile No. 01730332035
37	<b>Tanbazar Branch</b> 02.09.2009	“Amin Market” (1 <sup>st</sup> floor) 7, S.M. Maleh Road, Tanbazar, Narayangonj	Tel: 7630891, 7630892 FAX: 7630892 Mob: 01730003591, 01678018360
38	<b>Stock Exchange Branch</b> 07.10.2009	16, Motijheel C/A, Dhaka	Tel: 9515791-3, FAX: 9515794 Mob: 01787668294, 01678018361
39	<b>Savar Bazar Branch</b> 26.10.2009	74, Lohapotti, Savar nama Bazar, Savar, Dhaka	Tel: 7744809, FAX: 7744808 Mob: 01730003599, 01678018363
40	<b>Panchaboti Branch</b> 18.11.2009	“Gafur Super Complex” Panchaboti, Hariharpara, Enayetnagar, Fatullah, Narayangonj	Tel: 7670032, 7670033 FAX: 7670032 Mob: 01730330896, 01678018362
41	<b>Progoti Sarani Branch</b> 23.12.2009	2 <sup>nd</sup> Level of AJ Height’s Building, Cha-72/1/D, Progoti Sarani, Uttar Badda, Dhaka-1212.	Tel: 8835408, 8822742, FAX: 8822743 Mob: 01755629823, 01678018364
42	<b>Nawabgonj SME/Krishi Branch</b> 14.06.2010	Nawabgonj Adhunik Banijjik Biponi (1 <sup>st</sup> floor), Union Parisad – Kolakopa P.S./Upazila – Nawabgonj, Dist.- Dhaka	Tel: 7765230 Fax: 7765229 Mob: 01730338570
43	<b>Dholaikhal Branch</b> 22.07.2013	Al-Noor Steel Market, 25, Goalghat Lane, Dholaikhal New Road, Dhaka	Tel: 9556004, 9515043 Mob: 01730318278
44	<b>Board Bazar Branch</b> 09.11.2010	Monsur Plaza(1 <sup>st</sup> floor), National university Road, Gazipur Sadar, P.S. Gazipur Sadar, Dist. Gazipur.	Tel: 9293274, Fax: 9293276, Mob: 01730709793
45	<b>Tangail Branch</b> 11.11.2010	“Laso Plaza” (1 <sup>st</sup> floor) Khalpar Road, Tangail, P.S.- Tangail Sadar Pouroshova – Tangail, Municipal Holding No.59, Ward No.13, Dist. – Tangail	Tel: 0921-51435 Fax: 0921-51434 Mob: 01730709792
46	<b>Dhamrai SME/Krishi Branch</b> 09.12.2010	“Haji Monir Plaza” (1 <sup>st</sup> floor) Dhamrai Bazar, Dhamrai, P.S. & Pouroshova – Dhamrai, Ward No. 3, Holding No.24, Dist. – Dhaka	Tel: 7730935, 7730936 Fax: 7730935 Mob: 01730709797, 01678018369
47	<b>Mirpur Branch</b> 27.12.2010	“Azaz Tower” Holding No.145, Begum Rokeya Sarani, Ward No.14, P.S. – Mirpur. - Dhaka	Tel: 8031790 Mob: 01713109105 01678018355
48	<b>Bashundhara Branch</b> 31.07.2011	Ka- 5/2, Ka-7/1, 7/2 Jagannathpur, Bashundhara Road, Ward No.17, Dhaka City Corporation, P.S. Badda, Dhaka.	Tel: 8417767, Fax : 8417766, Mob: 01755543548, 01678010046,
49	<b>Mohammadpur Br.</b> 05.12.2011	Mohammadpur Branch (urban) “Ring Tower” (1 <sup>st</sup> floor) (Flat Type B-1 North side & A-1 South side), Mohammadpur Housing Estate, Block-F, Plot No.16/B, Probal Housing, Ward No.43, Ring Road, Dhaka-1207.	TeL: 9104472, 9104473 Fax: 9104473 Mob: 01755543540
50	<b>Gulshan-Tejgaon Link Road Br.</b> 24.06.2012	Gulshan-Tejgaon Link Road Branch (Urban) Ground & Mezzanine Floor “NINA KABBO” 227/A, Gulshan-Tejgaon Link Road, Dhaka, Ward No.37, P.S.- Tejgaon,	Tel: 9853290, 9853291, 9854464 Fax- 9854465, Mob: 01755620821,
51	<b>Manikgonj Branch</b> 18.11.2012	“Rudronil Plaza”, 134, Shahid Rafique Sarak, Manikgonj.	Tel: 7720042, Fax: 7720032 Mob: 01755620828





Sl. No.	Name of Branch & Opening date	Address	Telephone Number
52	<b>Gabtolli Bagbari Branch</b> 26.11.2012	259, Bagbari, Mirpur (Gabtolli), P.O. Mirpur, Ward No.9, P.S. - Darus Salam, Dhaka.	Tel: 902736, Fax: 902737 Mob: 01755620829 01730305993
53	<b>Konapara Branch</b> 17.12.2012	"F.R. Tower", (1 <sup>st</sup> floor) Konapara, Matuail, Demra, Dhaka, Union Parishad – Matuail, Ward No. 6, P.S. – Demra, Dist. Dhaka.	Tel: 7550481, 7549737 Mob: 01755658701,
54	<b>Meghola Bazar Branch</b> 23.11.2013	"Afsar Plaza" Meghola Bazar, Union – Narisa, P.S.- Dohar, Dhaka.	Mob: 01766667604, 01729093815
55	<b>Garibe Newaz Avenue Branch</b> , 31.08.2014	Plot No. 10, Garribe Newaz Avenue, Sector No. 11, Uttara, Dhaka.	8991306, Mobile. 01766667609
56	<b>Aganagar Branch</b> 30.10.2014	"Babul Tower" Aganagar, South Keraniganj, Dhaka.	Mobile. 01787668285 Mobile Office : 01787668291 Tel: 7761580
57	<b>Hasnabad Branch</b> 23.10.2014	Hasnabad Bazar Raipura, Narsingdi	Tel: 9444026, 9444041 Mobile: 01787668281
58	<b>Shibu Market Branch</b> 11.10.2015	Hazi Nurun Nesa Plaza ( 1 <sup>st</sup> floor) Katherpul Chowrasta, Fatulla, Narayanganj.	Tel- 7647624 - 7647625 Mobile: 01770792013
59	<b>Gazipur Chowrasta Branch</b> 28.10.2015	Bagdad Tanjia Tower (1 <sup>st</sup> floor) Gazipur Sadar, Gazipur.	Tel- 9261833- 9261832 Mobile: 01770792014
60	<b>Mawna Branch</b> 28.10.2015	Kitab Ali Plaza (1 <sup>st</sup> floor) Upazila- Sreepur, Dist. – Gazi pur.	Tel: (06825) 51237, 51238 Mobile: 01770792015
61	<b>Bandar Branch</b> 19.11.2015	03, Haji Motaleb Plaza (1 <sup>st</sup> floor) S.S. Saha Road, Bandar Thana, Narayanganj City Corporation, Narayanganj	Mobile: 01770792017
62	<b>Isapura Bazar Branch</b> 17.12.2015	Isapura Bazar, Yousufgonj Mouza, 1no, Ruppogonj Union Parishad, Ruppogonj, Narayanganj.	Mobile: 01709646951
63	<b>Karatia Branch</b> 23.12.2015	586, Karatia Bazar Karatia Union Priahad Tangail sadar, Tangail.	Mobile: 01709646952
64	<b>Darus Salam Road Branch.</b> 29.12.2015	17, Darus Salam Road, Mirpur-1, Dhaka. 1216.	Mobile: 01770792019
<b>MYMENSINGH DIVISION</b>			
65	<b>Mymensingh Branch</b> 23.11.1994	52, Choto Bazar 1 <sup>st</sup> Floor, Mymensingh.	Tel : (091) 66883, (091) 66873 Fax: 09166883 Mobile No.01713019545, 01678010081
66	<b>Seed Store Bazar Branch.</b> 25.11.2014	"Mahesa Plaza" (1st floor) Seed Store Bazar , P.O. Habirbari, P.S: Bhaluka. Dist. Mymensingh.	Mobile: 01787668287
67	<b>Sherpur Branch</b> 12.11.2015	18, Ameen Plaza (1 <sup>st</sup> floor)Kharampur Road, Sherpur District Town, Sherpur.	Mobile: 01770792016
68	<b>Jamalpur Branch</b> 10.12.2015	Nahar Gold Plaza, (1 <sup>st</sup> floor) 1024, Madical Jamalpur Sadar, Jamalpur.	Mobile: 01770792018
<b>CHITTAGONG DIVISION</b>			
69	<b>Agrabad Branch</b> 21.07.1984	30, Agrabad C/A Chittagong	Tel : 031-710531, 712347, 712348, 717937 Mob: 01713229814, 01678010085 Fax : 880-31-710078
70	<b>Khatunganj Branch</b> 09.12.1983	249/250, Khatunganj Road Chittagong	Tel : 031-612904, 619809, 613056,632288 Mob: 01713229841, 01678010086 Fax : 880-31-610290

Sl. No.	Name of Branch & Opening date	Address	Telephone Number
71	<b>Laldighi Branch</b> <b>28.12.1988</b>	Laldighi Branch "Jamal Complex" (1 <sup>st</sup> floor) 8, Laldighirpar, (East) Ward No.32 Andorkilla ward, Chittagong City Corporation, P.S. Kotwali, Chittagong	Tel : 031-620931, 638307, 636498 Mob: 01713229842, 01678010087 Fax : 880-31-610078
72	<b>Noju Miah Hat Branch</b> <b>08.05.1985</b>	Burichar, P.O. Nur Ali Bari, P.S. Hathazari Chittagong.	Tel : 031- 670908 Mob: 01713101231, 01678010089 Fax: 031-2570611
73	<b>Hathazari Branch</b> <b>27.12.1988</b>	Hazi M. Siddik Market (1st Flr), Rangamati Road Hathazari, Chittagong	Tel : 031-2601430 Mobile: 01713229843, 01678010090 Fax: 031-2601193
74	<b>Chawk Bazar Branch</b> <b>26.10.1991</b>	Shahzada Market 68, College road Chawk Bazar, Chittagong.	Tel : 031-621160, 616539 Mobile: 01713229844, 01678010091 Fax: 031-611177
75	<b>Shah Amanat Market Branch</b> <b>13.12.1992</b>	624/A, Shah Amanat Municipal Super Market (Ground Floor), Jubilee Road, Reazuddin Bazar, Chittagong	Tel : 031-614244, 619516 Fax: 031-614244 Mobile # 01713229845, 01678010092
76	<b>Sheikh Mujib Road Branch</b> <b>28.11.1994</b>	Azmal Arcade (1 <sup>st</sup> floor) 1806, Sk. Mujib Road Pathantuli, Chittagong.	Tel : (031) 713981, 721972, 2510455 Mobile: 01714031228, 01678010093 Fax: 031-713981
77	<b>Cox's Bazar Branch</b> <b>30.11.1994</b>	158, Main Road (1st Floor) Ali Arcade, Cox's Bazar	Tel : 0341-64573, 63856 Mobile: 01713229846, 01678010095 Fax: 0341-64573
78	<b>Brahmanbaria Branch</b> <b>03.06.1986</b>	Ground floor, 4. Court Road, Brahmanbaria	Tel : (0851) 58655, 59738 Mobile: 01711439720, 01678010096 Fax: 0851-58552
79	<b>Comilla Branch</b> <b>04.08.1986</b>	190/193 Rajgonj, Crossing. Chatipatty, Comilla	Tel : (081) 68662, 77044 Mobile: 01713229812, 01678010097 Fax: 081-71402
80	<b>Companiganj Branch</b> <b>20.11.2003</b>	15, West Nabipur P.O. Companiganj P.S. Muradnagar, Dist. Comilla.	Tel: 0802-659123 Mobile # 01714080176, 01678010098 Fax: 080-2659037
81	<b>Feni Branch</b> <b>15.01.1992</b>	99, Islampur Road (1st Floor) Feni	Tel : (0331) 73179, 61764 Mobile: 01713229847, 01678010201 Fax: 0331-73150
82	<b>Choumuhani Branch</b> <b>24.10.2005</b>	667/785, South Bazar, Choumuhani, Begumgonj, Noakhali	Tel : (0321) 52778, 52779 Mobile: 01713107230, 01678010205 Fax: 0321-52778
83	<b>Fatikchari Branch</b> <b>11.12.2007</b>	"Haque Market" (1 <sup>st</sup> Floor) Bibirhat, Fatikchari, Dist. – Chittagong.	Tel: 03022-56202 Mob: 01713423765, 01678010094 Fax: 03022-56203
84	<b>CDA Avenue Branch</b> <b>13.12.2009</b>	1005/2/1872, CDA Avenue East Nasirabad, Panchlaish, Chittagong	Tel: 031-2555919, 2555920 FAX: 031-2555918 Mob: 01730329087, 01678018365
85	<b>Madam Bibir Hat Br.</b> <b>13.12.2009</b>	Madam Bibir Hat, Bhatiary, Sitakundu, Chittagong	Tel: 031-2780919, 2780920 FAX: 031-2780921 Mob: 01730317373, 01678018366
86	<b>Aulankar More Br.</b> <b>28.12.2010</b>	Holding-512,(1 <sup>st</sup> floor) Aulankar More, Chittagong, P.S. Pahartoli, Chittagong City Corporation, Ward No.10,	Tel: 031-2773116, ,2773115, Fax: 031-2773117 Mob: 01730709795, 01755520715
87	<b>Ashugonj Br.</b> <b>29.12.2010</b>	(1 <sup>st</sup> floor), "Sheria Sayed Tower", Vill – Ashugonj Bazar, Union – Ashugonj Sadar Union, Ward No. 1, Upazilla – Ashugonj, P.O. Ashugonj, P.S. Ashugonj, Dist.B.Barua	Tel: 08528-74621 Fax: 08528-74623 Mob: 01730709794, 01755520716





Sl. No.	Name of Branch & Opening date	Address	Telephone Number
88	<b>Chandina Br.</b> <b>28.11.2011</b>	Chandina Branch (rural) "Aziz Plaza" (1 <sup>st</sup> floor), Chandina Bazar, Village - Nabiabad, Ward No. 5, Pouroshava – Chandina, P.O. – Chandina, P.S.- Chandina, Dist. – Comilla,	Tel: 08022-56440, Fax: 08022-56441 Mob: 01755543504
89	<b>Rangamati Br.</b> <b>27.06.2012</b>	Rangamati Branch (Urban) (1 <sup>st</sup> & 2 <sup>nd</sup> floor), 122, Bazar Fund Road, Kathaltoli, Rangamati	Tel: 0351-63597 Fax: 0351-63598 Mob: 01755630823
90	<b>Gouripur Bazar Br.</b> <b>31.03.2013</b>	Gouripur Bazar Branch, (1 <sup>st</sup> & 2 <sup>nd</sup> floor) "Suruzzaman Tower" Gouripur Bazar, Comilla	Mob: 01755658705
91	<b>Miah Bazar Branch</b> <b>21.12.2013</b>	"Wahab Market", 1 <sup>st</sup> floor, Vill – Jogomohonpur, Union – Ujirpur, P.O.- Miah Bazar, P.S.- Chowddagram, Comilla.	Mob: 01766667605, 01766667596
92	<b>Bandartila Branch</b> <b>16.11.2014</b>	Noor Shopping Complex Holding No. 564/802, M.A. Aziz Road, South Haliahar, WardNo- 39, P.S. CEPZ, Dist. Chittagong	Tel: 031-800024, 800025, 800026. Mobile:01787668286
93	<b>Chandraganj Branch</b> <b>30.11.2014</b>	Chandraganj Branch Chandraganj, Laxmipur Sadar,Laxmipur.	Tel: Mobile: 01787668288
<b>RAJSHAHI DIVISION</b>			
94	<b>Rajshahi Branch</b> <b>12.05.1985</b>	3, Shaheb Bazar Ghoramara, Rajshahi	Tel : (0721) 774586, 774856, 774396, Mob: 01711405660, 01678010206, 01714029471, Fax: 0721-774566
95	<b>Naogaon Branch</b> <b>04.12.1993</b>	263, Main Road Thakur Mansion (1 <sup>st</sup> floor) Naogaon	Tel : (0741) 62769, Mobile: 01713229848, 01678010208 Fax: 074162867
96	<b>Pabna Branch</b> <b>11.05.1991</b>	Chamber Building,1 <sup>st</sup> floor) Benai Patty, (Sona Patty), Pabna	Tel : (0731) 63436, 66053 Mobile: 01713200818, 01678010219 Fax: 0731-64122
97	<b>Bogra Branch</b> <b>08.01.1986</b>	Modhu metro Tower(1 <sup>st</sup> floor) Kobi Nazrul Islam Road, Satmatha Holding No.5664. Satmatha Bogra	Tel : (051) 66080, 65324 Mobile No : 01713229850, 01678010213 Fax: 051-66080
98	<b>Chapai Nawabganj Branch</b> <b>09.04.1997</b>	21, Daudpur Madrasha Road(1st Floor), Puratan Bazar, Chapainawabganj	Tel : (0781) 52081 Mobile: 01713202488, 01678010214 Fax: 0781-52081
99	<b>Baneshwar Branch</b> <b>22.11.2005</b>	Baneshwar Islamia High School Market Baneshwar, P.S. Puthia, Dist. Rajshahi.	Mobile: 0171-3201692, 01678010215,
100	<b>Belkuchi Branch</b> <b>12.10.2009</b>	"Bhuiyan Plaza" (1 <sup>st</sup> floor)Mukundo gati Bazar, P.O. Shernnagar P.S. Belkuch, Sirajgonj	Tel: 07522-56446, Fax: 07522-56437 Mob: 01730019787, 01678018359
101	<b>Kashinathpur SME/ Krishi Br.</b> <b>11.10.2010</b>	N.Zaman Shoping Complex(1 <sup>st</sup> floor), Village - Haridebpur, Union – Jeetshakini, Ward No. 5, Upazilla – Bera, P.O. Kashinathpur, P.S.- Bera, Dist. – Pabna,	Tel: 07332-54411, 54422 Mob: 01730705100, 01755520719
102	<b>Joypurhat Br.</b> <b>23.12.2010</b>	(1 <sup>st</sup> floor) Joypurhat Sadar Road,Joypurhat, P.S.- Joypurhat, Pouroshova – Joypurhat, Municipal Holding No.138/0, 138/1 & 138/2, Ward No.08, Dist. – Joypurhat	Tel: 0571-51163, 51164 Fax No. 0571-51165 Mob: 01730709796, 01755520714
103	<b>Taherpur Br.</b> <b>28.12.2013</b>	"Mridha Plaza" (1 <sup>st</sup> floor) Main Road, Ward No.3, Taherpur, Rajshahi.	Tel: 07236-53331 Mob: 01766667607
<b>RANGPUR DIVISION</b>			
104	<b>Rangpur Branch</b> <b>21.09.1985</b>	Sarker Super Market (1st Floor) 41/42, Dewan Bari Road Betpatty, Rangpur	Tel : (0521) 63453, 62607 Mobile: 01713229811, 01678010211 Fax: 0521-62607

Sl. No.	Name of Branch & Opening date	Address	Telephone Number
105	<b>Dinajpur Branch</b> 21.07.1986	Maldah patty, Sadar Dinajpur.	Tel : (0531) 65680, 63414 Fax: 0531-51632 Mobile : 01713229849, 01678010212
106	<b>Shetabgonj SME/ Krishi Br.</b> 15.12.2010	(1 <sup>st</sup> floor), School Road, Murshidhat, Shetabgonj, P.S. – Bochagonj, Pouroushova – Shetabgonj, Ward No.3, Holding No.521, Dist. Dinajpur	Tel: 05325-73202 Fax: 05325-73203 Mob: 01730729872
107	<b>Birol Bazar Br.</b> 26.12.2012	(1 <sup>st</sup> floor) Birol Bazar, Dinajpur, Upazilla – Birol, Union Parishad – Birol, P.O. – Birol, P.S. – Birol, Ward No.7, Dinajpur	Tel: 05324-56212 Fax: 05324-56213 Mob: 01755658703
<b>KHULNA DIVISION</b>			
108	<b>Khulna Branch</b> 25.01.1986	Fatema Building 81, Lower Jessore Road Khulna	Tel : (041) 720396-7, 812199, 732600, 732601, Fax: 720399 Mobile: 0171-3229851, 01678010216
109	<b>Boro Bazar Branch</b> 02.11.2003	1, Sir Iqbal Road Kalibari, Khulna.	Tel: (041) 812099, 812100 Mobile: 01713229852 01678010217 Fax: 041-812099
110	<b>Jessore Branch</b> 30.04.1986	59, N.S.C. Road (Garikhana Road), Jessore	Tel : (0421) 68762, 68764, 68765 Fax: 0421-68763 Mobile # 01713403300, 01678010218
111	<b>Benapole Branch</b> 26.12.2002	Bandar Complex, Benapole, Jessore	Tel : (04228) 75001-2 Mobile: 0171-3229810, 01678010219 Fax: 04228-75002
112	<b>Satkhira Branch</b> 14.09.1994	Mojahar Ali Complex,(1 <sup>st</sup> Floor)Shahid Kaja Sarani, Kaliganj Sarak, Satkhira.	Tel : (0471) 62602, 65429 Mobile: 01713400254, 01678010220 Fax: 0471-63319
113	<b>Noapara Branch</b> 26.12.1990	Dhaka – Khulna Highway, 97 Noapara Bazar, Jessore.	Tel : (04222) 71397 Mobile: 0171-3400537, 01678010221
114	<b>Kushita Branch</b> 20.05.1986	2, Siraj-Ud-Dowla Road Abdul Hamid Market N.S. Road, Kushtia.	Tel : (071) 62550, 61895, Fax: 071-61895, Mob: 01713400380, 01678010223
115	<b>Kaligonj SME/Krishi Br.</b> 21.06.2010	Sheikh Super Market (1 <sup>st</sup> floor), Nimtola Boro Bazar, P.O.- Noldanga, Kaligonj, Jhenidah	Tel: 04523-56697 Fax: 04523-56698 Mob: 01730318277
116	<b>Poradah Br.</b> 11.10.2010	“Khan Super Market” (1 <sup>st</sup> floor), Vill – Khatdah, Union – Poradah, Ward No.4, Upazilla – Mirpur, P.O. Poradah, P.S. – Mirpur, Dist. Kushtia,	Mob: 01730709791, 01755520712
117	<b>Bagerhat Br.</b> 10.11.2013	Sadonar More, 56, Kazi Nazrul Islam Road, Bagerhat.	Tel: 0468-64539, 64538 Mob: 01755642273
118	<b>Sonadanga Branch</b> 14.12.2014	Kohinoor Tower A-12, Mazid Sarani, Sonadanga, Khulna.	Tel: 041-731327,723181 Mobile: 01787668289
<b>BARISAL DIVISION</b>			
119	<b>Barisal Branch</b> 21.11.1991	95, Sadar Road Barisal	Tel : (0431) 64013, 64305 Fax: 0431-64305 Mob: 01713400251, 01678010224
120	<b>Bhola Branch</b> 26.12.2011	Bhola Branch (Urban) (1 <sup>st</sup> floor) “M.R. Plaza”, Holding No.0386- 02, 0400-08, Sadar Road, Ward No.6, Dist. – Bhola,	Tel: 0491-61399 Mob: 01755543505
<b>SYLHET DIVISION</b>			
121	<b>Sylhet Branch</b> 17.11.1984	Laldighirpar Sylhet	Tel : (0821) 715489, 715490 Fax : 880-821-722022 Mobile # 01711-438372, 01678010225







Sl. No.	Name of Branch & Opening date	Address	Telephone Number
122	<b>Beani Bazar Branch</b> <b>18.12.1988</b>	Zaman Square, Main Road, Beani Bazar, Sylhet	Tel: 08223-56179 Mob: 01711922493, 01678010226
123	<b>Ambarkhana Branch</b> <b>27.12.1989</b>	Point View Shopping Center (1 <sup>st</sup> floor) Amberkhana, Sylhet.	Tel : (0821) 714357, Fax: 0821-721729 Mob: 01713301067, 01678010227
124	<b>Subid Bazar Branch</b> <b>24.04.1994</b>	Hannan Shopping Centre (1 <sup>st</sup> Flr), Subid Bazar, Sylhet	Tel : (0821) 712898, 712832 Mobile: 01713229838, 01678010228 Fax: 0821-712898
125	<b>Uposhohor Branch</b> <b>28.12.2003</b>	Nosir Mansion (1 <sup>st</sup> floor) Mendibagh C/A. Uposhohor, Dist. Sylhet.	Tel: (0821) 727224 Mobile: 0171-3300202, 01678010229 Fax: 0821-727109
126	<b>Moulvi Bazar (Dist.) Branch</b> <b>27.11.1994</b>	69/1, Central Road Paschim Bazar P.O. & Dist. Moulvi Bazar	Tel : (0861) 52392, Fax: 0861-52363 Mobile # 01711435687, 01678010230
127	<b>Sreemongal Branch</b> <b>21.12.2002</b>	Razzaque Cosmopolitan Super Market (1st Floor), Hobigonj Road, Shreemongal, Moulvi Bazar	Tel : (08626) 71924 Mobile: 01711401728, Fax: 08626-71924
128	<b>Goala Bazar</b> <b>04.12.2007</b>	"Haji Nasibullah Market" Goalabazar, Osmaninagar Dist. – Sylhet.	Tel : 08242-56404. Mob: 01713257277, 01678010233 Fax: 08242-56044
129	<b>Habiganj Branch</b> <b>24.08.2014</b>	"Sankar City" Holding No- 3430, R.K.Miossion Road, Habiganj Sadar, Habiganj	Tel- 0831-54052, 0831-54053, Mobile: 01787668280,

#### Collection Booth as on 31 December 2015

Sl. No.	Name of Booth	Address
1	Collection Booth at Medical College for Women & Hospital.	Plot No.4, Road No.8-9, Sector-1, Uttara, Dhaka.
2	Collection Booth at Lalmatia Mohila College.	118/2, Block-B, Ward # 32, Lalmatia, Dhaka

## Particulars of Branch and Booth of IFIC Money Transfer (UK) Limited, UK

**Head Office:** 18 Brick Lane, London E1 6RF, UK  
Tel: 00447951786188 (cell) 00442070609142 (phone)  
Fax: 00442072479670 Email: monwar@ificexchange.co.uk.

<b>Branch:</b>	<b>Booth:</b>
<b>1. IFIC Money Transfer (UK) Limited</b> 18 Brick Lane, London E1 6RF, UK Tel: 00447951786188 (cell) 00442070609142 (phone) Fax: 00442072479670 Email: monwar@ificexchange.co.uk.	<b>1. IFIC Money Transfer (UK) Ltd.,</b> Turnpike Lane Booth 97 Turnpike Lane, London N8 ODY, UK Phone : 00442083411644

## Particulars of Branches of Oman International Exchange, LLC

**Head Office / Main office :** Post Box No.994 Hay Al Mina  
Postal Code No.114, Muscat (opposite to Muscat Pharmacy) Sultanate of Oman  
Ph # (968) 24832197, 24830893, Fax # (968) 24835036, 24835141  
e-mail : [custsupport@oiexc.com](mailto:custsupport@oiexc.com) to be used for all branch communication

<b>1. Oman International Exchange LLC</b> Hamriya Main Branch Post Box No.994 Hay Al Mina Postal Code No.114, Ruwi Souk Street Hamriya, ( beside Muscat Pharmacy ) Muscat, Sultanate of Oman Ph # (968) 24833591, Fax # (968) 24833593	<b>6. Oman International Exchange LLC</b> Suwaiq Branch Post Box No.497, Postal Code No.315 Suwaiq Roundabout, Next to Bank Muscat, Muscat - Sohar Highway Suwaiq, Sultanate of Oman Ph # (968) 26861893 Fax # (968) 26860793	<b>11. Oman International Exchange LLC</b> Saham Branch Post Box No.878 Postal Code No.319 Saham, Beside Omantel Office Sultanate of Oman Tel # (968) 268 55442 Fax # (968) 268 55446
<b>2. Oman International Exchange LLC</b> Salalah Branch Post Box No.2039, Postal Code No.211 Al Nadha Street Salalah, Sultanate of Oman Ph # (968) 23290282 Fax # (968) 23293185	<b>7. Oman International Exchange LLC</b> Ghubra Branch Post Box No.897, Postal Code No.133 Ghubra Roundabout (inside) First Traffic Signal Right Ghubra, Sultanate of Oman Ph # (968) 24490360, Fax # (968) 24492273	<b>12. Oman International Exchange LLC</b> Ruwi Branch Ruwi High Street -Centre Post Box No. 1585, Postal Code No.114, Hay Al Mina, Sultanate of Oman Tel # (968) 24794792, Fax # (968) 24796792
<b>3. Oman International Exchange LLC</b> Sur Branch Post Box No.276, Postal Code No.411 Sur Souk, Sur Sultanate of Oman Ph # (968) 25541467 Fax # (968) 25544035	<b>8. Oman International Exchange LLC</b> Mabelah Branch Post Box No.994, Postal Code No.114 Near Oman Oil Petrol Station Muscat – Sohar Highway Mabelah, Sultanate of Oman Ph # (968) 24450613, Fax # (968) 24450612	<b>13. Oman International Exchange LLC</b> Seeb Branch Post Box No.994, Postal Code No.114 Seeb C/A ( opposite to Bank Sohar) Sultanate of Oman Ph # (968) 24420766 Fax # (968) 24420757
<b>4. Oman International Exchange LLC</b> Sohar Branch Post Box No.862, Postal Code No.311 Sohar Hospital Road, Sohar Sultanate of Oman Ph # (968) 26846339 Fax # (968) 26841519	<b>9. Oman International Exchange LLC</b> Barka Branch Post Box No.696, Postal Code No.320 Adjacent to Oman Oil Petrol Station Barka – Muscat Highway, Barka Sultanate of Oman Ph # (968) 2688 5142, Fax # (968) 2688 5143	<b>14. Oman International Exchange LLC</b> Shinas Branch Post Box No.402, Postal Code No.324 Shinas roundabout Sultanate of Oman Ph # (968) 26748315 Fax # (968) 26748316
<b>5. Oman International Exchange LLC</b> Nizwa Branch Post Box No.718 Postal Code No.611 Nizwa Souk, Nizwa Sultanate of Oman Ph # (968) 25413084 Fax # (968) 25411741	<b>10. Oman International Exchange LLC</b> Falaj Branch Post Box No.70, Postal Code No.327 Sohar Industrial Estate Next to Doha Shopping Centre (Before Sohar Port) Sohar - Muscat Highway Sultanate of Oman Ph.# (968) 2675 3036, Fax # (968) 2675 1420	<b>15. Oman International Exchange LLC</b> Rustaq Branch Post Box No: 167, Postal Code No.: 329 Burj Al Radda, Ramez International (Hyper Market) Rustaq, South Al-Batinah Governorate Sultanate of Oman Tel : 00 968 26 877912 Fax : 00 968-26 877913

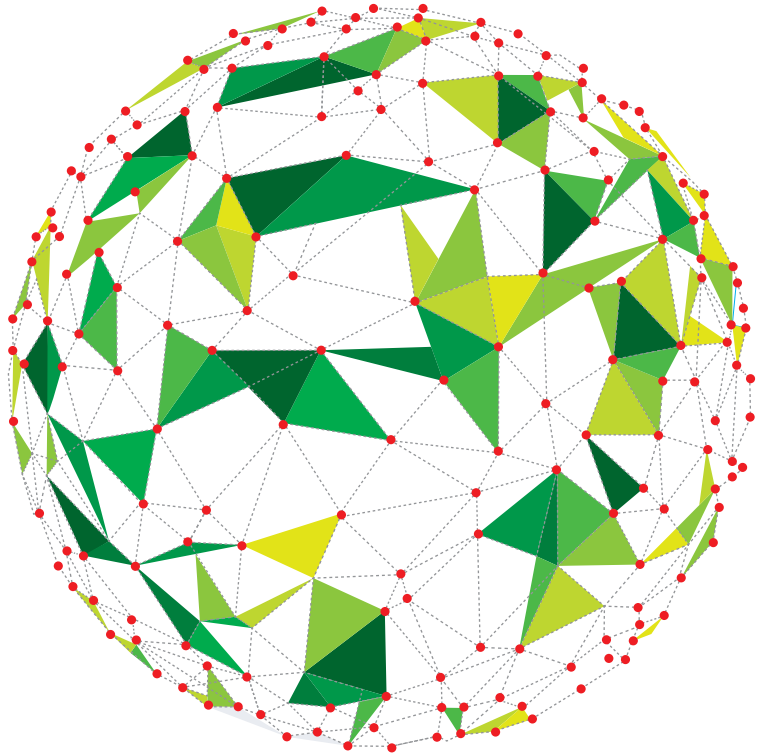
## Particulars of Head Office and Branches of Nepal Bangladesh Bank Limited, Nepal

Head Office : Kamladi, Kathmandu

SWIFT : NPBBNPKA

01-4233780-87, 4242146, 4240348, 4240166, 4240461

SN	Branch Name	Location	Phone No
1	Bhainsepati Branch	Bhainsepati, Lalitpur	01-5590028
2	Kalimati Branch	Kalimati, Lalitpur	01-4277298/ 4284936
3	Lalitpur Branch	Kumaripati, Lalitpur (Near Patan Hospital)	01-5008721/ 5554011
4	Bhaktapur Branch	Sallaghari, Bhaktapur	01-6613170
5	NewRoad Branch	Khichapokhari, Kathmandu	01-4241368/ 4224477
6	Main Branch (Bijuli Bazaar)	New Baneswor (Front Building)	01-4780770/4781195
7	Corporate Branch (Previously known as Putalisadak Branch)	Kamaladi, Kathmandu	01-4233780/81/82/83
8	Kapan Branch	Kapan, Kathmandu	01-4823335
9	Balaju Branch	Nayabazaar, Balaju, Kathmandu	01-4383768/4384170
10	Jorpati Branch	Jorpati, Kathmandu	01-4910997/ 01-4910828
11	Battar Branch	BattarBazar, Nuwakot	010-560256
12	Janakpur Branch	Bhanu Chowk, Janakpurdham	041-521548/ 523385
13	Butwal Branch	Traffic Chowk, Butwal	071-544845/ 544906
14	Hetauda Branch	Main Road, Hetauda	057-524936
15	Birgunj Branch	Alkhiya Road, Birgunj	051-523689/523494
16	Nepalgunj Branch	Dhamboji, Nepalgunj	081-523135/ 523341
17	Biratnagar Branch	Dadhiram Market, Biratnagar	021-530523/ 524263
18	Tatopani Branch	Kodari (Liping), Nepal	011-480005
19	Dhangadi Branch	Chauraha, Main Road	091-521785
20	Pokhara Branch	Chipledhunga, Pokhara	061-533134/533135
21	Dharan Branch	Mahendrapath , Dharan	025-530166
22	Dhunche Branch	Dhunche, Rasuwa ( Timure Extension counter no. 016923534)	010-540015
23	Narayangarh Branch	Pulchowk, Naryanghat Complex, Narayangarh	056-570962/ 570963
24	Bhojpur Branch	Dadhabajar, Bhojpur	029-420713/420714
25	Bhairahwa Branch	Bhairahwa	017-521659
26	Surkhet Branch	Birendranagar, In front of HULAK	083-520220/521481
27	Salyan Branch	Sharda Nagarpalika Ward No. 1, Srinagar, Salyan	088-400182
28	Birtamode Branch	Birtamode	023-545724/545744
29	Kirtipur Branch	Tyanglaphat, Kirtipur	01-4670633
30	Darchula Branch	Khalanga Bazar, Darchula	093-420243/420242
31	Sankranti Bazar	Aathrai, Sankranti Bazar	026-680052,
32	Dang Branch	New Road, Bank Road, Ghorahi	082-563796
33	Imadole Branch	Imadole, Lalitpur	9851233551
34	Timure Extension Counter	Rasuwa	016-923534



GLOBAL  
NETWORK OF  
CORRESPONDENT  
BANKS



**AFGHANISTAN**  
Bank Alfalah Limited

**ARGENTINA**  
HSBC Bank Argentina SA

**AUSTRALIA**  
BNP Paribas SA  
Citigroup PTY Limited  
Citibank N.A.  
Commonwealth Bank of Australia  
Sydney  
JPMorgan Chase Bank NA  
KEB Hana Bank  
Mizuho Bank Limited

**AUSTRIA**  
Bank of Tokyo-Mitsubishi UFJ  
(Holland) NV  
Erste Bank Der Oesterreichischen  
Sparkas  
Erste Group Bank AG  
Raiffeisen Bank International AG  
Unicredit Bank Austria AG

**BAHRAIN**  
BNP Paribas Manama  
Bank Alfalah Limited  
Bank Al Habib Limited  
ICICI Bank Limited  
KEB Hana Bank

**BELGIUM**  
Bank J. Van Breda and Co. NV  
Bank of America NA  
Belfius Bank SA/NV  
BNP Paribas SA Belgium  
BNP Paribas Fortis  
Commerzbank AG, The  
Deutsche Bank AG

**BHUTAN**  
Bank of Bhutan  
Druk PNB Bank Limited

**BRAZIL**  
Banco De Tokyo-Mitbushi UFJ Brasil  
S/A  
Banco Keb Hana do Brasil S.A.  
Banco Santander (Brasil) SA  
HSBC Bank Brasil-Banco Multiplo

**CANADA**  
Bank of Nova Scotia  
BNP Paribas Canada  
Habib Canadian Bank  
HSBC Bank Canada  
KEB Hana Bank Canada  
Royal Bank of Canada

**CHINA, PEOPLES REPUBLIC OF**  
Bank of China  
Bank of Guiyang  
Bank of Hebei  
Bank of New York Mellon, The  
Bank of Nova Scotia, The  
Bank of Ruifeng  
Bank of Taizhou Co. Ltd.  
BNP Paribas (China) Ltd.  
China Everbright Bank  
Citibank (China) Co. Ltd.  
Commerzbank AG  
HSBC Bank (China) Co. Ltd.  
Jiangsu Jiangnan Rural Commercial  
Bank Co. Ltd.  
JPMorgan Chase Bank (China)  
Company Ltd.  
Jiangsu Jiangyin Rural Commercial  
Bank  
Laishang Bank Co., Ltd.  
Ningbo Yuyao Rural Commercial  
Bank Co. Ltd.  
Ping an Bank Co. Ltd.  
Skandinaviska Enskilda Banken AB  
(publ)

Standard Chartered Bank (China)  
Limited  
Weifang Rural Commercial Bank  
Co. Ltd.  
Wells Fargo Bank N.A.  
Woori Bank (China) Limited  
Yinzhou Bank  
Zhejiang Tailong Commercial Bank  
Co. Ltd.  
Zhejiang Zhuji Rural Commercial  
Bank Co. Ltd.  
Zhejiang Hecheng Rural  
Commercial Bank Co. Ltd.

**CZECH REPUBLIC**  
Ceska Sporitelna A.S.  
Commerzbank AG

**DENMARK**  
Danske Bank A/S  
Nordea Bank Denmark A/S.  
Spar Nord Bank  
Syd Bank A/S  
Vestjysk Bank

**EGYPT**  
Bank Audi SAE  
Masreq Bank

**ESTONIA**  
Nordea Bank AB

**FINLAND**  
Danske Bank  
Danske Bank PLC  
Nordea Bank Finland PLC

**FRANCE**  
Banque Revillon  
BNP Paribas SA  
Commerzbank AG  
HSBC France  
JPMorgan Chase Bank NA  
KEB Hana Bank  
Monte Paschi Banque S.A.

**GERMANY**  
Bankhaus Carl F. Plump & Co.  
BHF-Bank Aktiengesellschaft  
Commerzbank AG  
Danske Bank A/S  
Deutsche Bank Private-Und  
Geschaeltskunden AG  
Deutsche Bank AG  
Deutsche Bank Trust AG  
HSH Nord Bank AG  
JPMorgan AG  
Joh. Berenberg, Gossler Und. Co. KG  
KEB Hana Bank Deutschland AG  
Landesbank Baden-Wuerttemberg  
Sparkasse Hannover  
Sparkasse Krefeld  
Sparkasse Nuremberg  
SEB AG  
Unicredit Bank AG (Hypobereins-  
bank)  
Volksbank Remscheid-Soligen Eg  
Volksbank Reutlingen EG

**HONG KONG**  
AB International Finance Limited  
Axis Bank Limited  
Banca Monte Dei Paschi Di Siena  
Spa  
Bank of America, N.A.  
Bank of New York, The  
Bank of Nova Scotia, The  
Bank of Tokyo-Mitsubishi UFJ Ltd.,  
The BNP Paribas  
Citibank N.A.  
Commerzbank AG  
EBL Finance (HK) Limited  
E.SUN Commercial Bank Limited  
Habib Bank Zurich (Hong Kong) Ltd.  
Hongkong and Shanghai Banking  
Corp.

ICICI Bank Limited  
Intesa Sanpaolo SPA  
JPMorgan Chase Bank NA  
KEB Hana Bank  
Mashreqbank PSC  
Mizuho Bank Ltd.  
National Bank of Pakistan  
PBL Finance (Hong Kong) Limited  
Skandinaviska Enskilda Banken AB  
(Publ)  
Societe Generale  
Standard Chartered Bank  
Sumitomo Mitsui Banking  
Corporation  
Svenska Handelsbanken AB  
Unicredit Bank AG (Hypobayeri-  
sche)  
Wells Fargo Bank N.A.  
Wing Hang Bank Ltd.

**HUNGARY**  
Budapest Bank RT  
CIB Bank Ltd.  
Commerzbank (Budapest) RT  
Raiffeisen Bank ZRT

**INDIA**  
AB Bank Limited  
Axis Bank Limited  
Bank of Nova Scotia, The  
Bank of Tokyo-Mitsubishi UFJ, Ltd.  
The BNP Paribas India  
Citibank N.A.  
Hongkong & Shanghai Banking  
Corp. Ltd.  
ICICI Bank Limited  
IndusInd Bank Limited  
JPMorgan Chase Bank, N.A.  
Masreqbank  
Shamrao Vithal Co-operative Bank  
Limited, The  
Sonal Bank Ltd.  
Standard Chartered Bank  
State Bank of India  
Syndicate Bank  
Tamilnad Mercantile Bank Limited  
Union Bank of India  
United Bank of India

**INDONESIA**  
Bank of Tokyo-Mitsubishi UFJ Ltd.  
The  
Bank Mandiri (Persero) PT  
Citibank N.A.  
Hongkong and Shanghai Banking  
Corp. Ltd.  
JPMorgan Chase Bank, N.A.  
PT Bank Pembangunan Daerah  
Jawa Timur Tbk  
PT Bank Syariah Mandiri  
Standard Chartered Bank

**IRELAND**  
Citibank Europe PLC  
Danske Bank A/S  
Wells Fargo Bank International

**ITALY**  
Banca Carim-Cassa Di Risparmio Di  
Rimini  
Banca Delle Marche SPA  
Banca di Credito Cooperativo di  
Cambiano  
Banca Monte Dei Paschi Di Siena  
Spa  
Banca Popolare Dellemilila  
Romagna  
Banca Popolare Di Marostica  
Banca Popolare Di Sondrio  
Banca Popolare Di Vicenza SCPA  
Banca Popolare Valconca  
Banca Popolare Dell Etruria E Dell  
Lazio  
Banca UAE SPA  
Banco Di Napoli SPA

Banco Popolare Soc. Coop  
Bank of Tokyo-Mitsubishi UFJ Ltd.,  
The Cassa Di Risparmio Del Veneto  
SPA  
Cassa Di Risparmio Di Cesena SPA  
Cassa Di Risparmio Di Venezia SPA  
Commerzbank AG  
Credito Bergamasco SPA  
Credito Valtellinese Soc Coop  
ICCREA Banca-Istitu Centrale Del  
Credito  
Intesa Sanpaolo SPA  
JPMorgan Chase Bank NA  
Mizuho Bank Ltd.  
UBI Banca (Unione Di Banche  
Italiane) SCP  
Unicredit SPA  
Unipol Banca SPA  
Veneto Banca SCPA

**JAPAN**  
Bank of Tokyo-Mitsubishi UFJ Ltd.,  
The  
Bank of New York Mellon, The  
Citibank Japan Ltd.  
Commerzbank AG  
Gifu Shinkin Bank, The  
Hongkong & Shanghai Banking  
Corp. Ltd.  
JPMorgan Chase Bank NA  
KEB Hana Bank  
Mizuho Bank Ltd.  
National Bank of Pakistan  
Okazaki Shinkin Bank, The  
Standard Chartered Bank  
State Bank of India  
Sumitomo Mitsui Banking  
Corporation  
Unicredit Bank AG (Hypobayeri-  
sche)  
Wells Fargo Bank N.A.

**KOREA, REPUBLIC OF**  
Bank of Nova Scotia, The  
Busan Bank  
Daegu Bank Ltd., The  
Hana Bank  
Hongkong & Shanghai Banking  
Corp. Ltd.  
Industrial Bank of Korea  
JPMorgan Chase Bank NA  
Kookmin Bank  
KEB Hana Bank  
Kwangju Bank Limited, The  
National Bank of Pakistan  
Shinhan Bank  
Standard Chartered Bank  
Wells Fargo Bank N.A.  
Woori Bank

**KSA**  
BankMuscat SAOG  
Islamic Development Bank  
JPMorgan Chase Bank, N.A.  
Saudi British Bank, The

**KUWAIT**  
BankMuscat SAOG  
Citibank N.A.  
National Bank of Kuwait


**LUXEMBOURG**  
Danske Bank International A/S

**MALAYSIA**  
Bank of Nova Scotia Berhad  
Citibank Berhad  
HSBC Bank Malaysia Berhad  
JPMorgan Chase Bank Berhad  
Malayan Banking Berhad  
(Maybank)  
Standard Chartered Bank

 **MALDIVES**  
Bank of The Maldives PLC


 **MALTA**  
AKBank T.A.S.

 **NEPAL**  
Himalayan Bank Limited  
Nepal Bangladesh Bank Ltd


 **NETHERLANDS**  
ABN Amro Bank N.V.  
Bank of America N.A.  
Commerzbank AG  
Deutsche Bank AG  
Deutsche Bank Nederland N.V.  
KEB Hana Bank

 **NEW ZEALAND**  
Bank of New Zealand  
General Equity Building Society

 **NIGERIA**  
Guaranty Trust Bank Plc.


 **NORWAY**  
Danske Bank A/S  
DNB Bank ASA  
Nordea Bank Norge ASA  
Sparebank 1 SR-Bank ASA

 **OMAN**  
Bank Dhofar (S.A.O.G)  
BankMuscat SAOG

 **PAKISTAN**  
Bank Al Habib Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
NIB Bank Limited  
Summit Bank Limited

 **PANAMA**  
KEB Hana Bank


 **PHILIPPINES**  
Asian Development Bank  
Hongkong & Shanghai Banking Corp. Ltd.  
JPMorgan Chase Bank, N.A.  
KEB Hana Bank

 **POLAND**  
Bank Handlowy W Warszawie SA  
Bank Polska Kasa Opieki SA  
Danske Bank A/S  
Deutsche Bank Polska SA  
MBANK S.A. (Formerly BRE Bank)


 **QATAR**  
Doha Bank  
Masreqbank

 **ROMANIA**  
Unicredit Tiriac Bank SA

 **RUSSIAN FEDERATION**  
Necklace Bank Limited


 **SINGAPORE**  
Axis Bank Limited  
Bank of America, N.A.  
Bank of Nova Scotia, The  
Bank of Tokyo-Mitsubishi UFJ Ltd.,  
The BNP Paribas  
BNP Paribas Wealth Management  
Citibank N.A.  
Commerzbank AG  
Deutsche Bank AG  
DBS Bank Limited  
Emirates NBD Bank PJSC  
First Commercial Bank  
Habib Bank Limited  
Hongkong and Shanghai Banking Corp.

ICICI Bank Limited  
Indian Bank  
JPMorgan Chase Bank NA  
KEB Hana Bank  
Mizuho Bank Ltd.  
National Bank of Kuwait S.A.K.,  
The Nordea Bank Finland PLC  
Skandinaviska Enskilda Banken AB (Publ)  
Standard Chartered Bank  
Sumitomo Mitsui Banking Corporation  
Unicredit Bank AG (Hypobayerische)  
United Overseas Bank Ltd.

 **SLOVENIA**  
Dezelna Banka Slovenije D.D.  
Nova Kreditna Banka Maribor D.D.  
Unicredit Banka Slovenija D.D.


 **SOUTH AFRICA**  
Citibank South Africa  
NED Bank Limited

 **SPAIN**  
Banco De Sabadell S.A.  
Banco Santander S.A.  
Bank of Tokyo-Mitsubishi UFJ Ltd.,  
The Bankia S.A.  
CAIXABANK S.A.  
Caja Espana De Inversones  
Commerzbank AG  
Laboral Kutxa  
Abanca Corporacion Bancaria, A.S.

 **SRI LANKA**  
ICICI Bank Limited  
Nations Trust Bank Ltd.  
Seylan Bank PLC  
Standard Chartered Bank

 **SWEDEN**  
Danske Bank  
DNB Bank ASA  
Nordea Bank AB (PUBL)  
Skandinaviska Enskilda Banken AB  
Svenska Handelsbanken  
SWED Bank


 **SWITZERLAND**  
Banque Cantonale De Geneve  
Banque De Commerce Et De Placements  
BNP Paribas (Suisse) SA  
Habib Bank AG Zurich  
UBL (Switzerland) AG  
Valiant Bank  
Zurcher Kantonal Bank


 **TAIWAN**  
Bank of New York Mellon, The  
Bank of Nova Scotia  
Chang Hwa Commercial Bank Ltd.  
Citibank Taiwan Limited  
Deutsche Bank AG  
E.SUN Commercial Bank Limited  
HSBC Bank (Taiwan) Limited  
JPMorgan Chase Bank NA  
MEGA International Commercial Bank Co. Ltd.  
Standard Chartered Bank  
Standard Chartered Bank (Taiwan) Ltd.  
Sumitomo Mitsui Banking Corporation  
Taishin International Bank  
Wells Fargo Bank N.A.

 **THAILAND**  
Bangkok Bank Public Company Ltd.  
Bank for Agriculture and Agricultural Cooperatives  
Bank of Ayudhya Public Company Limited  
Bank of Tokyo-Mitsubishi UFJ Ltd.  
The Citibank N.A.

Export-Import Bank of Thailand  
Hongkong & Shanghai Banking Corp. Ltd.  
JPMorgan Chase Bank, N.A.  
Krung Thai Bank Public Company Ltd.  
Mizuho Bank Ltd.  
Standard Chartered Bank  
Sumitomo Mitsui Banking Corporation

 **TURKEY**  
AK Bank T.A.S.  
Albaraka Turk Katilim Bankasi AS  
AlternatifBank AS  
Asya Katilim Bankasi AS  
Fibabanka AS  
FinansBank A.S.  
HSBC Bank A.S.  
Tekstil Bankasi AS  
Turk Ekononi Bankasi A.S.  
Turkiye Garanti Bankasi AS


 **U.A.E.**  
Abu Dhabi Commercial Bank PJSC  
Axis Bank Limited  
Citibank N.A.  
Emirates NBD Bank PJSC  
First Gulf Bank PJSC  
Habib Bank AG Zurich  
Habib Bank Limited  
Mashreqbank PSC  
Noor Islamic Bank PJSC  
Standard Chartered Bank  
United Bank Limited

 **U.S.A.**  
Bank of America, N.A.  
Bank of New York Mellon  
The Bank of the West  
Bank of Tokyo-Mitsubishi UFJ Ltd.,  
The BNP Paribas USA  
Cathay Bank  
Citibank N.A.  
City National Bank  
Deutsche Bank Trust Company Americas  
First Citizens Bank  
Habib American Bank  
Habib Bank Limited  
HSBC Bank USA  
ICICI Bank Limited  
JPMorgan Chase Bank NA  
Masreqbank PSC  
Mizuho Bank Ltd.  
Regions Bank  
RBS Citizens NA  
Standard Chartered Bank  
Sterling National Bank  
Sumitomo Mitsui Banking Corporation  
UMB Bank N.A.  
Union Bank NA  
United Bank Limited  
US Bank  
Wells Fargo Bank N.A.  
Woori Bank  
Woori America Bank


 **UKRAINE**  
PJSC Bank Credit Dnepr

 **UNITED KINGDOM**  
Bank of America N.A.  
Citibank N.A.  
Commerzbank AG  
Danske Bank A/S  
Emirates NBD Bank PJSC  
Habib Bank AG Zurich  
Habib-UK Plc  
HSBC Bank PLC  
Intesa Sanpaolo SPA  
JPMorgan Chase Bank NA  
KEB Hana Bank  
Masreqbank PSC  
Mizuho Bank Limited  
Northern Bank

Sonali Bank (UK) Ltd.  
Standard Chartered Bank  
United National Bank Ltd.  
Wells Fargo Bank N.A.  
Wells Fargo Securities Int'l Ltd.

 **UZBEKISTAN**  
Central Bank of The Republic  
Uzbeki  
National Bank for Foreign  
Economic

 **VIETNAM**  
Asia Commercial Joint Stock Bank  
HSBC Bank (Vietnam) Limited  
Joint Stock Commercial Bank for Inv. & Development  
JPMorgan Chase Bank, N.A.  
KEB Hana Bank  
Vietnam Technological and Commercial JOI  
Woori Bank

 **BANGLADESH**  
AB Bank Limited  
Agrani Bank Limited  
Al-Arafah Islami Bank Limited  
Bangladesh Bank  
Bank Asia Limited  
BRAC Bank Limited  
Bangladesh Commerce Bank Limited  
Bangladesh Krishi Bank  
Bangladesh Development Bank Limited  
Bank Alfalah Limited  
Basic Bank Limited  
Citibank N.A.  
City Bank Limited  
Commercial Bank of Ceylon Plc  
Dhaka Bank Limited  
Dutch-Bangla Bank Limited  
Eastern Bank Limited  
Export Import Bank Limited  
Farmers Bank Limited  
The First Security Islami Bank Limited  
Habib Bank Limited  
Hong Kong and Shanghai Banking Corp. Ltd.  
ICB Islamic Bank Limited  
Islami Bank Bangladesh Limited  
Jamuna Bank Limited  
Janata Bank Limited  
Meghna Bank Limited  
Mercantile Bank Limited  
Midland Bank Limited  
Modhumoti Bank Limited  
Mutual Trust Bank Limited  
National Bank Limited  
National Bank of Pakistan  
National Credit and Commerce Bank Limited  
NRB Bank Limited  
NRB Commercial Bank Limited  
NRB Global Bank Limited  
One Bank Limited  
Premier Bank Limited  
Prime Bank Limited  
Pubali Bank Limited  
Rupali Bank Limited  
Shahjalal Islami Bank Limited  
Social Islami Bank Limited  
Sonali Bank Limited  
Southeast Bank Limited  
South Bangla Agriculture & Commerce Bank Limited  
Standard Bank Limited  
Standard Chartered Bank  
State Bank of India  
Trust Bank Limited  
Union Bank Limited  
United Commercial Bank Limited  
Uttara Bank Limited  
Woori Bank





Head Office : BDBL Bhaban (8<sup>th</sup> – 10<sup>th</sup>, 16<sup>th</sup> – 19<sup>th</sup> Floors), 8, Rajuk Avenue, Dhaka - 1000

## Notice of the 39<sup>th</sup> Annual General Meeting

Notice is hereby given to the Members of International Finance Investment and Commerce Bank Limited (IFIC Bank Limited) that the 39<sup>th</sup> Annual General Meeting of the Company will be held on **Thursday, 14 July 2016 at 11.00 a.m. at Officers' Club, 26, Baily Road, Ramna, Dhaka-1000** to transact the following business and adopt necessary resolution:

### A. Ordinary Business:

- 1) To receive, consider and adopt the Audited Financial Statements of the Bank for the year ended 31 December 2015 together with the Reports of the Auditors and Directors thereon.
- 2) To declare dividend for the year ended 31 December 2015 as recommended by the Board of Directors.
- 3) To elect/re-elect Director(s) of the Bank.
- 4) To re-appoint the External Auditors of the Bank for the term until the next Annual General Meeting and to fix their remuneration.

### B. Special Business:

To approve the proposal for raising the Paid-up Capital of the Bank by issuing Rights Shares at the ratio of 1R:1 i.e. 01 (one) Rights Share for every existing 01 (one) Share of BDT 10.00 each (at par) at an issue price of BDT 10.00 per share on Paid-up Capital after considering Bonus Shares for Stock Dividend by adopting the following Special Resolution:

#### RESOLVED

"that the proposal for issuance of Rights Shares at the ratio of 1R:1 i.e. 01 (one) Rights Share for every existing 01 (one) Share of BDT 10.00 each (at par) at an issue price of BDT 10.00 per share on Paid-up Capital after considering Bonus Shares for Stock Dividend is hereby approved subject to the approval of the Bangladesh Securities & Exchange Commission and other regulatory authorities."

- C. To transact any other business/issue with the permission of the Chair.

By order of the Board of Directors

Dated: Dhaka  
22 June 2016

  
(A. K. M. Mozharul Hoque)  
SEVP & Company Secretary

**Notes :**

- 1) The **'Record Date'** in lieu of Book Closure is fixed on **12 June 2016 (Sunday)**.
- 2) The Shareholders whose names appeared in the Share Register of the Bank and/or in the Depository (CDBL) Register on the **'Record Date'** i.e. **12 June 2016** shall be eligible to attend the AGM and will be entitled to the Dividend.
- 3) For determination of entitlement of the proposed Rights Shares, another Record Date shall be declared after obtaining approval from the Bangladesh Securities & Exchange Commission.
- 4) The Board of Directors has recommended Stock Dividend @12% for the year ended 31 December 2015 for approval of the Shareholders in the 39<sup>th</sup> Annual General Meeting of the Bank.
- 5) A Shareholder eligible to attend and vote at the AGM may appoint a Proxy to attend and vote on his/her behalf. Proxy Form duly completed by the Shareholder and Power of Attorney/Letter of Authorization from a Company/Corporation must be submitted to the Registered Office of the Company at least 72 (seventy two) hours before the time fixed for holding of the Meeting.
- 6) In case of non-receipt of Annual Report 2015 sent through Courier Services, Members may collect the same from the Registered Office of the Company within 12 July 2016. The Annual Report 2015 is also available at the Investor Relations page of Bank's web-site: **www.ificbankbd.com**.
- 7) The retiring Directors shall be eligible for election/re-election as per provision laid down in the Articles of Association of the Bank.
- 8) For convenience of the Honourable Shareholders and Proxy-holders, the **'Registration Counters'** of the Annual General Meeting shall be opened at 9.00 a.m. on the date fixed for the Meeting.
- 9) **No Gift/Gift Coupon/Food Box etc. or benefit in cash or kind shall be provided to the Shareholders in the 39<sup>th</sup> AGM**, in compliance with Regulation 24(2) of the Listing Regulations, 2015 of both the Stock Exchanges (DSE & CSE).





# ATTENDANCE SLIP



Head Office : BDBL Bhaban (8<sup>th</sup> – 10<sup>th</sup>, 16<sup>th</sup> – 19<sup>th</sup> Floors), 8, Rajuk Avenue, Dhaka - 1000

## ATTENDANCE SLIP

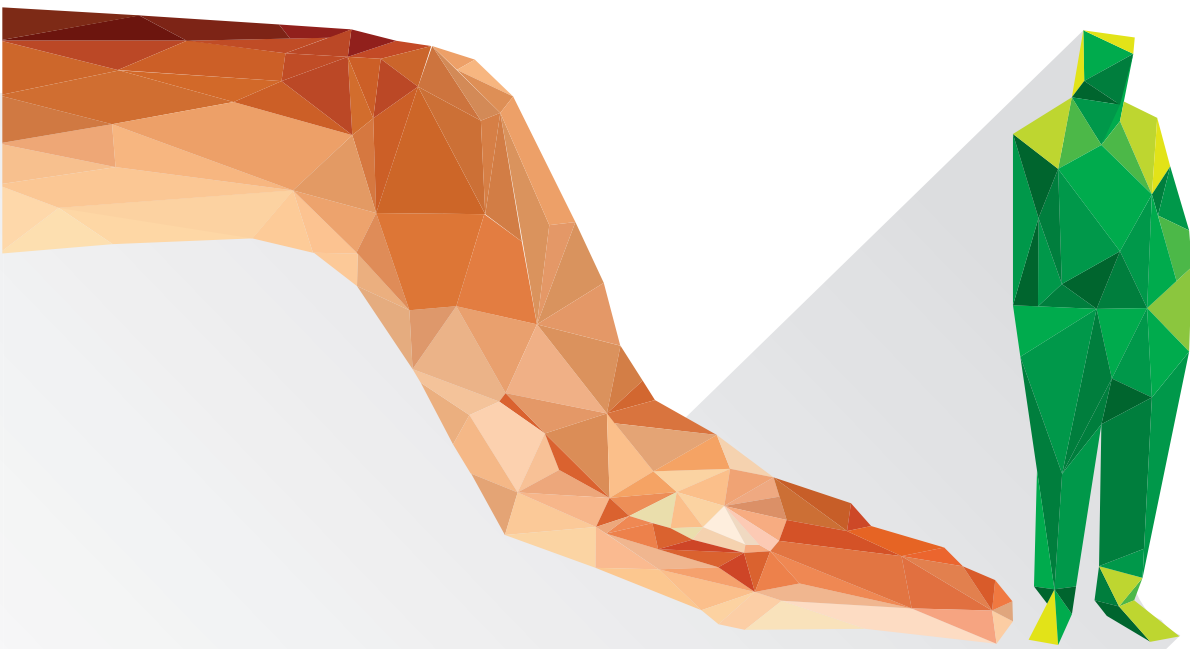
I hereby record my attendance at the **39<sup>th</sup> Annual General Meeting** of International Finance Investment and Commerce Bank Limited being held on **Thursday, 14 July 2016 at 11.00 a.m. at Officers' Club, 26, Baily Road, Ramna, Dhaka-1000.**

Name of the Shareholder(s) : .....

Folio/BO ID No.

\_\_\_\_\_  
Signature of the Shareholder

**Note:** Honourable Shareholders attending the Meeting in person is requested to complete the Attendance Slip and deposit the same to the '**Registration Counter**' at the AGM venue. Signature in the Attendance Slip must tally with the signature recorded with the Company (In case of folio, signature recorded with the Share Department and for BO holders, signature received from the CDBL).



PROXY FORM



Head Office : BDBL Bhaban (8<sup>th</sup> – 10<sup>th</sup>, 16<sup>th</sup> – 19<sup>th</sup> Floors)  
8, Rajuk Avenue, Dhaka - 1000

Affix Revenue  
Stamp of BDT  
20.00

### PROXY FORM

I/We .....

Folio/BO ID No.

Address : .....

being a Shareholder of International Finance Investment and Commerce Bank Limited, do hereby appoint

Mr./Ms.....

of.....

Cell/Land Phone # .....

as my/our Proxy in my/our absence to attend and vote for me/us on my/our behalf at the 39<sup>th</sup> Annual General Meeting of the Company scheduled to be held on **Thursday, 14 July 2016 at 11.00 a.m. at Officers' Club, 26, Baily Road, Ramna, Dhaka-1000** and at any adjournment thereof.

In witness whereof I/We set my/our hand(s) on this the ..... day of ..... 2016.

Signature of the Proxy .....

Signature of the Shareholder(s) .....

No. of shares held ..... Cell/Land Phone # .....

**Note :** The Proxy Form duly stamped and completed in all respect must be deposited to the Share Department of the Company at least 72 (seventy two) hours before the schedule time of the Meeting for attestation. Signature of the Shareholder(s) must tally with the signature recorded with the Company (In case of folio, signature recorded with the Share Department and for BO holders, signature received from the CDBL).



Head Office : BDBL Bhaban (8<sup>th</sup> – 10<sup>th</sup>, 16<sup>th</sup> – 19<sup>th</sup> Floors) 8, Rajuk Avenue, Dhaka - 1000

### ATTENDANCE SLIP FOR PROXY-HOLDER

I hereby record my attendance at the 39<sup>th</sup> Annual General Meeting of International Finance Investment and Commerce Bank Limited being held on **Thursday, 14 July 2016 at 11.00 a.m. at Officers' Club, 26, Baily Road, Ramna, Dhaka-1000.**

Name of the Shareholder(s) : .....

Folio/BO ID No.

No. of Shares held .....

Name of the Proxy-holder .....

Signature of the Proxy-holder.....

Signature of the approving  
Official of IFIC Bank Limited

Signature of the Shareholder(s) .....

**Note :** The Proxy-holder attending the Meeting is requested to deposit the Attendance Slip to the 'Registration Counter' at the AGM venue.

# আইএফআইসি আমার একাউন্ট

সুবিধা যেমনই চাই, হিসাব একটাই

এক একাউন্টেই  
সমসিদ্ধ!  
সীমাহীন সুবিধা...

এক একাউন্টেই সঞ্চয় ও প্রয়োজনে ঋণ সুবিধা

একাউন্টে টাকা থাকলে গ্রাহকের সুদ পাবেন,  
টাকা না থাকলে ওই একাউন্টেই প্রয়োজনে ঋণ পাবেন

ঋণের ক্ষেত্রে সুদ ফ্রেডিট কার্ডের সুদের চেয়ে ৫০% কম

মোবাইল ব্যাংকিং, ইন্টারনেট ব্যাংকিং-এর মাধ্যমেও  
হিসাব পরিচালনার সুবিধা



আরো জানতে ফোন করুন

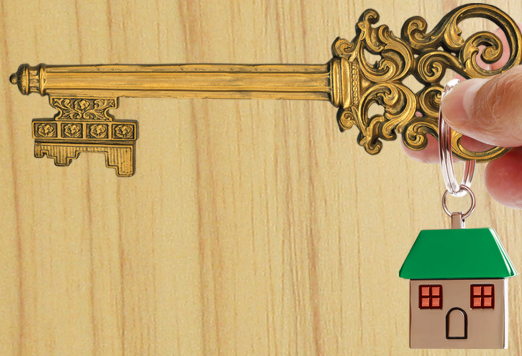
১৬২৫৫ অথবা ০৯৬৬৬৭ ১৬২৫৫

[www.ificbankbd.com](http://www.ificbankbd.com)

 **IFIC BANK**

**IFIC**  
হোম লোন

অফুরান সম্ভাবনার চাবি  
খুলে দিক আগামীর আশ্রয়



কোনো ধরনের হিডেন চার্জ ছাড়া

সর্বনিম্ন  
ইন্টারেস্ট রেট

**৯.৯৯%**

নির্দিষ্ট সময়ের আগে লোন পরিশোধে কোনো ফি এবং বিধি-নিষেধ নেই

- ❖ হোম লোন টেক-ওভার ও বাড়তি লোন প্রাপ্তিতে কোনো প্রসেসিং ফি নেই
- ❖ দ্রুততম সময়ে লোন প্রসেসিং
- ❖ নতুন লোন প্রাপ্তির ক্ষেত্রে ন্যূনতম প্রসেসিং ফি

সেবাসমূহ : ফ্রেশ হোম লোন | মর্টগেজ লোন | হোম লোন টেক-ওভার  
ঋণ প্রদানের যথাযথ শর্তাবলি প্রযোজ্য

**IFIC BANK**

আরো জানতে ফোন করুন  
১৬২৫৫ অথবা ০৯৬৬৬৭ ১৬২৫৫

[www.ificbankbd.com](http://www.ificbankbd.com)



