ANNUAL REPORT 2016



GOING TOGETHER
GROWING TOGETHER

IFIC BANK

IFIC 40 years of Matured Dynamism

AMSTOCK



GOING TOGETHER GROWING TOGETHER

IFIC Bank was born from the concept of togetherness as the 1st private-public partnership bank in Bangladesh. Hence, our journey is always inspired from the purpose to 'go together and grow together' with all by becoming the preferred financial associate for inclusive growth.

We know that a journey of a thousand-mile must begin with a single step from an inner urge, where a trusted partnership makes the way easier to go; creates the path smoother to grow. In this way, the fruits we gain together and share each other become sweeter than anything else.

So, we have earned a time-tested legacy of trustworthiness for mutual growth of our client-partners and the community through our innovative & sustainable products and services. And the journey continues...



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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 2016.

Dear Sir,

We are pleased to present before you a copy of the Annual Report 2016 along with audited Financial Statements including consolidated and separate Balance Sheet as at 31 December 2016, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement for the year ended 31 December 2016 with the notes thereto of IFIC Bank Limited and its Subsidiaries for your kind information and record.

Yours sincerely,

A. K. M. Mozharul Hoque
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.

AMAR STOCK



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 from 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

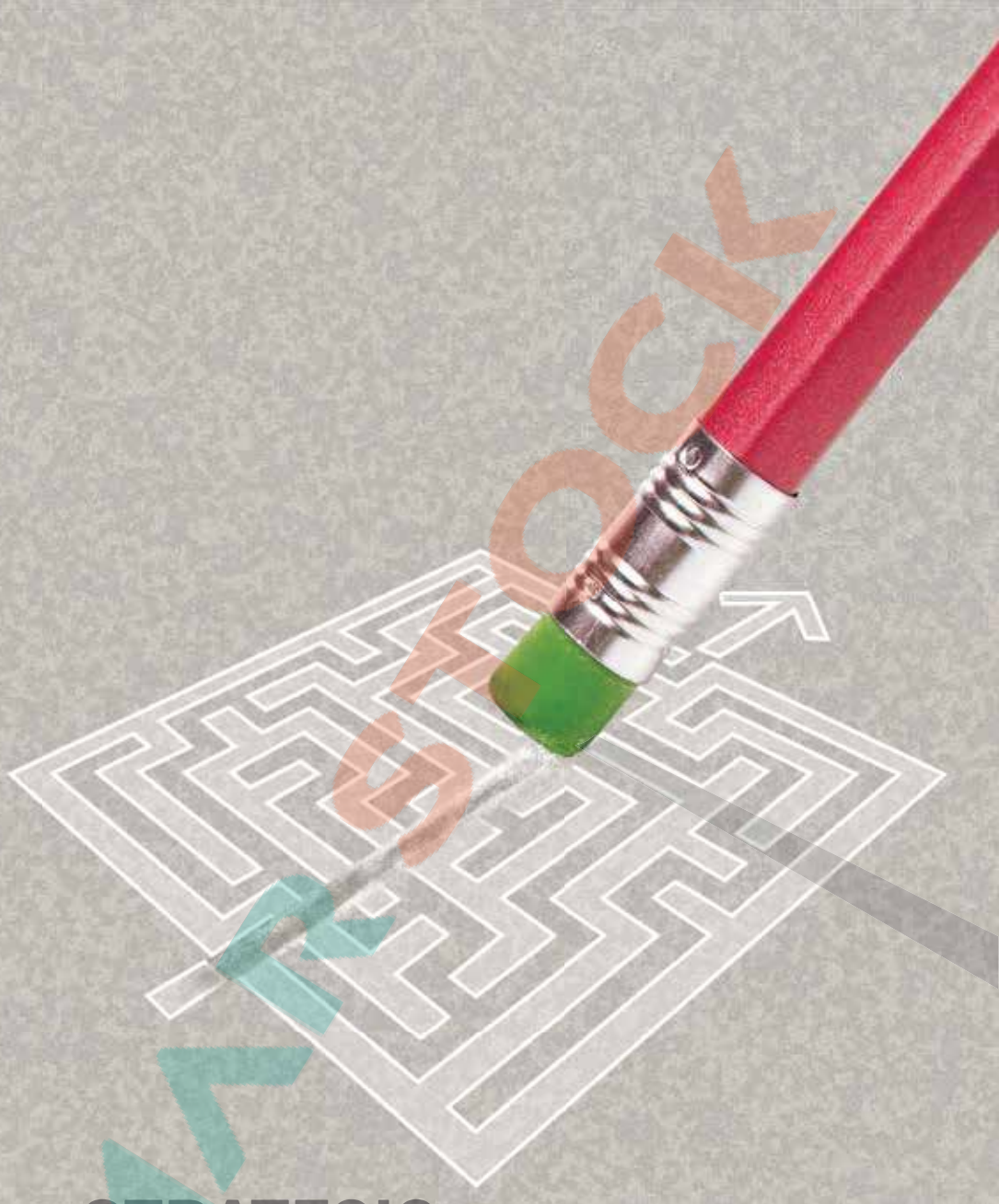
The Bank realizes the importance of proper conduct to various stakeholders with appropriate co-operation and mutual support. The Bank will treat its customers, counterparties or competitors with mutual good understanding and co-operation.

Preservation of the Bank's Reputation

The Bank will uphold a good reputation and will refrain from engaging in any act 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

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 to 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.

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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 5,638.22 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
19081167140

Subsidiary Companies
IFIC Securities Limited
IFIC Money Transfer (UK) Limited

Registered Office
IFIC Tower, 61, Purana Paltan
G. P. O. Box: 2229, Dhaka-1000
Tel: 9563020, IP Phone No. : 09666716250 (Hunting)
Fax: 880-2- 9554102, Swift: IFIC BD DH
E-mail: info@ificbankbd.com
Website: 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 FCA

No. of Employees
2,536

No. of Branches
138

No. of Shareholders
31,569

Investors' Relation
'IFIC Tower' (17th floor)
61, Purana Paltan, Dhaka-1000
Hotline: 09666716250

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GLOBAL CORPORATE STRUCTURE



IFIC SECURITIES

IFIC Securities Limited

A Fully owned subsidiary

99.99%

NIB Bank

NIB Bank Ltd., Pakistan

A joint venture commercial Bank in Pakistan

0.23%

NEPAL BANGLADESH BANK

Nepal Bangladesh Bank Ltd.

A joint venture commercial Bank in Nepal

40.91%

OMAN EXCHANGE LLC.

Oman Exchange LLC

A joint venture exchange company in Oman

25%

IFIC Money Transfer (UK) Ltd.

IFIC Money Transfer (UK) Limited

A Fully owned subsidiary in United Kingdom

100%

MILESTONES IN THE DEVELOPMENT

1976 Established as a joint venture Investment & Finance Company with the Govt. of Bangladesh

1980 Commenced operation in Foreign Exchange Business in a limited scale

1982 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)

1983 Commenced operation as a full-fledged commercial bank in Bangladesh

1985 Set up a joint venture Exchange Company in the Sultanate of Oman, titled Oman Bangladesh Exchange Company (Subsequently renamed as Oman International Exchange, LLC)

1987 Set up its first overseas branch at Karachi, Pakistan

1993 Set up its second overseas branch at Lahore, Pakistan

1994 Set up its first joint venture in Nepal, titled Nepal Bangladesh Bank Limited

1999 Set up second joint venture in Nepal for lease financing, titled Nepal Bangladesh Finance & Leasing Co. Ltd. (merged with NBBL in 2007)

2003 Set up a new Bank in Pakistan, NDLC-IFIC Bank Limited (Subsequently renamed as NIB Bank Ltd.) and the Overseas Branches of IFIC and a local leasing company, NDLC were amalgamated with and into it

2005 Acquired MISYS solution for real time online banking

Core Risk Management implemented

2007 Launched VISA branded Credit Card (completed full range of Cards i.e. Debit, Credit & Prepaid by 2010)

2010 Set up Offshore Banking Unit (OBU)

2011 Established a fully owned exchange company named IFIC Money Transfer (UK) Limited

2013 Achieved the landmark of BDT 10,000 Crore deposit

2014 Launching of IFIC Mobile Bank

2015 Crossed the landmark of BDT 20,000 Crore in Foreign Trade business

2016 Inauguration of IFIC Tower at 61, Purana Paltan, Dhaka - 1000

AMARSTOCK



INFORMATION ON CORPORATE GOVERNANCE



COMPOSITION OF BOARD AND COMMITTEES

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

Audit Committee of the Board

Chairman
Monirul Islam

Members
Anwaruzzaman Chowdhury
Jalal Ahmed

Secretary to the Committee
A. K. M. Mozharul Hoque

Executive Committee of the Board

Chairman
A. R. M. Nazmus Sakib

Member
Quamrun Naher Ahmed

Secretary to the Committee
A. K. M. Mozharul Hoque

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



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 Limited 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 Limited. He is also the Managing Director of Cosmo Sizing & Weaving Mills Limited. 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 Limited and a Director of IFIC Money Transfer (UK) Limited. He is also a Director of Nepal Bangladesh Bank Limited, Nepal.



Mr. Anwaruzzaman Chowdhury
Independent Director

Mr. Anwaruzzaman Chowdhury is an MBA from London, UK. He is the Chairman of Kipling in the UK. He 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) Limited and IFIC Securities Limited.



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 Limited. 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 Limited, Nepal and IFIC Money Transfer (UK) Limited. He is also a Director of IFIC Securities Limited.



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. She is also a Director of IFIC Money Transfer (UK) Limited.



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 35 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

Managing Director & CEO
M Shah Alam Sarwar

Deputy Managing Director
Muhammad Mustafa Haikal Hashmi
Raihan Ul Ameen
Fariduddin Al Mahmud
Shah Md. Moinuddin
Md. Nurul Hasnat

Senior Executive Vice President
A.K.M. Mozharul Hoque
Md. Bader Kamal
Syed Mansur Mustafa
Khan Abu Roushan Mohammad Mostofa Kamal
Ashim Chowdhury
Syed Fazle Ahmed

Executive Vice President
T.I.M. Rawshan Zadeed
Md. Badrul Alam
Iqbal Parvez Chowdhury
Md. Shahjahan Miah
Md. Rafiqul Islam
Ferdousi Begum
Md. Fakhrul Abedin
Md. Zabid Iqbal

Senior Vice President
Shahjahan Kabir
Nurul Basher Abdul Mamun
Shaikh Sohail Khurshid
Saiful Momin
Md. Jahir Uddin Ferdous
M. Mozibar Rahman
Syed Hassanuzzaman
Isteaque Hassan
Dilip Kumar Mandal
Mohammad Mahmood
Mir Golam Mowla
Helal Ahmed
Md. Zulfiquer Ali Chakder

First Vice President
Shahab Rashid Khan
Md. Manirul Islam
Raihan Uddin Ahmed
Mir Iqbal Hossain
Sohel Mahmud Zahiduzzaman

Vice President
Shafaiat Ahmed Chowdhury
Mra Sha Thun
Md. Bahauddin
Arzoo Mand Parveen Banu
Jesmin Akhter
Ahmed Sayeed
Md. Abdullah Al Masum
Navedul Islam
Md. Selim Talukder
A. M. Mahmud Hossain
Kazi Nowshaduzzaman
Md. Anowar Khalid
Md. Akbar Ali
Mohoshin Uddin Ahmed
Mohammad Sahin Uddin
A.T.M. Raziur Rahman
Md. Mostaque Hossain Chowdhury
Md. Salah Uddin
Abul Kalam Mojibur Rahman
Anwara Begum
Md. Ali Imam Khan
Morshed Ali
Tauheed Mahmud Hussain
Sharmilla Manzoor
Md. Saiful Islam
Nazmun Nahar Begum

AMARSTOCK



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 40th 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 2016. 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 2016 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 2016 which has been presented through various quantitative and qualitative parameters.

As per the publication of Asian Development Bank, Bangladesh reached lower-middle-income status in July 2015, on the strength of an annual economic growth rate of 6% and above. Growth was fueled mainly by a rise in readymade garment exports, overseas workers' remittances, and domestic consumption. In the past 2 decades, growth was steady and inclusive, creating jobs for low-skilled workers and women. A large increase in food production together with a sharp decline in population growth led to higher food availability per capita.

The Bangladesh Bureau of Statistics (BBS) has shown that the growth of gross domestic product (GDP) increased by 0.6 percentage points, to 7.1 per cent in FY2016, from the 6.5 per cent in FY2015. Hence, the final estimate exceeded target (7.0 per cent) set for the fiscal year for the first time in recent decade. Interestingly, as distinct from the agriculture sector (2.8 per cent), both industrial (11.1 per cent) and services (6.3 per cent) sectors registered higher growth rates in FY2016 compared to that of FY2015. Among the sub-sectors manufacturing sector registered the highest growth (11.7 per cent) since FY1996.

In FY2016, Bangladesh's overall balance of payments position was comfortable, accumulating an overall surplus of USD 5,036 million. The surplus increased by 15.2 per cent when compared to the previous fiscal year, in part due to the tapering trade deficit.

Bangladesh Bank has taken various initiatives aimed at ingraining a socially responsible financing ethos and mainstreaming financial inclusion initiatives. A strategic focus has been placed on nudging finance toward fostering social cohesion by devising policies to create a stronger base of the pyramid. Furthermore, given population density and vulnerabilities to weather shocks and climate change, environmental sustainability is a central part of the national growth strategy. Green initiatives can also offer new growth opportunities, which are less subject to the vested interests of the existing sectors.

In line with government's SDG priorities of an inclusive, environmentally sustainable growth, Bangladesh Bank is for quite some years now promoting inclusive, green financing (targeting SME, agriculture and green initiatives), fostering financial sector wide a socially responsible financing ethos. Bangladesh Bank has now taken up a consultative initiative of formulating Guidance Notes on the do's and don'ts of socially responsible financing to better foster social cohesion, with output initiatives that promote entrepreneurship, create more and better jobs, and protect environment.

Last year, as an outcome of inclusive banking, 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, like previous year, in 2016 also, 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.

For the effective governance of the business of the Bank, the Board of Directors strikes a balance at a high standard of effectiveness between driving the business forward and controlling it prudently.

The Board of your Bank also continued to set the right tone from the top for the Bank and tracking progress against potential key risks and reputational issues. I am pleased to report that your Board continues to function well and is very clear and focused on its priorities. A strong governance framework is developed to support the long-term sustainable growth of the Bank.

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 2016 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

AMARSTOCK



MANAGING DIRECTOR & CEO'S REVIEW

DEAR RESPECTED SHAREHOLDERS,

I feel privileged to share with you that in 2016 IFIC Bank celebrated the 40th anniversary of its establishment as a finance company. It has been four decades of successful journey towards matured dynamism. The Bank has reached some new heights in the year 2016 especially in capacity building, achieving breakthrough in groundbreaking deposit & lending products and remarkable growth in Net Profit after Tax. Banking sector passed a steady year in 2016 due to the political stability of the country. However, the sector faced challenges like continuous fall of rate of interest, deterioration of quality of assets, excess liquidity in the economy etc. However, relevant policies and risk management initiatives of regulatory authority as well as the Bank have helped us to achieve positive parameters.

Macroeconomic Scenario of Bangladesh

The Bangladesh economy has emerged as one of the most sustained growth economy in the world. Bangladesh economy recorded a 7.1% growth of GDP in FY16 compared to 6.5% in FY15. This is the first time that growth has exceeded 7.0% mark after persistent growth of around 6.0%. Per capita national income reached at USD 1,465 in FY16, up by USD 149 from previous fiscal year. Year-on-year inflation decreased to 5.9% in FY16 relative to 6.4% in FY15. Inflation has declined mainly due to reduction of commodity prices including fuel price in the international markets, satisfactory agricultural production in domestic level, prudent macroeconomic management etc. Domestic credit from the banking sector grew by 14.3% during FY16, significantly higher than 10.1% of FY15. Exports recorded a growth of 8.9% in FY16, significantly up from 3.1% in FY15. Import grew at a rate of 5.5% in FY16 compared with 3.0% growth in FY15. The inflows of remittances declined by 3.0% in FY16 compared with the positive growth of 7.5% in FY15. The slowdown in investment and construction works in the Middle East countries due to low oil prices is mainly responsible for the decline in remittance inflows. The trade deficit narrowed from USD 6,965 million in FY15 to USD 6,274 million in FY16. The overall balance of payments registered a surplus of USD 5,036 million in FY16 which was USD 4,373 million in FY15. The foreign exchange reserves stood at USD 30.16 billion at the end of FY16 representing around 8 months of prospective import coverage.

IFIC Bank Performance

Deposit of the Bank stood at BDT 160,155 million in 2016 against BDT 146,820 million in 2015, representing a growth of 9.08%. Loans and Advances increased to BDT 137,118 million in 2016 from BDT 123,269 million in 2015, posting a growth of 11.24%.

Import of the Bank was BDT 92,927 million in 2016 having 6.44% growth while Export of the Bank was BDT 94,410 million in 2016 having 1.74% decline. Total Remittance was BDT 21,335 million in 2016 having a fall of 5.34%. However, overall Foreign Exchange Business grew by 1.33% from BDT 205,924 million in 2015 to BDT 208,672 million in 2016.

Net Interest Income increased by 16.79% from BDT 3,746 million in 2015 to BDT 4,375 million in 2016 as well as Net Profit after Tax increased to BDT 1,214 million in 2016 from BDT 887 million in 2015, representing a growth of 36.88%.

NPL ratio of the Bank decreased to 5.29% in 2016 from 6.46% in 2015. Asset size of the Bank stood at BDT 197 billion in 2016 against BDT 178 billion in 2015.

Capital Adequacy

At the end of 2016, total Shareholders' Equity stood at BDT 12,840 million, which is 10.18% higher than that of 2015. The Bank maintained Capital to Risk-weighted Asset Ratio (CRAR) of 11.25% under Revised Regulatory Capital Framework for Banks in line with Basel III as against minimum requirement of 10.625% set by Bangladesh Bank for the year ended December 31, 2016.

Risk Management

As a provider of banking and financial services, we actively manage risk as a core part of our day-to-day activities. All of our activities involve the analysis, evaluation, acceptance and management of risks or combinations of risks. IFIC conducts its operations by ensuring compliance with the Risk Management Guidelines which covers the core risks such as credit risk, asset liability management risk, foreign exchange risk, internal control and compliance risk, anti money laundering risk, information & communication technology risk.

Growth initiatives implemented in 2016

- Up-gradation of MISYS Core Banking System and Trade Innovation Plus (TI Plus) and implementation of Bank Fusion (BF) Teller and Anti Money Laundering (AML) Solution named Suspicious Activity Module (SAM) & Watch List Checking (WLC) were completed successfully.
- Implemented One Stop Service Model in 09 Branches for customers' satisfaction in 2016 with an aim to extend the service in all branches of the Bank by June 2017.
- Promoted collateral based Home Loan Product with very competitive interest rate in 2016 which received massive market response.
- Introduced 'Aamar Account' – a unique Account where one can maintain his deposit balance with interest on daily product basis and at the same time one can avail overdraft facility up to a given limit as and when required.
- Reduced dependency on large ticket deposits and emphasis given on increasing retail deposits base especially low cost CASA deposit.
- Opened 5 new Branches at different locations of the country, making a total network of 134 Branches.

Our responsibilities towards the society

IFIC Bank has focused on the development of the communities in which we work and live. We play an important role in working with other companies, government and institutions to address key social and economic challenges. In 2016, we strengthened and deepened our efforts even more to help the communities. IFIC Bank undertook the following activities to address the requirement of people for making important contributions to the society:

- The Bank has donated for establishing PROYASH School at Rangpur under the initiative of Bangladesh Army.
- Students of the University of Dhaka receives stipend from IFIC Bank Trust Fund. The fund was further enriched in 2016.
- The Bank donated Fund to Biswa Shahitya Kendra to promote educational activities.
- IFIC made significant contribution by way of donation to Bangladesh Shooting Sports Federation.
- The winners of IFIC Bank Shahitto Purosker-2014 received their Prizes from IFIC Bank.
- The Bank distributed blankets among the distressed people in different districts.

Our commitments towards the employees

Bank is making relentless efforts to ensure career path of the employees and providing training to the employees at home and abroad to meet the skill gap and prepare them as successful leaders for the future. Bank also organizes various employee engagement programs to motivate the employees so that they can engage themselves towards the Bank. Along with competitive pay and allowances, IFIC Bank provides Staff House Building Loan, Staff Car Loan and Salary Overdraft as components of the compensation and benefit policy so that employees can enjoy a comfortable life. Bank ensures benefits to its employees by providing Provident Fund, Gratuity and Leave Encashment Facility. Bank offers hospitalization insurance and group life insurance facilities to ensure hospitalization and life coverage.

Commitments for 2017

- Bank will introduce Centralization of Product Processing covering the areas like Trade, Credit & General Banking Operation.
- Bank will intensely promote the newly introduced product- 'Aamar Account'.
- Bank will continue to give focus on promoting 'Home Loan' product.
- Bank will complete the implementation of One Stop Service Model for all the branches.
- Bank will grow with existing good clients and roll out new lines of business.
- Bank will achieve long term sustainable growth by pursuing strategy of Balance Sheet and Liquidity Management.
- Bank will give thrust on recovery drive for bringing down the NPL ratio.

Concluding Remarks

I am conveying my earnest gratefulness to the regulatory authorities especially Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange and Chittagong Stock Exchange for their continuous support and assistance. I would like to express my gratitude and thanks to the members of the Board of Directors for their policy guidelines and adequate support to the Management to implement those. Thanks are due to our respected shareholders, valued customers and all other stakeholders for their trust and confidence in the Management of the Bank. Finally, gratitude to my colleagues of the Bank for their persistent 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 40th Annual General Meeting of the Bank. It is a pleasure and privilege on the part of the Directors in presenting the Directors' Report along with the Audited Financial Statements of the Bank for the year ended 31 December 2016 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 2016 in the context of domestic and international economic scenario.

1. Global Economy:

The global economy remains trapped in a prolonged period of slow economic growth and dwindling international trade growth. Since 2012, world gross product (WGP) has expanded at an average annual rate of 2.5 per cent, much lower than the average of 3.4 per cent observed in the decade prior to the financial crisis. In 2016, growth in both WGP and world trade dropped to their slowest pace since the Great Recession of 2009. WGP is estimated to have expanded by just 2.2 per cent, reflecting a downward revision of 0.7 percentage points relative to forecasts a year ago. The weaker-than-expected growth performances in Japan, the United States of America and in several countries in Africa, the Commonwealth of Independent States (CIS) and Latin America and the Caribbean have contributed to this downward revision relative to forecasts presented in the World Economic Situation and Prospects (WESP) 2016.

Aggregate growth in the LDCs will remain well below the Sustainable Development Goal (SDG) target of "at least 7 per cent GDP growth" in the near term, but is expected to rise modestly from an estimated 4.5 per cent in 2016 to 5.2 per cent and 5.5 per cent in 2017 and 2018, respectively, with the rise in per capita GDP averaging just 2.6 per cent between 2016 and 2018. The below-target growth poses a risk to critical public expenditure on healthcare, education, social protection and climate change, which may in turn constrain improvements in living standards and limit progress on poverty reduction.

A few LDCs are expected to achieve a growth rate close to or above the 7 per cent target in 2017- 2018, including Bangladesh, Bhutan, Cambodia, Djibouti, Ethiopia, Lao People's Democratic Republic, Myanmar, Rwanda and the United Republic of Tanzania.

2. Bangladesh Economy:

The Bangladesh Development Update published by World Bank mentioned that Bangladesh economy remained strong and resilient despite external and internal challenges. Bangladesh is among the top 12 developing countries with a population of over 20 million, who achieved 6 plus percent growth in 2016. By any standards, Bangladesh economy has done well. Bangladesh needs to focus on a growth agenda centered on sustainable and inclusive growth.

The overall inflation declined from 6.5% in March 2015 to 5.65% in March 2016. Food inflation declined from 6.4% to 3.9%, thanks to a good rice harvest, declining international food prices and a stable exchange rate. However non-food inflation rose from 6.1% to 8.4% as a result of suppressed domestic demand, increase in wages, electricity and gas prices. The balance of payment (BoP) remains comfortable with a large surplus in both current and financial accounts, due to recovery in export, increased Foreign Direct Investment and aid disbursements. Monetary targets are underachieved due to limited growth in domestic credit.

According to the report of Asian Development Bank, the macroeconomic stability was maintained in the past 5 years in Bangladesh. The inflation rate dropped, the fiscal deficit was kept in check, foreign exchange reserves showed robust growth, the exchange rate stayed broadly unchanged and external debt as a percentage of gross domestic products (GDP) steadily decreased.

Bangladesh met the Millennium Development Goal (MDG) of halving the incidence of poverty in 1990–2015. Rapid GDP growth and job creation helped reduce poverty, as did the expansion of microcredit, social safety net programs, and remittances, particularly in the rural areas.

Political stability in 2016 has boosted the confidence of entrepreneurs to enhance their respective performances. An estimated $220 billion economy is blossoming with colossal development projects such as BDT 30,000 crore Padma Bridge, BDT 22,000 crore metro rail, elevated expressway, flyovers, numerous economic zones and Payra seaport. Diminishing rate of interest has encouraged businesses and enterprises to embrace new challenges which have led to enhancing export earnings. Greater access to finance and improved working conditions in garments factories have also aided to such huge growth.

3. Banking Sector:

In Bangladesh the banking sector has travelled through a journey where the sector has experienced several ups and downs. In 2016, with all the major indicators, including deposit, advance, foreign exchange reserve, exchange rate, export, import,

inflation and private sector credit growth, this sector passed a steady year as there was no report of any big corruption though Bangladesh Bank (BB) continued to face reserve hacking problem during the period.

Bangladesh is in the process of full implementation of Basel III from January 2020. In the transitional arrangement of Bangladesh Bank, between 2015 and 2019, the banking system had to maintain a 10.625 percent capital adequacy ratio in 2016. Other than SCBs and DFIs, the private and foreign banks maintained capital adequacy above the minimum requirement.

The rise of financial technology is changing the ways people and companies save, pay, borrow, and invest money. The environment includes tech companies, infrastructure players, and startups, along with incumbents. Future technology to be used in banking and mobile platforms to slash costs and bypass intermediaries, along with cyber security, reformation of related rules and regulations are the new challenges.

3.1 Monetary Policy Stance of Bangladesh Bank:

The main objective of Bangladesh Bank's monetary policy is price stability, alongside supporting inclusive output and employment growth. Over the years, in addition to the short-term business cycle agenda, Bangladesh Bank has also been making efforts to nudge the financial system toward addressing long-term sustainability concerns, by supporting an inclusive, job intensive, and environmentally sustainable growth. Sustainable finance can help foster social cohesion and long-term macroeconomic stability, which are critical for a rapidly growing, manufacturing-led economy, with a relatively large, young population and with exposure to weather shocks and climate change vulnerabilities.

Given the pickup in credit growth, Bangladesh Bank's supervisory vigilance on lending efficiency and risk management in the financial sector will continue to be strengthened, with particular emphasis on transparent, accountable corporate governance, and substantial reduction in loan defaults.

In line with the government's SDG priorities of an inclusive, environmentally sustainable growth, Bangladesh Bank is for quite some years now promoting inclusive, green financing (targeting SME, agriculture and green initiatives), fostering financial sector wide a socially responsible financing ethos.

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 aboard. 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 and the rest of the share capital is held by some leading industrialists of the country.

A total of 137 branches of IFIC are dedicated to fulfill the Mission of providing services 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 Clients as Trusted Development Partners:

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 relationship 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 a new and highly efficient forms of innovation support provider that provides and channelizes 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 2016:

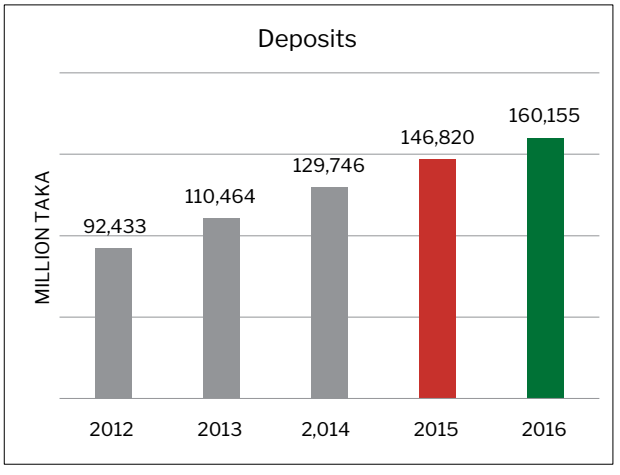
A review of the financial performance of the Bank is presented below. The figures presented below are on the basis of separate financial statements of the Bank:

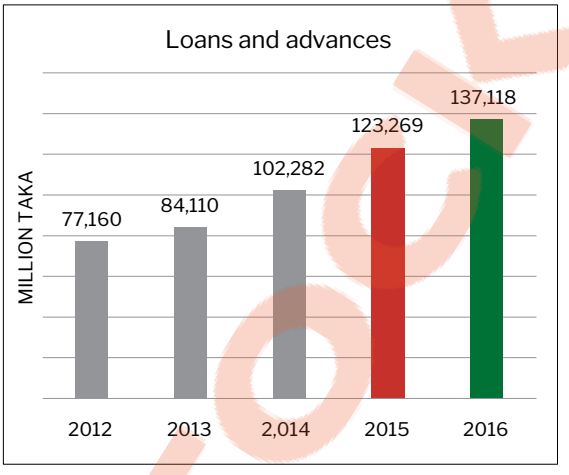
5.1 Financial Position:

BDT in Million

Particulars	2016	2015	Growth
Deposits			
Savings Bank Deposit	27,886.18	24,496.11	13.84%
Current Account Deposit	11,975.73	9,527.22	25.70%
Fixed Term Deposit	80,782.83	83,399.50	-3.14%
Recurring Deposit	6,427.20	5,194.78	23.72%
Other Deposit	33,083.07	24,202.10	36.70%
	160,155.01	**146,819.71**	**9.08%**
Loans & Advances			
Corporate	86,839.16	88,764.43	-2.17%
SME	28,067.81	20,741.56	35.32%
Agricultural	3,006.81	2,213.28	35.85%
Consumer & Retail	5,920.42	5,413.43	9.37%
Others	13,283.92	6,135.96	116.49%
	137,118.11	**123,268.67**	**11.24%**
Investment in Securities			
Government Securities	20,754.75	23,596.89	-12.04%
Investment in Shares	4,449.77	4,900.96	-9.21%
	25,204.52	**28,497.86**	**-11.56%**
Total Assets	**197,050.71**	**178,333.95**	**10.50%**
Shareholders' Equity			
Paid up Capital	5,638.22	5,034.12	12.00%
Statutory Reserve	4,649.23	4,232.50	9.85%
General & Other Reserve	283.77	311.78	-8.98%
Retained Surplus	2,269.11	2,075.81	9.31%
	12,840.32	**11,654.21**	**10.18%**

The Bank has shown a continuous growth in terms of several key balance sheet parameters for the year ended 31 December 2016. At the end of year 2016 total assets of the Bank increased by 10.50% to BDT 197,050.71 million from BDT 178,333.95 million of year 2015 and at the end of year 2016 total deposit of the Bank stood at BDT 160,155.01 million which denote a growth of 9.08% over previous year. Deposit mix of the Bank shows a significant growth in the low cost deposit segments such as 13.84% in savings deposit, 23.72% in recurring deposit, 25.70% in current deposit. In addition to that, at the end of year 2016 CASA deposit mix stood at 24.89% vis-a-vis 23.17% of total deposits at the end of the year 2015. On the other hand total loans and advances of the bank has increased by 11.24% to BDT 137,118.11 million over BDT 123,268.67 million of year 2015. As the growth in loan and advances was higher than that of deposit, hence to support the growth a portion of the investment in securities was withdrawn and invested in more profitable segment i.e. loan and advances. Besides to comply with regulatory requirement of bringing down the capital market exposure within the regulatory limit as per Bank Company Act 1991 as amended some investment were disposed off during the year. As a result at the end of the year 2016, total investment in securities stood at BDT 25,204.52 million from BDT 28,497.86 million of year 2015.





5.2 Asset Quality:

Due to continuous monitoring and effective supervision by the Management the total classified loan has been reduced by BDT 711.11 million and stood at BDT 7,250.94 million at the end of year 2016 from BDT 7,962.05 million of 2015. As a result at the end of year 2016 NPL ratio stood at 5.29% vis-a-vis 6.46% of year 2015.

However, the Bank has maintained well coverage against such classified loan portfolio to mitigate the credit risk. At the end of the year 2016, the Bank has maintained 90% (2015: 75%) coverage against such NPL portfolio by way of maintaining specific provision of BDT 2,354.94 million and interest suspense of BDT 4,195.82 million.

BDT in Million

Loans & Advances	2016	2015	% Change
Standard	120,511.80	105,456.77	14.28%
Special mention account	9,355.37	9,849.85	-5.02%
Unclassified Loans	**129,867.17**	**115,306.62**	**12.63%**
Substandard	1,750.25	1,208.86	44.78%
Doubtful	466.87	1,282.35	-63.59%
Bad / Loss	5,033.83	5,470.84	-7.99%
Classified Loans	**7,250.94**	**7,962.05**	**-8.93%**
Total Loans and Advances	**137,118.11**	**123,268.67**	**11.24%**
NPL%	**5.29%**	**6.46%**	**-1.17%**

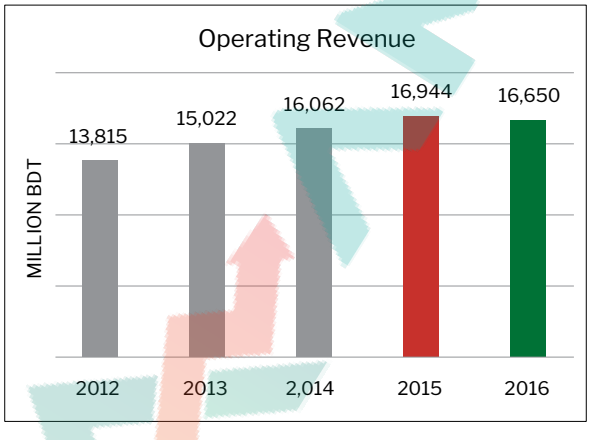
5.3 Financial Performance:

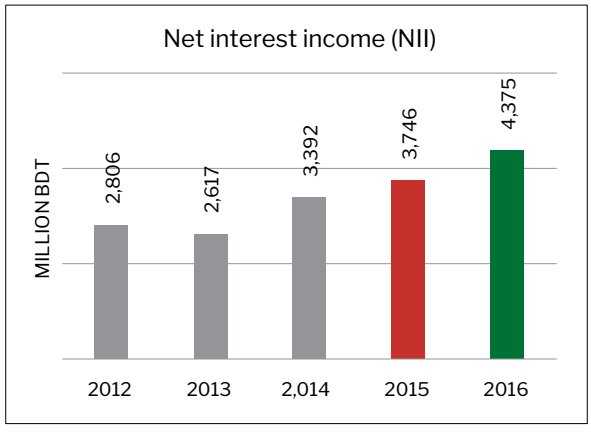
BDT in Million

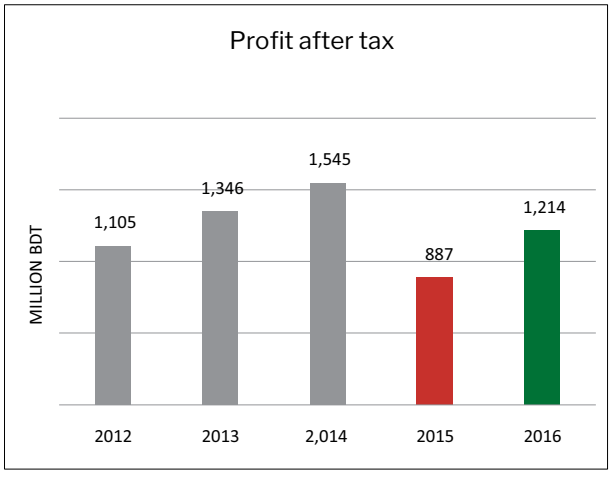
Particulars	2016	2015	Growth
Interest Income	12,483.14	12,652.96	-1.34%
Interest Expense	8,107.92	8,906.75	-8.97%
Net Interest Income (NII)	**4,375.22**	**3,746.21**	**16.79%**
Investment Income	2,099.54	2,375.20	-11.61%
Commission & Other Income	2,067.82	1,915.61	7.95%
Total Operating Income	**8,542.58**	**8,037.02**	**6.29%**
General and Administrative Expenses	5,122.57	4,391.32	16.65%

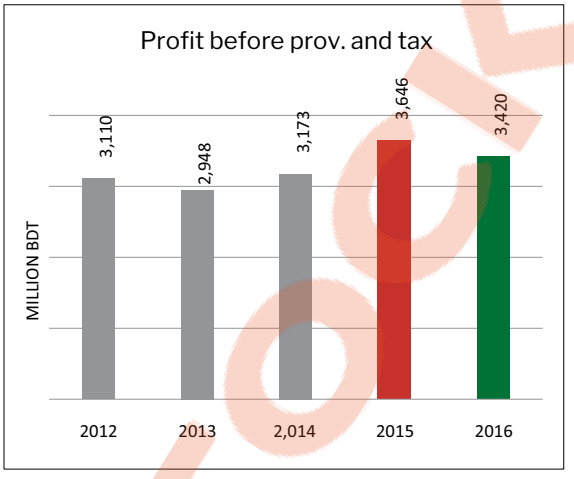
Particulars	2016	2015	Growth
Operating Profit	**3,420.01**	**3,645.71**	**-6.19%**
Provision for Loans & Advances etc.	1,336.38	2,030.74	-34.19%
Profit before Tax	**2,083.63**	**1,614.96**	**29.02%**
Provision for Taxation	869.52	727.98	19.44%
Net Profit after Tax	**1,214.11**	**886.98**	**36.88%**
Earnings Per Share (EPS) - Previous years' figure restated	2.15	1.57	36.67%
Profit Per Employee (million)	3.37	1.46	130.72%
Deposit Per Employee (million)	63.15	58.99	7.06%
Return on Average Assets	0.65%	0.53%	22.04%
Return on Average Equity	9.91%	7.96%	24.52%

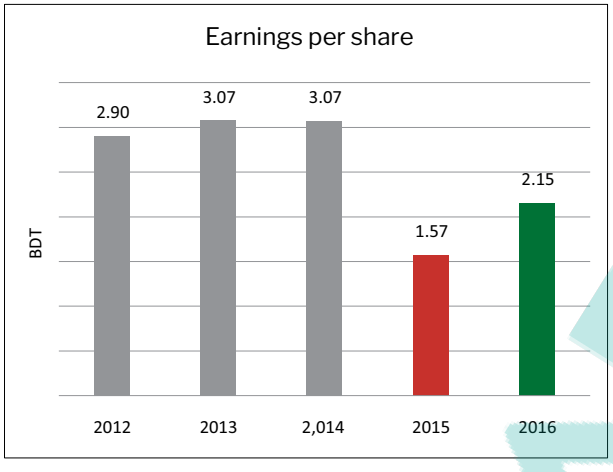
The Bank registered steady growth in terms of almost all significant parameters of financial performance like net interest income, operating income, net profit after tax etc. Due to continuing growth of loan portfolio and efficient management of deposit mix the Bank managed to earn 16.79% growth in net interest income (NII) over previous year. Even with this positive growth, the operating profit was decreased by 6.19% over previous year mainly due to increased amount of charges on loan loss, increased level of advertising expenditure to enhance brand visibility of the Bank as well as effect of increased depreciation. The depreciation in 2016 was increased considerably mainly due to changing of depreciation method from reducing balance to straight line with effect from 2016 as well as capitalization of IFIC Tower related costs during the year. However, due to lower level of provisioning requirement against performing and non-performing loan as well as investment in shares and other assets, net profit after tax increased to BDT 1,214.12 million in 2016 vis-a-vis BDT 886.98 million in 2015 which ultimately contributed to improve the earnings per share (EPS), Return on Equity (RoE), and Return of Assets (RoA) of the Bank which stood at BDT 2.15, 9.91% and 0.65% respectively at the end of year 2016 compared to BDT 1.57, 7.96% and 0.53% respectively of year 2015. Like previous year the Bank will continue to emphasize on improving the asset quality and diversifying its portfolio mix among business segments with an 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. Output from utilization of people resources also increased in 2016 from previous year.

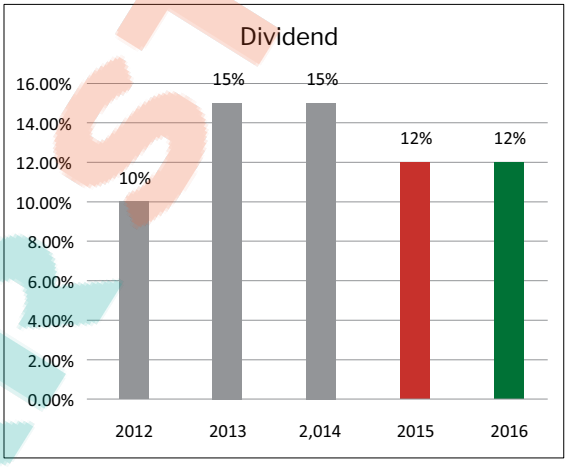


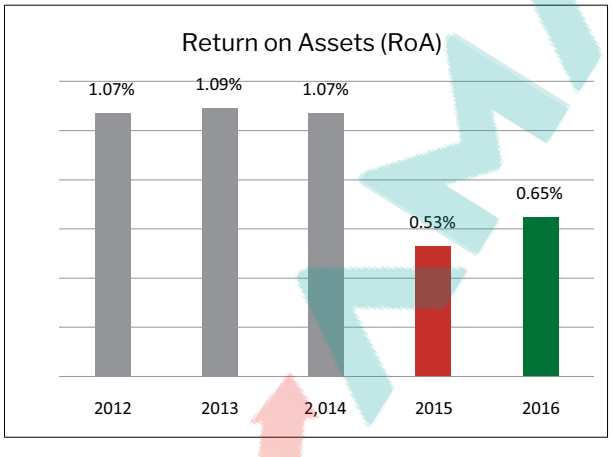


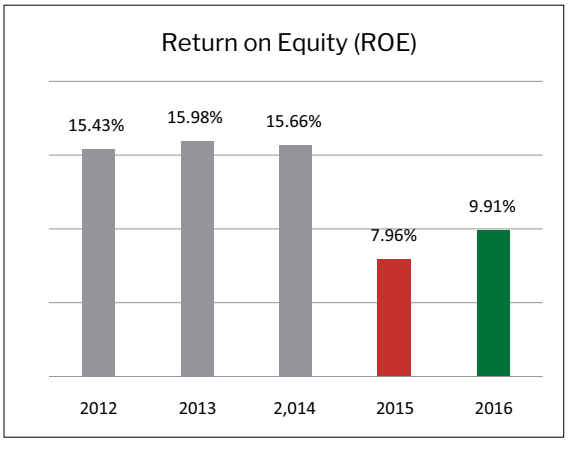












5.4 Capital Adequacy Position under Basel III:

BDT in Million

Risk Weighted Assets (RWA) for		2016	2015	Growth
A.	**Credit Risk Weighted Assets**	**133,567.39**	**100,698.09**	**32.64%**
	On Balance Sheet Exposure	116,367.17	84,757.90	37.29%
	Off Balance Sheet Exposure	17,200.22	15,940.19	7.90%

Risk Weighted Assets (RWA) for		2016	2015	Growth
B.	**Market Risk (Capital Charge X 10)**	**4,867.81**	**5,404.08**	**-9.92%**
	Interest Rate Related Instruments	0.00	0.00	
	Equities	4,669.32	5,385.46	-13.30%
	Foreign Exchange Position	198.49	18.62	966.05%
C.	**Operational Risk (Capital Charge X 10)**	**12,087.55**	**11,212.25**	**7.81%**
	Total Risk Weighted Assets	**150,522.75**	**117,314.42**	**28.31%**
	Minimum Capital Requirement (10.625% of RWA for 2016 and 10% of RWA for 2015)	**15,993.04**	**11,731.44**	**36.33%**
Eligible Capital				
	Common Equity Tier 1 (going-concern capital)	11,609.45	10,507.64	10.49%
	Tier – 2 Capital (Gone-Concern Capital)	5,318.21	1,305.48	307.38%
Total Eligible Capital		**16,927.66**	**11,813.12**	**43.30%**
Capital to Risk-weighted Asset Ratio (CRAR)		**11.25%**	**10.07%**	
	Common Equity Tier 1 to RWA	**7.71%**	**8.96%**	
	Tier – 2 Capital to RWA	**3.53%**	**1.11%**	
Excess/(Shortfall) Capital		**934.62**	**81.68**	**1044.24%**

At the end of year 2016, Capital to Risk-weighted Asset Ratio (CRAR) of the Bank stand at 11.25% compared to 10.07% of year 2015 against the minimum requirement of 10.625% (including Capital Conservation Buffer) 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 upto year 2019 above the regulatory minimum capital requirement of 10.00%. To meet the capital conservation buffer, the Bank issued 07 (seven) year Non-convertible Coupon bearing Sub-ordinated Bond of BDT 3,500 million in May 2016. To increase the capital base and maintain healthy Capital Adequacy Ratio (CRAR), the Board of Directors of the Bank in its 676th Meeting held on 20 June 2016 proposed the issuance of Rights Shares to the tune of BDT 5,638.30 Million at the ratio of 1R:1 i.e. (one) Rights Share for every existing share which was subsequently approved by the Bangladesh Securities and Exchange Commission (BSEC) vide their letter no. BSEC/CI/RI-110/2016/133 dated 15 March 2017. Upon issuance of Rights Share, the Paid-up Capital of the Bank will be increased from BDT 5,638.30 Million to BDT 11,276.50 Million which in turn will substantially increase the capital base and CRAR of the Bank. In addition to this the Board of Directors of the Bank in its 699th meeting held on 6 April 2017 recommended 12% stock dividend which will help further to maintain a healthy capital base.

5.5 Appropriation of Profit and Dividend

BDT in Million

	Particulars	2016	2015	Growth
	Opening balance of Retained Surplus	2,075.81	2,168.45	-4.27%
	Add: Net profit after tax during the year	1,214.12	886.98	36.88%
	Profit available for appropriation	**3,289.93**	**3,055.43**	**7.67%**
	Less: Stock Dividend Paid	604.09	656.62	-8.00%
	Less: Transfer to Statutory Reserve	416.73	322.99	29.02%
	Closing balance of Retained Surplus	**2,269.11**	**2,075.81**	**9.31%**
	Less: Deferred tax income on Specific provision	862.97	1,041.96	-17.18%
	Distributable profit	**1,406.13**	**1,033.85**	**36.01%**

Due to lower level of provisioning expenses the Earnings Per Share (EPS) for the year 2016 has increased to BDT 2.15 compared to BDT 1.57 in last year. Considering the overall performance of the bank, the Board of Directors has recommended 12% stock dividend in 2016, compared to 12% stock dividend of year 2015 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, 2016	Q2, 2016	Q3, 2016	Q4, 2016	Annual 2016
Interest Income	3,153	3,030	2,972	3,328	12,483
Less: Interest Expense	2,121	2,006	2,027	1,954	8,108
Net Interest Income	1,032	1,024	945	1,374	4,375
Add: Non-Interest Income	1,046	1,082	1,036	1,004	4,168
Operating Income	2,078	2,106	1,981	2,378	8,543
Less: Operating Expense	1,027	1,106	1,193	1,797	5,123
Operating Profit	1,051	1,000	788	581	3,420

The quarterly financial performance of the bank namely in terms of interest income, net interest income, operating income was mostly consistent in all the 4 (four) quarters. But in terms of operating profit it was not fully even as in later quarters some expenses were recognized only at the time of preparation of year-end financial statements such as incentive bonus etc. Besides there were some non-regular expenses like charges on loan losses etc. due to write-off of loans and advances in later quarters.

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-16	AA2	ST-2	Stable	30-Jun-17
Previous Rating	30-Jun-15	AA2	ST-2	Positive	30-Jun-16

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_2 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 2016, the Bank deposited BDT 1,801 million of withholding tax, BDT 170 million of withholding VAT and BDT 194 million of Excise Duty. Besides, the Bank also paid income tax on its earning of BDT 937 million and VAT of BDT 107 million during the year 2016.

8. Overseas Operations:

Since its journey in 1983, IFIC Bank has been playing the pioneering role among the private sector banks in establishing joint venture/ overseas operations beyond the national boundary. The Bank has so far been able to set up joint venture operations in Maldives, Oman, Nepal, Pakistan and UK. Bank's operation in Maldives was, however, handed over to the Maldivian Government in 1993.

Overseas joint venture operations have not only brought a positive image of the Bank in the International Arena but also contributed in its profitability. A pen picture of the existing overseas joint venture operations of the Bank is furnished hereunder for information of the honourable shareholders.

8.1 Oman Exchange, LLC (OIE):

Oman Exchange LLC (OIE), a joint venture between IFIC Bank Limited and Oman nationals, was established in 1985 to facilitate remittance by Bangladeshi wage earners in Oman. IFIC Bank holds 25% shares, and the balance 75% is held by the Omani sponsors. The exchange company has a network of 16 (Sixteen) branches covering all the major cities/towns of Oman. The operations of the branches are fully computerized having online system. The affairs and business of the company are run and managed by IFIC Bank under a Management Contract.

8.2 NIB Bank Limited, Pakistan:

IFIC Bank had two branches in Pakistan, one in Karachi and the other in Lahore. Karachi Branch was opened on 26th April 1987, while Lahore Branch was opened on 23rd 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 our above Overseas Branches has been ceased w.e.f. 2nd October 2003 and a new joint venture bank titled NDLC-IFIC Bank Ltd. emerged in Pakistan w.e.f. 3rd October 2003. The Bank was subsequently renamed as NIB Bank Ltd. Due to the increase of the capital of NIB, IFIC's stake in its has 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 Nepali nationals, started operation with effect from June 06, 1994 in Nepal with 50% equity from IFIC Bank Ltd. The Bank has network of 43 (Forty three) branches and 3 (three) extension counter at different important locations in Nepal. IFIC Bank presently holds about 40.91% shares in NB Bank, Nepal.
The profitability of NB Bank is in the increasing trend and recently, IFIC Bank Limited received 32% stock dividend during FY 2016-17.

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 United Kingdom.

8.5 Correspondent Banking Relationship:

IFIC Bank Ltd. has a wide range of correspondent network across the world to facilitate smooth foreign trade transactions. The Bank maintains 30 Standard Settlement Instructions (Nostro Account) involving 7 currencies e.g. AUD, ACU-D, CHF, EUR, GBP, JPY and USD at important financial centers. Total correspondents of IFIC Bank Limited stand at 500 (Local & abroad) as of 31st December 2016.

8.6 Foreign Remittance:

IFIC Bank handles both inward and outward foreign remittance products. The outward remittance includes FC Cash/FDD and Wire transfer by SWIFT. The Bank's inward remittance covers Account Credit Service and Instant Cash Payout Service under Electronic Fund Transfer (EFT) arrangement. The inward foreign remittance business was amounted to BDT 18,709.40 million (equivalent USD 239.86 million) in 2016.

To facilitate inward foreign remittance in Bangladesh from United Kingdom, a fully owned subsidiary exchange house of IFIC Bank titled IFIC Money Transfer (UK) Ltd. has commenced the 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 alliances for distribution of remittance with UDDIPAN where we do not have any presence. At present 101 Branches of UDDIPAN are performing the remittance distribution agents of our Bank throughout the country.

IFIC Bank has remittance arrangement with following 8 (Eight) Exchange Companies for catering to inward foreign remittances from abroad including Bank's own and joint venture exchange company:

- Oman 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
- Xpress Money Service s Ltd., UK
- Trans-Fast Remittance LLC, USA

9. Products and 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 through sophisticatedly designed products and services including flexible & structured financial, advisory & operational support to meet the diverse financial needs of growing corporate sector of the country. 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. With expertise, innovation and dedication, our skilled Relationship Managers, in addition to traditional industries, are providing financial facilities to RMG, Textiles, Power, Telecommunications, Packaging, Edible Oil Refinery, Healthcare, Renewable Energy, Hotel & Tourism, Construction, Pharmaceuticals, Steel, Ship Building, Trade & Commerce, Agri-Business (Poultry, Food Processing) sector etc.

IFIC Bank offers various funded and non-funded facilities to assist manufacturers, traders and service industries which include but not limited to the followings:

- Working Capital Finance
- Industrial & Project Finance
- Trade Finance
- Lease Finance
- Syndication & Structured Finance
- Treasury & Off-shore Banking
- Letter of Credit and Bank Guarantee services

9.1.1 Working Capital Finance:

Businesses concerns, manufacturing or trading, frequently face shortage of cash flow due to up-gradation, BMRE of existing facility or to procure raw materials and to meet day to day expenses. **Funded facilities such as** Secured Over Draft (SOD)/ Over draft (OD), Cash Credit (CC), Loan against Trust Receipts (LTR), Work order Financing, Short-term loan, Demand Loan, Loan General. **Non-funded facilities** such as bank guarantees and Letter of Credits as best suited to client's liquidity requirement and risk profile.

9.1.2 Industrial & Project Finance:

IFIC Bank provides project finance for various industrial projects in the form of Term Loans for civil construction, procurement of machinery, and BMRE. Lease Finance is offered for procurement of vehicle and LC for import of machinery.

9.1.3 Trade Finance:

IFIC Bank has long history in financing and facilitating trade finance. The bank has experienced professionals to support customers in dealing with trade related services. The bank is centralizing its trade services to offer faster services to the clients.

a. Import: The bank support import functions through the following:

- ***Letter of Credit-* – Sight/Usance**
- **Standby Letter of Credit**
- ***Loan against Imported Merchandize (LIM)***
- ***Loan against Trust Receipt (LTR)***
- ***Shipping Guarantee***

b. Export: To support the export functions, the Bank has the following in place.

1) Pre-shipment finance

- **Back to Back Letter of Credit**

  Issued against the export (master) credit to facilitate export oriented RMGs
- **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 for safety and fire prevention in export oriented RMGs at reduce rate of interest.

  Green Factory Building Loan- under BB's Refinancing Scheme-

  Renewable Energy and environment friendly sector at reduced rate of interest.

9.1.4 Off-shore Banking Unit (OBU)

IFIC Bank has OBU to cater to the banking needs of the customers to increase foreign trade business in foreign currency in line with BB guidelines –

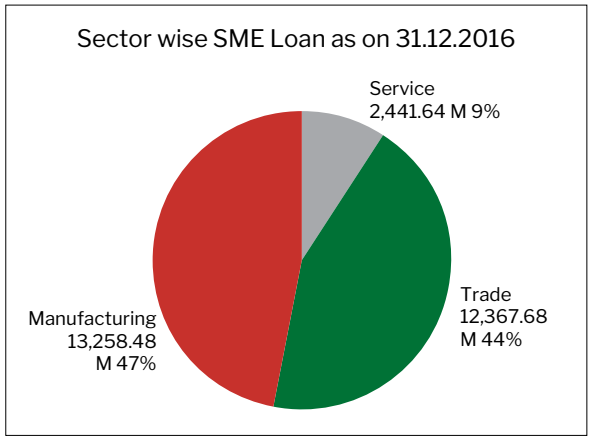
- ***Add Confirmation to L/Cs***: To Deferred Credits issued by other Banks or Branches of IFIC Bank for smooth execution of L/C terms.
- ***Bill Discounting (Import Bills):*** to secure clients' business growth and improve their negotiating base with suppliers.
- ***Discounting of Export Bill:*** An exporter derives benefit from interest rate differential when discounting export bills 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***
- ***UPAS L/C payment***

9.2 SME Performance:

IFIC Bank has been engaged in SME financing with a dedication to meet the need of SME segment customers and to ensure the return on investment through nation-wide 137 branch network.

SME Portfolio:

At the end of 2016, the SME loan outstanding stood at BDT 28,068.00 million as segregated in below sectors:



SME growth trend:

A sustainable SME portfolio is our focus. IFIC Bank has been maintaining a positive growth rate of SME portfolio.

From 2014 to 2015 the growth rate was 8% while 2015 to 2016 it is at 35%.

As directed by Bangladesh Bank, SME loan should be 20% of total loan and advances, while SME position is 21% at present. Financing to Cottage, Micro & Small Enterprise should be 50% or more of total SME loan, whereas it stands 55% at present.

Key loan products of SME:

SL	Name	Remarks
01	IFIC-KrishiShilpo	Loan for Agro. Based Industry.
02	IFIC-ShilpoSohay	Loan for Cottage & Micro Industry.
03	IFIC-ShilpoShongjog	Loan for Manufacturing & Service Industry.
04	IFIC-Protyasha	Loan for Women Entrepreneurs.
05	IFIC-Prantonari	Loan for Grassroots Women Entrepreneurs.

9.2.1 Financing to Women Entrepreneurs (WE):

IFIC Bank is committed to support women entrepreneurs through providing loans and organize training etc. In 2016, 301 number of loans amounting BDT 61.62 crore was disbursed to WEs. To recognize and encourage WEs, a discussion session was organized on November 22, 2016 at IFIC Head office in collaboration with Association of Grassroots Women Entrepreneurs-Bangladesh (AGWEB) on the occasion of World Women Entrepreneurs' Day. Moreover, IFIC Bank also provided necessary support to WEs who has joined 4 days long hands on Agro based food processing training in collaboration with CIRDAP and Daffodil International University.

9.2.2 Financial inclusion activities:

IFIC Bank is thoroughly engaged in financial inclusion activities as guided by Bangladesh bank.

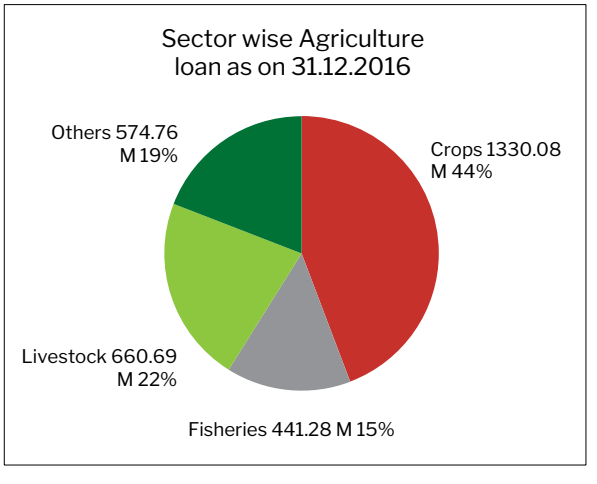
IFIC Bank has introduced 10.00 Taka account program to include the un-served population (like small/ marginal / low income professionals and marginal traders) under financial services. IFIC Bank is also taking part all over the country in school banking program. As guided by Bangladesh Bank, we are the lead bank for Bhola district to coordinate the school banking program.

9.2.3 Agri. Credit:

IFIC Bank is truly focused on Agri. Financing and the loan products are designed based on customer requirement.

Key loan products:

SL	Name	Remarks
1	IFIC-Suborno Gram	Loan for crops, fisheries & livestock.
2	SechSoronjam	Loan for irrigation equipments
3	KrishiSoronjam	Loan for cultivation instrument.



Position on BB directed Loan:

SL	Sector	Target for FY 2016-2017	Achievement till 31.12.16
01	Agri. Credit	BDT 200.00 crore 30% by own channel	BDT 179.56 crore (90%) (Own source Tk.40.06 crore)
02	High Value crops @ 4.00% interest	BDT 40.00 lac	BDT 36.95 lac (92%)
03	Milk Production & Artificial Insemination	BDT 7.00 crore	BDT 4.93 crore (70%)
SL	**Sector**	**Target for 2016**	**Achievement in 2016**
04	Loan to 10 taka account Holder	BDT 20.00 lac	BDT 38.15 lac (190%)
05	Green Finance	BDT 80.00 crore	BDT 77.76 crore (97%)

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.

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 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, which was considered as 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 has 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 products in IFIC.

Highlights

Loans & Advances
12.05%

2016: **BDT 16,351.90 million**
2015: **BDT5,199.1 million**

2016: **12.05% of Total Loans**
2015: **4.28% of Total Loans**

Deposits
59.98%

2016: **BDT 96,954.2 million**
2015: **BDT 75,487.2 million**

2016: **59.98% of Total Deposits**
2015: 53.20% of Total Deposits

With continuous effort and dedication from all stakeholders, IFIC now stands market leader in terms of incremental growth of its number of customer and volume from the last one and half years. As of 31st December, 2016, total home loan outstanding is BDT 1,256.60 crore with a total of 3,010 customers.

To facilitate one stop banking solution through reducing cost and hassle of maintaining multiple accounts for deposit and loan, IFIC bank introduced first ever hybrid account in entire banking history of Bangladesh in the name of "**Aamar Account**". Customer will get interest from deposit balance on daily basis and can enjoy loan facility whenever needed with 50% reduced rate than credit card. One card of this account will act as debit card and credit card. Through this account IFIC bank first time introduced 1 hour loan processing only for Govt. employees in Bangladesh.

Focus in 2017

- Continue the effort for diversifying retail loan portfolio through enhancing home & mortgage based loan;
- Continue the effort for Aamar Account business to diversify retail deposit and loan portfolio;
- Launching innovative technology based 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" on 21st April, 2014. The objective of this division is to act as an alternative delivery channel for the customers of IFIC Bank and to reach the unbanked population of the country as well. IFIC Mobile Bank is not just a money transfer service rather it is a channel to access the banking products of IFIC Bank.

For the first time in Bangladesh, IFIC Bank has introduced mobile banking in Bangla to make the service more user friendly.

To create a long term sustainable effect on economy

IFIC Mobile bank is offering the competitive service charge for the service.

During this short period, IFIC Mobile Bank has deployed more than 25,000 pay-points throughout the country and acquired more than 250,000 customers which make it the fastest growing mobile financial service.

Currently IFIC Mobile Bank is available to the subscribers of Grameenphone, Banglalink and Airtel which cover more than 80% of the mobile phone users of the country. Teletalk and Robi subscribers will be brought on board very soon.

IFIC Mobile Bank has integrated with Mobicash (MFS distribution channel of Grameenphone) to introduce almost 60,000 additional pay points for the customers.

In collaboration with SME Division, "Prantonari" loan has been disbursed through IFIC Mobile Bank to the women entrepreneurs in Dhaka and Jessore region in the presence of the Hon'ble speaker of National Parliament, the Hon'ble State Minister for Women & Children Affairs and the Hon'ble Governor of the Central Bank. In addition to that we are also working on micro financing projects with INGOs like IRRI, Solidaridad etc. for root level farmers across the country.

With the vision of creating a financial ecosystem, IFIC Mobile Banking is bringing corporate clients on board from different industries like readymade garments, utilities, insurance companies, electronic media, solar home system, online/physical merchant, Educational Institution, local/international NGO etc.

IFIC Mobile Bank has the vision to facilitate the government bodies with our mobile financial services for the students, elders, disables and freedom fighters. IFIC Mobile Bank also wants to facilitate disbursement and collection of loans under government microfinance projects.

IFIC Mobile Bank is working rigorously with the RMG sector and other lower income group to create financial freedom for them with the goal to elevate their social and economic status especially of the female workers. They will have the facility to start a savings scheme and avail of the micro insurance services that is being offered by our partners involved in the insurance business.

9.5. Alternative Delivery Operation:

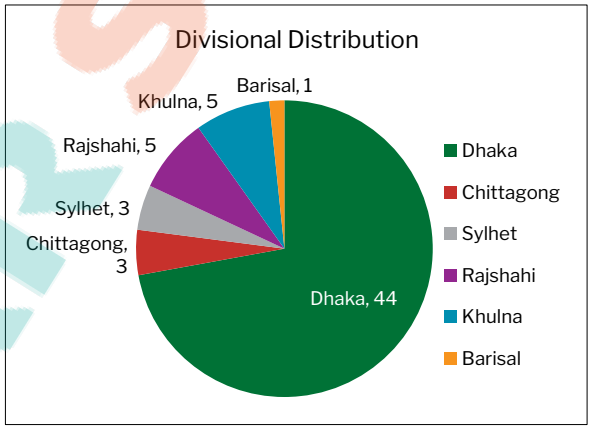
9.5.1 ATM Services:

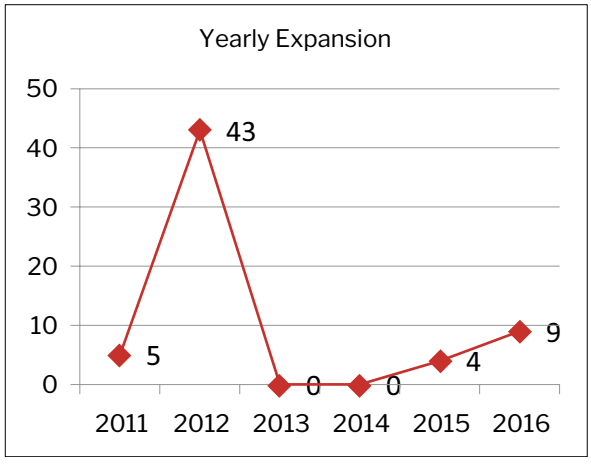
The Bank has deployed 09 ATMs in 2016. Till end of 2016 IFIC Bank has 72 ATMs installed all over the country. Installation of Anti skimming device into all ATMs have been started as per compliance of Bangladesh Bank to secure Card holder data during ATM Transactions. Introduced Jacket ATM which has all facilities in built in smallest foot print like UPS, CCTV and AC etc. To prevent fraud and avoid Visa Liability shifting, IFIC Bank has started EMV ATM Acquiring Project for all installed ATMs. The Bank has special arrangement with Corporate Houses where ATM has been installed to facilitate their employee's monthly salaries and other needs. The Bank accepts cards from three networks namely Visa (Local and Foreign), Q-Cash Member Banks and NPSB Member Banks.

ATM Infrastructure Vision for 2017:

1. Install ATM Inside Dhaka – 30 Nos.
   Install ATM Outside Dhaka - 30 Nos.
2. Reduce Set-up Time & Cost
3. Introduce new service through ATM
4. Minimize Down Time
5. Introduce Cash Deposit Machine (CDM)
6. Implement cash loading into ATM through Third Party Security Company

At a glance IFIC ATM Services:





9.5.2 POS Services:

IFIC Bank has installed 16 Merchant POS and 2 Branch POS in 2016. Total number of POS Terminals installed till end of 2016 was 206 out of which Merchant POS 116 and Branch POS 90.

Branch POS were rolled out in 2008 and installed into 90 branches of IFIC Bank. IFIC Cardholders can withdraw and deposit from any branch of the Bank through Branch POS. IFIC Branch POS is very secured since it is mandatory to input PIN during transactions.

The Bank accepts cards from three networks namely Visa (Local and Foreign), Q-Cash Member Banks and NPSB Member Banks into IFIC Merchant POS.

Merchant POS Deployment at a Glance:

Sl.	District	No of POS Installed
1	Dhaka	98
2	Chittagong	01
3	Sylhet	01
4	Bogra	03
5	Faridpur	02
6	Coxs bazar	02
7	Srimongol	09
Total		**116**

Transaction Volume and Income from POS Services:

Sl.	POS Type	Txn Amount	Number of Txn	Number of POS
1	Branch POS	BDT 22.39 core	10,487	90
2	Merchant POS	BDT 40.34 core	1,09,798	116
Total		BDT 62.73 core	1,20,285	206

POS Vision for 2017:

1. Introduction of VISA EMV Card acceptance in all Merchant POS Terminals
2. Introduction of PIN Based Card acceptance in all Merchant POS Terminals
3. Introduce Pre-Auth Transaction for Hotels
4. Introduce Tip with Sale for Restaurant/ Hotels
5. Roll Out Branch POS in all IFIC Branches
6. Expand Merchant POS Network

9.5.3 Card Services:

IFIC Card is powered by VISA, world's largest electronic payments network. IFIC Bank has been issuing VISA branded Credit Card, Debit Card & Prepaid Card and which can be used both at home & abroad. Customer can choose any of the above cards according to his/her need. Local cards can be used at any ATM displaying VISA Logo for withdrawal of cash and at any POS displaying VISA Logo for purchase of goods & services within Bangladesh. International cards can be used globally through worldwide VISA network. ATM and POS transactions are to be secured by Personal Identification Number (PIN) known by the concerned customer only. However, all the transactions are to be authorized by the system electronically. The Bank has issued more than 5,000 credit cards during the year 2016 and the total number of debit cards issued up to December 2016 comes to 1,34,000.

The Bank has been issuing VISA branded credit cards including gold and classic cards for both local and international use since June 2007. International credit cards are dual currency cards and can be used both at home & abroad. There are two separate accounts have been maintained against every international credit card one of which is in USD and the other is in BDT. The BDT account is maintained for the transactions made in Bangladesh and USD account is maintained for transactions made outside Bangladesh.

IFIC Bank VISA Prepaid Card has been introduced during January 2009. IFIC Prepaid Cards are issued by the branches instantly on filling-up the Application Form and making initial deposit for use in Bangladesh only. There is no need to have any account with the Bank. No interest will be calculated on cash withdrawal or purchases, and no hassle will be there during payment of monthly bills.

IFIC Bank VISA EMV chip based credit card has been introduced in January, 2017 and this card is more secured than magnetic strip card.

Moreover, in 2017 we are planning to introduce the following products and services for Card Department:

1. Introduce EMV chip based Debit card,
2. Introduce Amar account dual currency chip based card,
3. Own card management switch (presently we are using share switch /network from ITCL)
4. EMV card personalization machine procure and will be installed (presently we have personalized the EMV chip card from ITCL)

Dispute & Fraud Management:

In 2016 the Bank has taken different initiatives to minimize fraud risks and resolution of disputes efficiently. In this regard according to Bangladesh Bank's guidelines, the following Projects have been initiated:

1. Verified by Visa (VbV) – this will safeguard customers e-com txn by providing OTP during txn
2. Visa EMV ATM Acquiring – will prevent fraud and avoid visa liability shifting
3. Visa EMV POS Acquiring – will prevent fraud and avoid visa liability shifting
4. Visa PIN@POS – will prevent fraud and force customers to input PIN during POS Txn
5. Visa EMV Chip based Credit Card – will prevent fraud and prevent card cloning

Dispute Resolution (Local Currency):

SL No	Network	Number of Dispute	Charged Back amount (BDT)
1	NPSB	465	4,437,819.79
2	Q-Cash	435	2,180,954.41
3	Visa	5	37,000.00

Dispute Resolution (Foreign Currency):

SL No	Network	Number of Dispute	Charged Back amount (USD)
1	Visa	17	970.00

Fraud Resolution (Foreign Currency):

SL No	Network	Number of Fraud	Charged Back amount (USD)
1	VISA	6	3,750.00

Dispute & Fraud Management Vision for 2017:

To minimize Fraud, the Bank has taken the following initiatives:

1. Online Fraud Management Analyzer and Prevention Software
2. Dispute Management Database
3. Bangladesh Bank Report Automation
4. VISA PIN@ POS Services
5. Verified by VISA (VbV) Services to prevent E-Commerce Txn Fraud
6. EMV ATM Acquiring to prevent fraud and avoid Visa Liability Shifting
7. EMV Chip based Debit Card to prevent fraud & card cloning

9.5.4 Contact Center Service:

IFIC Bank, aiming to provide excellent service to the customer, has been operating 24/7 servicing hours since 2012. By simply dialling **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 Contact Center team of IFIC Bank is dedicated to provide several services that facilitate all other departments of the bank to run their campaigns. The major services are as follows:

Present Contact Center Services:

Customers would be able to avail services from this Contact Center in the ways mentioned below:

1. Inbound Call Service through interaction with agents.
2. Outbound Call Services of Contact Center.
3. E-mail Corresponding Service.
4. In-built call recording system for future reference.

Performance of Contact Center:

Year	Total No of Calls	Growth
2016	1, 86,060	22 %
2015	1, 52,293	

Contact Center Vision of 2017:

With the success of the Bank's Contact Center and the objective to broaden the services, the Bank will go forward and provide the full range of Contact Center services to its valued Customers in the following ways:

1. The Bank is going to incorporate robust software with State -of -Art technology:
   - Automated self IVR service for customer
   - Screen pop up with customer identification.
   - Real time display of service level
   - Predictive auto outbound dialler
   - Priority customer identification

1. Upcoming Services:
   - Debit & Credit Card Activation
   - Cheque book requisition
   - Credit Card e-commerce Open/ Block
   - Refund request of cards dispute amount in ATM & POS

9.5.5 Mobile Banking Operations:

Mobile Banking Ops drives and executes the overall business brought by Mobile Banking Business unit. It has fulfilled different Business purposes of the clients by adding new features and functionalities to IFIC Mobile Bank.

Mobile Banking Operations & Performance of 2016:

Mobile Banking	2016	
Transaction Type	No of Transactions	Amount BDT
Cash In	36,555	292,065,308.00
Cash Out	17,571	216,490,452.00
Bill Payment	21,869	26,669,100.00
Airtime Purchase	59,886	3,128,997.50
Merchant Payment	4,825	36,085,027.08
Fund Transfer	1,141	3,855,355.00
Bulk Disbursement	4,021	36,704,350.51
Mobile A/C to Core Bank A/C Transfer	3,355	45,444,839.54
Core Bank A/C to Mobile A/C Transfer	6,032	3,387,648.81

The Bank has completed some project works in 2016 that are already in service and some project works to be completed in 2017 which are mentioned below:

Value Added Service for 2016		Vision of 2017
1	Beximco DTH Bill Payment	Bill Payment Aggregator
2	Restriction in B2B Transaction	Gpay Fund Transfer
3	Limit on Multiple Features	Credit Card Bill Payment
4	Addition of a new prefix for MNO partner (Grameenphone)	Robi-Airtel Merger
5	New Automated Report Service	Cash out from ATM
		Android and iOS Application
		Reporting Tool Development

10. Risk Management:

Risk Management is the key element of IFIC Bank's business operations. Through Risk Management Division (RMD), IFIC seeks to ensure financially sustainable growth in short and long term. 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 key objective is to administer 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 must be 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. Risk is inherent with the Banking business and IFIC Bank is relentlessly trying to maximize shareholders' value by achieving an appropriate trade-off between risk and returns.

Senior management closely observes all important risk management initiatives. Responsibility and accountability for risk management rest at all levels of the bank.

RMD also monitors the Policy Guidelines, Operational Manuals methodologies and procedures for risk identification and measurement. Various analysis including Value at Risk (VaR) analysis and stress testing are being done on a regular basis. The Bank has different committees for risk management. That are relentlessly working to minimize the probability of risks.

10.1 Credit Risk Management:

IFIC Bank Limited, being one of the leading first generation banks has a number of policies for sustainable business growth and robust risk management. Credit Risk Management is the most significant one among five core risks of the Bank. Credit Risks Management requires robust policies, rigorous compliance and timely revision. The Credit Risk Management Policy of the Bank was lastly revised in 2011.

In line with the new policy guidelines of Bangladesh Bank and implementation of Basel-III, and the changed environment of money market, credit culture, risk diversity and dimension, the Bank is preparing its "CRM Policy" for more stringent Credit Risks Management. The Bank's credit policy addresses the following:

- Detailed and formalized credit evaluation/ appraisal and approval process;
- Credit origination, administration and documentation procedures;
- Approval procedure of credit extension beyond prescribed limits and other exceptions to the CP;
- Risk identification, measurement, monitoring and control and acceptance criteria;
- Credit approval authority at various levels including authority for approving exceptions and responsibilities of staff involved in credit operations;
- Roles and responsibilities of staff involved in origination and management of credit;

- Acceptable and unacceptable types of credit. These types can be on the basis of credit facilities, type of collateral security, types of borrowers, or geographic locations on which the bank may focus;
- Concentration limits on single party or group of connected parties, particular industries or economic sectors, geographic regions and specific products.
- Risk based pricing
- Policies for the frequency and thoroughness of collateral verification and valuation;
- Review and approval authority of allowances for probable losses and write-offs;
- Guidelines on regular monitoring and reporting systems, including borrower follow-up and mechanisms to ensure that loan proceeds are used for the stated purpose;
- Guidelines on management of problem loans;
- Policies on loan rescheduling and restructuring;
- The process to ensure appropriate reporting and tolerance level of exceptions.

The Bank rigorously monitors sanctions of loans as well as their recovery. Big loans and loans sanctioned at branch levels according to delegation are supervised by higher levels of the bank regularly. Loan rescheduling and restructuring are also monitored in a very stringent manner. More emphasis is given on sanctioning secured loans. The bank's policy of minimizing risk through diversification is working more effectively.

10.2 Remedial Asset Management (RAM):

Non-Performing Loans (NPL) seriously affect profitability of the Bank. Borrowers fail to repay their loans due to numerous reasons. Bank's growth is hampered if loans are classified resulting not only suspension of interest income of those loans but forces to arrange loan loss provision from the income of the Bank. Reflection of Non-Performing Loans (NPL) also tarnishes image of the Bank and Bank comes under surveillance of regulatory body and even by its customers. Thus recovery of stuck-up loans is a major concern for the Bank. Therefore, Bank has to give maximum emphasis to arrest transformation of regular loans to Non-Performing Loans and on recovery of stuck-up loans and advances to increase its profitability and improve its quality of assets.

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

On the basis of above recovery policy and related circulars of Bangladesh Bank, RAM Division has taken following steps for improvement of quality of Assets and profitability of the Bank:

1. Close monitoring for recovery of stuck-up loans as per Standard Operating Procedure (SOP).
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 Bangladesh Bank circular.

Comparative position of **Recovery and Income from Recovery** against Non-Performing Loans (NPL) in the year 2016 and 2015 were as under:

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

(BDT in Million)

Particulars	2016	2015	Changes
Recovered by:			
a) Cash	1,336.64	1,486.54	(149.90)
b) Re-schedulement & Declassification	4,730.72	3,469.98	1,260.74
c) Waiver of Interest	31.72	29.08	2.64
Total:	**6,099.08**	**4,985.60**	**1,113.48**
Total Loans & Advances	137,118.11	123,268.67	13,849.44
Total Classified Advances	7,250.94	7,962.05	(711.11)
Percentage of classified loans against Total loans	**5.29%**	**6.46%**	**(1.17)**
Income against recovery	**590.50**	**488.47**	**102.03**

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.

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 (ALM):

Managing Assets and Liabilities to foster a sustainable growth is one of the key issues of banking industry. After the Global Financial Crisis, managing the Liquidity and Market risk of banks attracts much more attention of the regulators and supervisors globally. Asset and Liability management is an essential process for banks and when not well managed, it creates a threat to the existence of the bank itself. To mitigate various risks in this regard Banks have its own ALM policy approved by the Board of Directors. Under the bank's ALM policy, the management and the Board takes necessary care as guided by Bangladesh Bank.

Asset and liability management is a process which is managed by the Asset and Liability Management Committee (ALCO), comprising of the senior management of the bank, is primarily responsible for managing assets and liabilities under the set ALM policy. The major responsibilities of ALCO are as follows:

- Ensure that bank's measurement and reporting system accurately convey the degrees of liquidity and market risk
- Monitor the structure and composition of bank's assets and liabilities and identify balance sheet management issues that are leading to underperformance
- Decide on the major aspects of balance sheet structure, such as maturity and currency mix of assets and liabilities, mix of wholesale versus retail funding, deposit mix, etc
- Decide on how to respond to significant, actual and expected increases and decreases in required funding
- Review maturity profile and mix of assets and liabilities
- Articulate interest rate views of the bank and decide on balance sheet strategy
- Approve and periodically review the transfer pricing policy of the bank
- Evaluate market risk involved in launching of new products
- Review deposit-pricing strategy, and
- Review contingency funding plan for the bank

The prime responsibility of Asset and liability Management (ALM) is on "Treasury Department", specifically its ALM desk. The ALM desk is responsible for day to day management of the market risk and liquidity risk of the bank. The broad responsibilities of the ALM desk are as follows:

- To oversee the growth and sustainability of assets and the liabilities.
- To manage and oversee the overall activities of Money Market.
- To manage liquidity and market risk of the bank.
- To understand the market dynamics i.e. competition, potential target markets etc. for expansion of the business.
- To Provide inputs regarding market views and to suggest proper balance sheet movement (expand or shrink) to cope with the changing situation in the market or in the economy.
- To keep records of ALCO meetings, to monitor the implementation status of the action taken in ALCO meetings etc.

10.5 Internal Control and Compliance Risk Management:

The process of Internal Control is affected by the Board of Directors of the Bank through Senior

Management whereby every individual is responsible for the achievement of specific objectives to ensure efficient operations and comply with applicable laws, rules, regulations and internal policies. The Internal Control System of the Bank ensures that all the necessary policies, guidelines and manuals are in place and followed meticulously, including the Departmental Control Function Check List (DCFCL).

The Internal Control System of the Bank ensures that the functional efficiency of the Branches as well as different Divisions/Departments of the Head Office are in order. An effective control structure has been set up with control activities defined at every business level, including segregation of duties, with necessary authority. To monitor the overall effectiveness of the Internal Control System, the Management Committee (MANCOM) regularly reviews the policies and procedures as well as the structure, assigning responsibility, authority and reporting relationships clearly.

The Internal Control and Compliance (ICC) Division of the Bank works independently to evaluate the Internal Control System of the Bank so as to ensure accountability, good governance and transparency. The ICC Division conducts Comprehensive Internal Audit of the Branches as well as different Divisions/ Departments of the Head Office regularly. The Division off and on reviews the activities of the Branch's Internal Control Unit (ICU) through different control processes to minimize irregularities and lapses. Any significant deficiencies identified by the Audit Team are placed before the Audit Committee of the Board as well as Senior Management. The Audit Committee of the Board regularly monitors the functions of Internal Control and Compliance Division with their necessary suggestions and recommendations and also reports to the Board of Directors from time to time.

Risk Based Internal Audit (RBIA) is being carried out annually in revised format w.e.f. 01.01.2017 for risk profiling/categorization of the Branches based on the level of its various risks. Strong monitoring and close supervision ensure functional efficiency of the Branches as well as different Divisions/Departments of the Head Office by maintaining a control environment at operational level. Compliance culture is developed by strict adherence to regulatory and statutory requirements and also the Bank's own policy and procedures.

By enforcing an effective and sound Internal Control System, ICC is performing its activities for further improvement of overall work performance of the Bank towards achieving its ultimate destination.

10.5.1 Internal Control and Compliance:

To establish a compliance culture according to Bangladesh Bank Guidelines, the IFIC Bank has strengthened its ICC Division with efficient and skilled manpower. In order to establish a compliance culture, a Senior Executive Vice President has been entrusted with specific responsibilities. The SEVP by following guidelines provided by Bangladesh Bank will formulate an action plan and implement it accordingly in the Internal Control and Compliance Division. It will ensure sound internal control functions of the bank. To make the ICC Division more effective the bank is going to recruit officials with IT knowledge for implementation of off-site supervision in the Bank.

Internal control primarily aims to support the management in 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 concerned 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 clearly the responsibility, authority and reporting relationship.

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

- 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 and Compliance (ICC) Division works independently to evaluate the Internal Control System of the bank so as to ensure accountability, good governance and transparency.

Risk Based Internal Audit (RBIA) is being carried out annually in revised format w.e.f. 01 January 2017 for risk profiling/categorization of the branches based on the level of its various risks. Upgrade of the existing RBIA format is under process and will be finalized soon. Strong monitoring and close supervision ensure functional efficiency of the branches and different divisions/departments of the Head Office by maintaining controlled environment at operational level. Compliance culture is developed by strict adherence to statutory and regulatory requirement and also the bank's own policy and procedures.

10.6 Prevention of Money Laundering:

Prevention of Money Laundering & Combating Financing of Terrorism:

Prevention of Money Laundering and Combating Financing of Terrorism is very essential for avoiding corruption and ensuring peace and security in our society.

Aiming the said objectives, in our country, Anti-Money Laundering Prevention Act 2012 and Anti-Terrorism Act 2009 have been enacted and IFIC Bank Ltd 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) of Bangladesh Bank, 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 and when required by BFIU.
ii) Cash Transaction Report (CTR).
iii) Transaction Monitoring Report,
iv) Structuring Monitoring Report,
v) Monthly Meeting details.
vi) Hundi activities and Abnormal Transaction on Bi-monthly basis,
vii) Suspicious Transaction Report (STR) on Quarterly basis, periodical report on AML/CFT issues to the Managing Detector.
viii) Half Yearly Report on Self-Assessment of branches and 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 and Crime (UNDOC) and submits CTR, STR and 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, the Bank has submitted report of 14 (fourteen) Suspicious Transaction (STR) to BFIU.

With a view to build awareness on AML/CFT laws, guidelines and Circulars issued from BFIU, the Bank regularly arranges Training on Prevention of Money Laundering and Combating Financing of Terrorism for all level of Executives/Officers working in different branches of the Bank.

11. Information and Communication Technology (ICT):

The Bank emphasized focusing on Technology, as a business enabler during the period under review, has underpinned effort across the Bank to identify creative ways of addressing Strategic Objectives. The aim of the effort was to target cost reduction, increase profitability, improve internal efficiencies, ensure more Control and Security, use alternative technologies where appropriate and ultimately, improve the internal and external customer services. The bank's key technology initiatives, such as 'Enhancing existing network security', 'Virtual server environment', 'Integration of different software', 'State-of-the-art data center', 'wireless technology and High availability' and 'disaster recovery' entails the enhancement of existing systems, introduction of new functionalities and re-engineering of business processes.

Enhancing existing network security:
As per our IT road map, we have ensured enhanced network security of the Bank's technology environment. We have procured and installed world class network equipment (Firewall and Router) to ensure security, confidentiality and availability along with integrity of data across the Bank for achieving our vision, mission and objective.

Virtual server environment:
In the area of data center, servers are the most expensive portion to maintain. However, there is a way to avoid unnecessary server related costs. In virtualization, software is used to recreate the functions of physical hardware, thereby reducing hardware-associated costs and providing a new level of flexibility.

Bank has upgraded the server infrastructure with game-changing technology called virtual server using VMware solutions. This virtual environment technology ensures go green by saving significant energy consumption, less foot print at data center, faster server provisioning and increased uptime. It uplifted our IT system to a next level of excellence with higher efficiency and capabilities.

Integration of different software:
Bank also integrated different software with Bangladesh Bank and Core Banking System (CBS) for customers for ensuring faster & secured banking service and utility services. The Integrated applications systems make the difference between market-moving success and tepid sales and profits.

State-of-the-Art Data Center:
As part of this commitment, the Bank has constructed a state-of-the-art, secure data center strategically located at IFIC Tower. All power, cooling, network equipments in the data center at IFIC Tower are

fully in backup system. Cutting-edge technologies allow failover to a backup connection in the event of a fiber cut, avoiding any perceived interruption. Comprehensive safety measure such as Very Early Smoke Detection, Automatic fire detection & control system are in place in the Tower Data Center.

Wireless Technology:
The Bank has introduced full wireless network technology in IFIC Tower with failover technology to provide flexible and seamless communication to its officials, which ultimately increase employee productivity. IP Phone system is another technology steps at Tower communication.

High availability and disaster recovery:
For all the critical services, the bank has developed high availability to ensure uninterrupted business. Moreover, a complete solution that is designed to reduce any server down time with the use of a specialized back up and virtual server appliance. We have ensured near real-time backups with speedy disaster recovery process. We have also ensured another tape backup at near place of data center. This plan is tested by exercising DR drill.

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 (HRM):

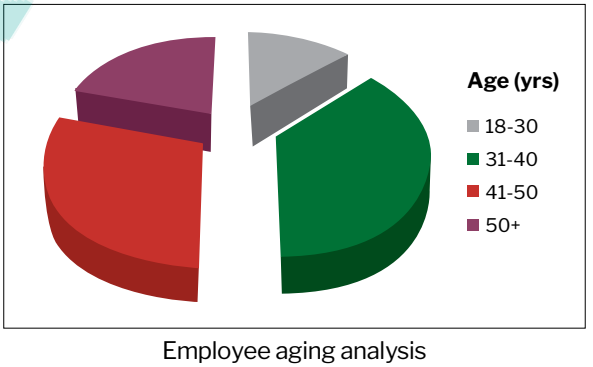
Human Resource is one of the most essential requirements for survival in this competitive world, and therefore, IFIC Bank always puts due magnitude on the resource to drive the organization towards its goal. HRM Division takes leadership in fostering a positive work environment that places high value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

IFIC Bank HRM Division is committed to ensure 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 includes, organizational and employee development, compensation & benefits, HR information system and regulatory compliance.

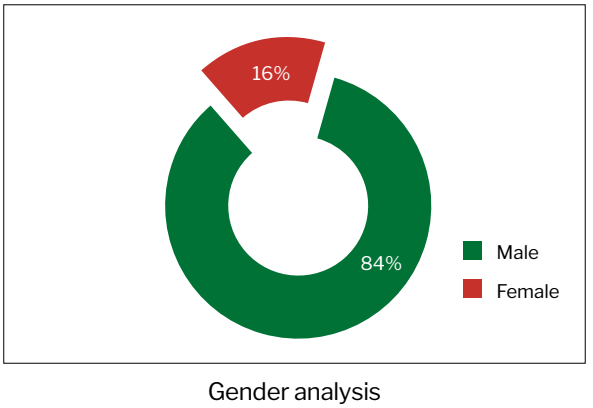
For proper positioning of its human resources, IFIC Bank continuously works on restructuring its organogram based on functionality and places its employee at the right place through appropriate process. Continuous learning initiatives help the Bank to overcome employee skill deficiencies. All the effort in combination ultimately assists in maximizing the outcome in the bottom line.

With rapid technological changes around the world, automation has been crucial area of development for any organization especially 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.

Some HR information at a glance:



Employee aging analysis



Gender analysis

14. Law and Legal Affairs:

There are 1175 Suits/Cases of various kinds pending in both Lower and Higher Courts. The number of Suits/Cases filed during the period from 01 January 2016 to 31 December 2016 is 159. The Suit value against those Suits/Cases is BDT 216.09 Crore. At present, the total 1175 number of Suits/Cases which had been filed against various defaulting Borrowers involved an amount of BDT 1537.81 Crore (suit value). 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 26 (Twenty Six) Writ Petitions, 47 (Forty Seven), Artha Rin Suits, Execution Cases and Criminal Cases (under N.I. Act.) and an amount of Tk. BDT 43.24 Crore was realized. On the contrary, in the year of 2016, the Law and Legal Affairs Division provided necessary legal services including preparation of various Agreements and security documents to different Divisions, Departments of the Head Office as well as 134 Branches of the Bank on day to day basis. The services which were provided to those Divisions, Departments and Branches of the Bank were in additions to the daily works of pursuing pending Suits/Cases by the Law and Legal Affairs Division. Presently, those Suits/Cases are at different stages. Due to the division's sincere and timely efforts, various Branches, Divisions and Departments of Head Office of the Bank are getting many legal services from the Division. Apart from those legal services, Law and Legal Affairs Division, on behalf of other Divisions of the Bank, maintained official liaison with various Government Authorities.

On the other hand, Law and Legal Affairs Division is working hard to dispose of the pending Court Cases and as a part of such work, the Officers and Executives of Law and Legal Affairs Division attended various Courts as witnesses of the Bank and also attended the Chamber of Panel Lawyers who were engaged by the Bank to conduct the Suits/Cases filed by or against the Bank. Moreover, Law and Legal Affairs Division supervised the legal activities of the Branches and gave them proper direction in respect of completing documentation formalities against various credit facilities as and when required by them.

15. Branch Expansion Program:

During the year 2016, the Bank opened 5 (Five) new Branches at different prospective locations of the country to provide banking services to the customers. Out of these 5 (Five) Branches, 1 (One) urban Branch was opened at Cherag Ali, Dist-Gazipur and 4 (Four) rural branches were opened at Panchdona, Dist-Narsingdi, Arshinagar, Dist-Dhaka, Bhuigar, Dist-Narayanganj & Anwara, Dist-Chittagong. Thus, total number of Branches of the Bank stood at 134 including 7 (Seven) SME /Krishi Branches throughout the country. For business expansion, 9 (Nine) new ATM Booths were established at different locations of the country. Besides, the Bank is planning to expand its network round the country by opening new Branches and ATM Booths in the year 2017.

Furthermore, 2 (Two) Branches were renovated with state of art decoration work during the year 2016.

16. Subsidiaries of IFIC:

There are two subsidiaries of IFIC Bank Limited.

a) **IFIC Securities Limited (IFICSL)**

b) **IFIC Money Transfer (UK) Limited**

17. Corporate Branding and Publicity:

In the year 2016, IFIC Bank was comprehensively focused on its brand promotion activities to create a market buildup and tap the ongoing demand of consumers. To facilitate the current and potential customers – the bank introduced groundbreaking products and services in 2016.

IFIC Bank celebrated 40th anniversary in 2016 by undertaking a series of activities engaging its customers, patrons, stakeholders and employees. A full page press advertisement at national dailies was published on the anniversary day, all branches were decorated with promotional materials along with anniversary cake cutting with valued customers and employees. An event was organised with participation of directors, bank officials and other eminent personalities to share the spirit of 40 years' journey towards dynamic maturity and mutual progression. Special celebration cakes, thankscards and mementos were given to valued clients.

IFIC has introduced the revolutionary product named "**IFIC Aamar Account**" – the first one-stop account in banking history of Bangladesh. To stimulate this product, a full circle campaign was undertaken across all available media (TVC and RDC airing in different channels, series of newspaper advertisement insertions in national and local dailies, billboard advertisements at different strategic points, digital media advertisements along with field level activation).

IFIC Bank was the trend-setter in Home Loan. Promotional activities for Home Loan across the media was very successful in 2016. The Bank got positive word of mouth impact as a result of communications that were aired in both TV, Radio, Press and other media vehicles.

IFIC seized the opportunity of introducing "One Stop Service" to the customers. Now customers can avail 19 types of services from one single counter at IFIC Bank branches. Through Television, Radio and Press ad campaign, the bank announced and grabbed the attention of consumers.

IFIC, a true patron of Bangladeshi heritage and

culture, holds and run-through the national values. Like previous years, IFIC bank organized IFIC Bank Sahittyo Puroskar in 2016 also. Two living literary geniuses were awarded with a prize money of BDT 5 Lac, a certificate and a crest. Finance Minister Mr. A. M. A. Muhit, MP was present at the ceremony as chief guest with Emeritus Professor Mr. Anisuzzaman in the chair. IFIC Tower was formally inaugurated by the minister on the same day.

The Bank sponsored Rebel Poet Kazi Nazrul Islam's 40th death anniversary programme organised by the Nazrul Institute, renovation works of Zainul Art Gallery of Bangladesh National Museum and a function to remember renowned musician Sachin Dev Barman.

"IFIC Pitha Utshab 2016" – was a notable and much-appreciated event. Selected customers with their families, eminent personalities of the society, honorable shareholders and bank's high officials were invited to that gathering at Gulshan Branch premises.

Different television programmes including *Kemon Budget Chai* in NTV, *Ekushay Book Mela Sorasori* and *Rangtulite Muktijudhdho* in Channel i were sponsored by the bank. The Bank also did branding of the news scroll and a documentary titled "*IFIC Bank Ei Banglaye*' in ATN News to increase the Bank brand visibility.

The Bank also sponsored a good number of events like Dhaka International Film Festival organized by Rainbow Film Society, Ekushay Boimela of Bangla Academy, Bangabandhu Gold Cup Football Tournament of Bangladesh Football Federation, Asian Volleyball Championship Tournament of Bangladesh Volleyball Federation, Digital World-2016 of Bangladesh Association of Software & Information Services (BASIS) and Victory Day parade of Bangladesh Armed Forces.

18. Corporate Social Responsibility:

Our Bank undertook following activities in the field of CSR in 2016:

1. IFIC Bank provided blankets to Prime Minister's Relief Fund and also distributed blankets among poor people in different parts of the country through bank branches. The Bank also made donations to the said Fund through Bangladesh Association of Banks (BAB).
2. The Bank rewarded two winners for IFIC Bank Shahittyo Purosker.
3. The Bank handed over a donation to establish PROYASH School in Rangpur.
4. The Bank provided money for the IFIC Bank Trust Fund in Dhaka University from where students and teachers will receive stipends and research grants every year.
5. Biswashahitya Kendra received a donation to run a programme for college students.
6. The Bank donated 40 bicycles to female students of Dalit-Harijon Community in Jessore district.
7. PFDA-Vocational Training Centre received financial assistance for imparting education and training to autistic children.
8. The Bank provided a fund to Bangladesh Shooting Sports Federation for development of the shooting game.
9. The Bank donated tube-wells for inhabitants of former enclave at Panchaghar.
10. IFIC Bank donated money to run a Day Care Centre of private banks at Motijheel C/A.

19. 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 and 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.

2016 has been a year of significant progress for IFIC. Building on its consistent track record of growth, the Bank shall continue to deliver a strong performance, both operationally and financially.

The Bank's 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 it operates. The Bank believes that those businesses that achieve sustainable growth have an appetite for change and a commitment to constant renewal in all that it does.

20. 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 5,638.22 million respectively as on 31 December 2016. A total number of 543,275,527 shares are recorded with the Central Depository Bangladesh Limited (CDBL), while 20,546,380 shares still remain in scrip form till the Balance Sheet date.

The consolidated Net Asset Value (NAV) per share was BDT 24.69 as on 31 December 2016 which was BDT 24.57 as on 31 December 2015. The consolidated Earnings per Share (EPS) were BDT 2.81 for the year ended on 31 December 2016 as against BDT 1.87 as on 31 December 2015. The Market Capitalization of IFIC was BDT 11,783.88 million at the end of the year 2016 as against BDT 10,672.34 million at the end of the year 2015.

21. Dividend:

To strengthen the capital base of the Bank, the Board of Directors in its 699th Meeting held on 06 April 2017 has recommended 12% Stock Dividend for the Shareholders for the year 2016 subject to approval of the Shareholders in the 40th Annual General Meeting.

22. Appointment of External Auditors:

In the 39th 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 2016 till conclusion of the next Annual General Meeting.

23. 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 40th Annual General Meeting.

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

24. Dependability for Internal Control and 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 and 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 on which 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 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 as a going concern for the foreseeable future.

25. Acknowledgement:

The success of this Bank is mainly attributable to the support and co-operation from the different groups of stakeholders. With the sincere and devoted efforts of all the Executives, Officials and staff, IFIC Bank has made remarkable progress in the year 2016. 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 hopes 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 for 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 673rd Meeting held on 27 April 2016 with the following 02 (Two) Members:

Mr. A. R. M. Nazmus Sakib	-	Chairman
Ms. Quamrun Naher Ahmed	-	Member

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 in the subsequent Meetings for ratification.

During the year of 2016, 02 (Two) Meetings of the Executive Committee were held where a total of 18 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 2016	Total attendance	Remarks
Mr. A. R. M. Nazmus Sakib	Chairman	02	02	
Ms. Quamrun Naher Ahmed	Member	02	02	

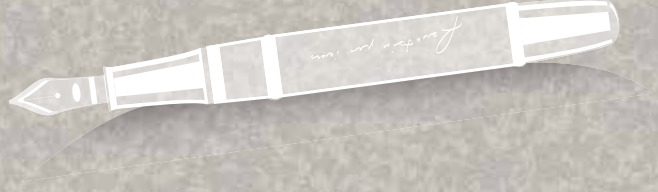
The Executive Committee expresses its sincere thanks to the Members of the Board and the Management of IFIC Bank Limited for their support and guidance in the course of carrying out the duties and responsibilities of the Committee. The Executive Committee also expresses its satisfaction regarding the 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 657th 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 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 2016.

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 2016	Total attendance	Remarks
Mr. Monirul Islam	Chairman	10	10	Directors who could not attend any meeting were granted leave of absence.
Mr. Anwaruzzaman Chowdhury	Member	10	03	
Mr. Jalal Ahmed	Member	10	10	

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

- Risk Based Internal Audit & Inspection Plan for-2016;
- Summary Report on Comprehensive Inspection on Dhamrai and Nawabganj Branches conducted by the Bangladesh Bank Inspection Team;
- Summary Report of Brief Highlight on Audit & Inspection Reports of the Branches conducted by Internal Control & Compliance Division;
- Compliance of Un-rectified irregularities of the Branches during the period 2015;
- Information on Risk Assessment methodology categorizing the Branches as Low, Medium & High Risks during Audit & Inspection;
- Summary Report on Comprehensive Inspection on Narayanganj, Shah Amanat Market, Pabna, North Brook Hall Road, Benapole and Baneshwar Branches conducted by the Bangladesh Bank Inspection Team;
- Statement of Fraud & Forgeries occurred in the Bank upto 31 December 2015;
- Compliance on Un-rectified irregularities of the Sylhet, Banani, Khatunganj, Bajitpur, Rajshahi, Islampur, Nawabpur Road & Chapai Nawabganj Branches during the period 2015;

- Summary Report on Comprehensive Inspection on Jessore, Sk. Mujib Road, Madam Bibir Hat, Chapai Nawabgonj, Noapara, Bajitpur, Konabari, Tongi SME/Krishi Branches conducted by the Bangladesh Bank Inspection Team;
- Auditors' Report and Audited Financial Statements as at and for the year ended 31st December, 2015;
- Management Report on the Financial Statements for the year ended 31st December, 2015;
- Auditors' Report and Audited Financial Statements as at and for the 1st Quarter (Q1) ended 31st March, 2016;
- Summary Report on Foreign Exchange Business & Transaction on Agrabad Branch, Chittagong conducted by the Bangladesh Bank Inspection Team;
- Re-appointment of External Auditors of the Bank;
- Recommendations of Bangladesh Bank Special Inspection Report - I) Internal Control & Compliance, II) Foreign Exchange Risk Management, III) Credit Risk Management;
- Summary Report on Foreign Exchange Business & Transaction on Motijheel, Khatungonj & Rajshahi Branches conducted by the Bangladesh Bank Inspection Team;
- Recommendation for approval of un-audited Condensed Financial Statements as at and for the 3rd Quarter (Q3) ended 30 September 2016;
- Annual report on the Health/Overall status of IFIC Bank Limited for the year 2015;
- Amendment on guidelines on Internal Control & Compliance in Banks;
- Summary Report on Comprehensive Inspection on Motijheel, Federation, Gulshan, Agrabad, Rajshahi, Bogra, Barisal, Satkhira, Feni & Shariatpur Branches conducted by the Bangladesh Bank Inspection Team;
- Summary Report on Foreign Exchange Business & Transaction on Federation, Gulshan, Agrabad, Laldighi & Noapara 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 2016.



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 673rd Meeting held on 27 April 2016 with the following 04 (Four) Members:

Mr. Jajal Ahmed	-	Chairman
Mr. Monirul Islam	-	Member
Mr. A. R. M. Nazmus Sakib	-	Member
Ms. Quamrun Naher Ahmed	-	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 2016, 07 (Seven) Meetings of the Risk Management Committee were held where a total of 13 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 2016	Total attendance	Remarks
Mr. Jalal Ahmed	Chairman	07	07	Directors who could not attend any meeting were granted leave of absence.
Mr. Monirul Islam	Member	07	05	
Mr. A. R. M. Nazmus Sakib	Member	07	06	
Ms. Quamrun Naher Ahmed (Since 13.04.2016)	Member	05	04	

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 2016, 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 twice during the year 2016. 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 arised 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. 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 Limited (CRAB). 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, 2017.

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 described 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.

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 2016 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	26	Directors who could not attend any meeting were granted leave of absence by the Board.
02.	**Mr. Monirul Islam**	Independent Director	27	22	
03.	**Mr. Anwaruzzaman Chowdhury**	Independent Director	27	03	
04.	**Mr. Jalal Ahmed**	Govt. Nominated Director	27	25	
05.	**Mr. A. R. M. Nazmus Sakib**	Govt. Nominated Director	27	24	
06.	**Ms. Quamrun Naher Ahmed** (Since 13.04.2016)	Govt. Nominated Director	21	20	
07.	**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 2016

(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	11,279,614	Mrs. Syeda Rubaba Rahman	3,882,157
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.	Ms. Quamrun Naher Ahmed*	Nil	Mr. A. B. M. Siddiqur Rahman	Nil

* Directors nominated by the Ministry of Finance, Govt. of the People's Republic of Bangladesh against its holding of **184,643,542** 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. Md. Bader Kamal	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	2,727
04.	Deputy Managing Director (Business)	Mr. Shah Md. Moinuddin	Nil
05.	Deputy Managing Director (Business Delivery)	Mr. Md. Nurul Hasnat	Nil

(d) Shareholders holding ten percent (10%) or more voting interest in the Company: Govt. of the People's Republic of Bangladesh holds **184,643,542** 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	**Board of Directors:**			
1.1	Board's Size: Number of Board Members shall not be less than 5 (five) and more than 20 (twenty)	✔		
1.2	**Independent Directors:**			

Condition No.	Title	Compliance Status (✔ has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1.2 (i)	At least one fifth (1/5) of the total number of Directors of Board shall be Independent Directors	✔		
1.2 (ii)	**Independent Directors means a Director:**			
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	✔		
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) (j)	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 (NBFI);	✔		
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	**Qualification of Independent Director:**			
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	✔		

Condition No.	Title	Compliance Status (✔ has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
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	**Chairman of the Board & Chief Executive Officer (CEO):**			
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	✔		
1.5	**The Directors' Report shall include the following additional statements:**			
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	✔		

Condition No.	Title	Compliance Status (✔ has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
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	✔		
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)	**Pattern of shareholding and name wise details (disclosing aggregate number of shares):**			
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)	In case of the appointment/re-appointment of a director the company shall disclose	✔		
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	**Chief Financial Officer (CFO), Head of Internal Audit (HIA) and Company Secretary (CS):**			
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	**Audit Committee:**			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors	✔		

Condition No.	Title	Compliance Status (✔ has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
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	**Constitution of the Audit Committee:**			
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	✔		
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	**Chairman of the Audit Committee:**			
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	**Role of Audit Committee:**			
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	✔		

Condition No.	Title	Compliance Status (✔ has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
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	**Reporting of the Audit Committee:**			
3.4.1	**Reporting to the Board of Directors:**			
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
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	**External/Statutory Auditors** 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.	✔		

Condition No.	Title	Compliance Status (✔ has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
5	**Subsidiary Company:**			
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	✔		
6	**Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):**			
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	**Reporting and Compliance of Corporate Governance:**			
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.	✔		

IFIC BANK

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CEO AND CFO'S DECLARATION TO THE BOARD

Date: 06 April 2017

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

Subject: Certification of Managing Director & CEO 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 ended 31 December 2016 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 & 5 Mohakhali C/A
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 2016.

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 2016.

Dhaka, 8 May 2017

Rahman Rahman Huq



MANAGEMENT DISCUSSION AND ANALYSIS



BUSINESS ENVIRONMENT

Review of Global Economy

Global growth is expected to be tepid at 3.1 percent in 2016, down from 3.2 percent in 2015 (World Economic Outlook, October 2016). Growth, however, is projected to rise up to 3.4 percent in 2017. Advanced economies are expected to grow by 1.6 percent in 2016, 0.5 percentage points lower than in 2015, edging up to 1.8 percent in 2017. However, emerging markets and developing economies are projected to grow by 4.2 percent in 2016, 0.2 percentage points higher than in 2015, rising further to 4.6 percent in 2017. The downward growth revisions in advanced economies reflect a deterioration of economic activities in Euro zone following the exit process of UK from EU (Brexit) and its subsequent impact on the US and the Japanese economies. US growth is expected to decrease to 1.6 percent in 2016 from 2.6 percent in 2015 and increase to 2.2 percent in 2017. Reflecting the adverse impact from Brexit, growth in the Euro area has been revised downward to 1.7 percent and 1.5 percent in 2016 and 2017 respectively from 2.0 percent in 2015. The growth in emerging market and developing economies in 2016 is expected to improve as a result of buoyant economic activities in leading Southeast and South Asian countries, modest recovery of oil prices, contained asset price and exchange rate after the Brexit referendum and despite some growth moderation in China. Chinese growth is revised downward to 6.6 percent in 2016 and 6.2 percent in 2017, from 6.9 percent in 2015. World trade volume growth is projected to decrease from 2.6 percent in 2015 to 2.3 percent in 2016 and then increase to 3.8 percent in 2017. Trade balances in advanced economies are expected to deteriorate in 2016 and 2017 since export growth is projected to be weaker than import growth; while those in emerging markets and developing economies are expected to improve in 2016, but deteriorate in 2017.

Review of Bangladesh Economy

Bangladesh economy grew by 7.1 percent, exceeding the 7.0 percent growth target and the 6 percent growth trajectory. This strong growth was mainly supported by industry and services sectors. Annual average CPI inflation continued to decline to 5.9 percent in June 2016, below the target of 6.2 percent. The declining trend in average CPI inflation is mainly driven by favourable food inflation. In FY16, Bangladesh Bank implemented a cautious but pro-growth monetary policy stance that promotes investments through the strategy of selective easing to support the 7 percent growth target and the 6.2 percent inflation target. Both the targets were fulfilled in FY16. In the H2 of FY16, BB lowered the policy rates by 50 basis points. Market interest rates moderated, reflecting policy support and liquidity conditions.

Prospects of Bangladesh Economy

GDP is expected to grow by 6.9% in FY2017 as well as agriculture growth in FY2017 is expected to moderate to 2.4% as low domestic rice prices discourage farmers' expansion of crop area. Industry growth is projected to edge up to 10.2% on sustained strong domestic demand and some improvement in power supply and easing of transport bottlenecks. Services growth is likely to be lower at 6.3% on more moderate expansion in agriculture, trade, transport, and public administration.

An upturn in private investment is expected to begin in FY2017 with the continuation of political stability. A major catalyst is the completion of public sector energy and transport projects that reduce the cost of doing business. Moreover, the government has fast-tracked several large infrastructure projects in the energy and transport sectors. The development of special economic zones, including some run by the private sector, further builds momentum for private investment.

The central bank focused on stabilizing inflation while supporting output and employment growth. Inflation is expected to be 6.1% in FY2017. The forecast for export growth is 7.0% in FY2017, reflecting slower growth than projected in 2016 in the US and the euro area, the main textile markets. The import bill is to grow at 8.0% in FY2017. The revision takes into account modest import expansion in FY2016, when higher domestic production partly replaced imports. Imports of capital machinery are expected to pick up on higher investment. With the low oil price environment continuing, remittance inflows are likely to decline by 3.0% in FY2017.

FINANCIAL REVIEW

Based on separate financial statements

During the year 2016, IFIC continued to focus on profitable growth by leveraging out rebalanced funding mix to grow our loan portfolio especially focusing on mortgage based and SME loans, improving the credit quality of our loan portfolio, enhancing capitial adequacy to support future and longer term growith, and risk management.

Operating results of the Bank

The Bank achieved net profit after tax of BDT 1,214 million in the year 2016 vis a vis BDT 887 million in 2015 with a growth of 36.87%. Net interest income increased by 16.79% and stands at BDT 4,375 million in the year 2016 from BDT 3,746 million in the year 2015 due to increase in interest-earning assets by 11.97%.

Non-interest income decreased by 2.88%, BDT 4,167 million in the year 2016 from BDT 4,291 million in the year 2015. The decrease in non-interest income was primarily due to 23.67% decrease in income from

term placement, BDT 404 million in the year 2016 from BDT 529 million in the year 2015 and decrease of Gain from sale of shares of listed companies and dividend (local & foreign) by 55.14%, BDT 83 million in the year 2016 from BDT 185 million in the year 2015.

Operating expenses was increased by 16.65% to BDT 5,123 million in the year 2016 from BDT 4,391 million in the year 2015. The increase in operating expenses was mainly due to increase in Advertising expenses of BDT 100.35 million, Charges on loan losses of BDT 211.35 million, Depreciation of BDT 116.15 million and Rent expenses of BDT 73.39 million. The increase in Advertising expense was due to increase the visibility and expansion of Brand of the Bank and introduction of new products namely "IFIC Home Loan" and IFIC Amar Account", depreciaiton increased due to capitalization of expenses relating to IFIC Tower of the Bank as well as changing of depreciation method from reducing balance method to straight line method effective from 1 January 2016 and rent increased due to opening of 5 (five) new branches during the year as well as usual inflationary pressures during the year.

Even though the operating expenses increased but the Bank still managed to increase both of its net profit before and after tax by BDT 468.67 million and BDT 327.13 million respectively during the year due to lower requirement of provision against loans and advances etc. Provision against loans and advances etc. decreased by BDT 694.36 million during the year mainly due to improvement of loan portfolio as the NPL ration has been reduced to 5.29% in 2016 from 6.46% in 2015.

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

BDT in million

Particulars	2016	2015	% Change
Interest income	12,483	12,653	-1.34%
Interest paid on deposits, borrowings etc.	8,108	8,907	-8.97%
Net interest income	**4,375**	**3,746**	**16.79%**
Non-interest income	4,167	4,291	-2.88%
Total operating income	**8,543**	**8,037**	**6.29%**
Total operating expenses	5,123	4,391	16.65%
Operating profit before provision and taxes	**3,420**	**3,646**	**-6.19%**
Total Provision	1,336	2,031	-34.19%
Profit before taxes	**2,084**	**1,615**	**29.02%**
Provision for taxation	870	728	19.44%
Net profit after taxation	**1,214**	**887**	**36.88%**

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

Particulars	2016	2015
Return on equity (ROE) 1	9.91%	7.96%
Return on assets (ROA) 2	0.65%	0.53%
Earnings per share (EPS) 3	2.15	1.57
Net assets value per share	22.77	23.15
Net operating cash flow per share	1.34	(3.42)
Non-interest income to total operating income ratio	48.78%	53.39%
Cost to income ratio 4	59.97%	54.64%

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 for 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, for the periods indicated, the net interest income and spread analysis:

Particulars	2016	2015	% Change
Interest income	12,483	12,653	-1.34%
Interest expense	8,108	8,907	-8.97%
Net interest income	**4,375**	**3,746**	**16.79%**
Average interest-earning assets	159,180	142,169	11.97%
Net interest margin	2.75%	2.64%	0.11%
Yield on average assets	8.87%	10.13%	-1.25%
Interest expense to average assets	4.32%	5.32%	-1.00%
Administrative cost	2.73%	2.62%	0.10%
Operating Margin	1.82%	2.18%	-0.36%
Return on Advance	9.98%	11.87%	-1.89%
Cost of Deposit	5.17%	6.80%	-1.63%
Spread	4.81%	5.07%	-0.26%

Net interest income increased by 16.79%, BDT 4,375 million in the year 2016 from BDT 3,746 million in the year 2015. However, net interest margin stands at 2.75% in the year 2016 from 2.64% in the year 2015 due to lower level in interest expense over interest income during the year.

The yield on Average Assets stands at 8.87% in the year 2016 from 10.13% in the year 2015, interest expense to average assets decreased to 4.32% in the year 2016 from 5.32% in the 2015 mainly due to lower rate of interest. The operating margin is decreased to 1.82% in the year 2016 from 2.18% in the year 2015 due to exceptional increase in administrative expense items namely charged on loan loss, depreciation, advertising as explained in earlier section.

The spread slightly decreased, 4.81% in the year 2016 from 5.07% in the year 2015, due to higher level of decrease in return on advances than cost of deposit during the year. Besides there were continuous regulatory pressure to bring down the spread within 5%.

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, for the periods indicated, the principal components of non-interest income:

BDT in million

Particulars	2016	2015	% Change
Investment income	2,100	2,375	-11.61%
Commission, exchange and brokerage	1,478	1,457	1.41%
Other operating income	590	458	28.72%
Total non-interest income	**4,167**	**4,291**	**-2.88%**

Non-interest income primarily includes investment income, commission, exchange, fee related income and other operating income. The non-interest income decreased by 2.88%, BDT 4,167 million in the year 2016 from BDT 4,291 million in the year 2015 mainly for lower interest income from term placement.

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 included commssion earned from issuing letter of gurrantee, letter of credit, exchange gain etc.

Income from commission, exchange and brokerage increased by 1.41%, BDT 1,478 million in the year 2016 from BDT 1,457 million in the year 2015 primarily due

to an increase in Rebate from foreign correspondent, commission on letter of guarantee etc.

Other operating income

Other operating income primarily includes fees and commission from corporate and retail clients such as loan processing fees and service charges. Other operating income increased by 28.72%, BDT 590 million in the year 2016 from BDT 458 million in the year 2015 due to loan processing fees & service charges and miscellaneous earning and Other fees, commission & charges

Non-interest expense

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

BDT in million

	2016	2015	% Change
Salaries and allowances	2,351	2,206	6.56%
Rent, taxes, insurance, electricity, etc.	740	667	11.00%
Postage, stamp, telecommunication, etc.	118	113	5.00%
Stationery, printing, advertisement, etc.	274	173	57.94%
Depreciation and repair of bank's assets	554	438	26.52%
Other expenses	1,085	794	36.64%
Total operating expenses	**5,123**	**4,391**	**16.65%**

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) increased by 16.65%, BDT 5,123 million in the year 2016 from BDT 4,391 million in the year 2015.

Salaries and allowances

Salaries and allowances increased by 6.56%, BDT 2,351 million in the year 2016 from BDT 2,206 million in the year 2015 mainly for adjustment of annua increment and increased number of employees increased to 2,536 at 31 December 2016 from 2,489 at 31 December 2015.

Other operating expenses

Other operating expenses primarily include 'rent, taxes, 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 26.84% and stood at BDT 2,772 million in the year 2016 from BDT 2,185 million in the 2015. The increase in other operating expenses was primarily due to charges on loan loss increased by BDT 211 million, advertising expenses by BDT 100.36 million, depreciation by BDT 116.15 million.

Provision for loans, investments and other assets

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

BDT in million

Particulars	2016	2015	% Change
Provision for loans and advances	1,260	1,941	35.05%
Provision for diminution in value of investments	52	64	-18.87%
Other provisions	24	26	-7.87%
Total Provision	**1,336**	**2,031**	**-34.19%**

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 1,336 million in the year 2016 which mainly represents provision for non-performing and standard loans and advances. Provision expense decreased due to improvement of NPL.

Provision for taxation for the year

The income tax expense increased by 19.44% to BDT 870 million in the year 2016 from BDT 727 in the year 2015. The effective tax rate decreased to 41.73% in the 2016 from 45.08% in the year 2015. The decrease in effective tax rate was primarily due to decrease in non deductible expenses than previous year and decrease in deferred tax asset relating to provision for loans classified as doubtful and band and loss during the year.

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 191 million for temporary difference between carrying value and tax base of fixed assets outstanding at 31 December 2016 and DTA of BDT 863 million for temporary difference between carrying value and tax base of provision for loans and advances and reported in the financial statements on a net basis. As a result deferred tax expense of BDT 179 million in 2016 and deferred tax income BDT 9 million in 2016 was recognised in the financial statements.

Financial position of the Bank

Total assets of the Bank increased by 10.50%, BDT 197,050.71 million at 31 December 2016 from BDT 178,334 million at 31 December 2015 as total loans and advances increased by 11.24%, BDT 137,118 million at 31 December 2016 from BDT 123,269 million at 31 December 2015 primarily due to an increase in major business segments of retail advances, agricultural and SME advances.

Total deposits increased by 9.08%, BDT 160,155 million at 31 December 2016 from BDT 146,820 million at 31 December 2015. Savings bank deposits increased by 13.84%, BDT 27,886 million at 31 December 2016 from BDT 24,496 million at 31 December 2015. Current deposits and other accounts increased by 15.23%, BDT 20,063 million at 31 December 2016 from BDT 17,411 million at 31 December 2015. Term deposits decreased by 3.14%, BDT 80,783 million at 31 December 2016 from BDT 83,400 million at 31 December 2015.

The Bank continued to expand its branch network in Bangladesh. Branch network of the Bank in Bangladesh increased to 134 branches at 31 December 2016 from 129 branches at 31 December 2015. ATM network of the Bank increased to 72 ATMs at 31 December 2016 from 61 ATMs at 31 December 2015 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.

From 1 January 2015, the Bank was subject to Guidelines on Risk Based Capital Adequacy [RBCA] (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 to risk-weighted asset ratio (CRAR) of the Bank in accordance with RBCA guidelines on Basel III was 11.25% at 31 December 2016 (with a Tier-1 capital adequacy ratio of 7.71% [Y2015: 8.96%]) from 10.07% at 31 December 2015.

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

Assets

BDT in million

Particulars	2016	2015	% Change
Cash	14,067	11,861	18.60%
Balance with other banks and financial institutions	9,009	5,711	57.76%
Investments	25,205	28,498	-11.56%
Loans and advances	137,118	123,269	11.24%
Fixed assets including premises, furniture and fixtures	3,488	3,230	7.97%
Other assets	7,791	5,392	44.49%
Non-banking assets	373	373	0.00%
Total assets	**197,051**	**178,334**	**10.50%**

Cash

Cash includes cash in hand and balances with Bangladesh Bank and its agent banks, including Cash at ATMs. Cash increased to BDT 14,067 million at 31 December 2016 from BDT 11,861 million at 31 December 2015 primarily due to increase in balances with Bangladesh Bank as well as cash in hand. Along with growth of the business it is inevatible to maintain sufficient liquidity to support the demand of the customers as well as to maintain the minimum requirements of Bangladesh Bank.

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 increased to BDT 9,009 million at 31 December 2016 from BDT 5,711million at 31 December 2015 primarily due to increase in fixed deposits.

Investments

Total investments decreased by 11.56%, BDT 25,205 million at 31 December 2016 from BDT 28,498 million at 31 December 2015, primarily due to an decrease in investment in government securities by BDT 2,842 million. Investment in treasury bills decreased by 26.94%, BDT 7,456 million at 31 December 2016 from BDT 10,205 million at 31 December 2015 and Investment in quoted share decreased by 15.62%, BDT 2,469 million at 31 Dec 2016 from BDT 2,926 million at 31 Dec 2015.

Loans and advances

Loans and advances increased by 11.24%, BDT 137,118 million at 31 December 2016 from BDT 123,269 million at 31 December 2015 primarily due to an increase in major business segments of retail advances namely in Home Loan and Mortgaged based loans. Corporate advances decreased by 2.17%, BDT 86,839 million at 31 December 2016 from BDT 88,764 million at 31 December 2015.

Fixed assets including premises, furniture and fixtures

Fixed assets including premises, furniture and fixtures increased significantly to 3488 million at 31 December 2016 from BDT 3,230 million at 31 December 2015 primarily due to expansion of branch network and recognition of capital work in progress for building under construction (IFIC Tower) and up-gradation of core banking system (CBS). Wooden Furniture increased by 254.93%, BDT 162 million at 31 December 2016 from BDT 46 million at 31 December 2015 due to capitalization of work in progress relating to furnniture purchased for IFIC Tower and Branch expansion. Electrical & gas equipment increased by 179.49%, BDT 410 million at 31 December 2016 from BDT 146 million at 31 December 2015 due to the same reason i.e. capitalization of work in progress. Software increased by 209.47%, BDT 282 million at 31 December 2016 from BDT 91 million at 31 December 2015 mainly due to upgradtion of MISYS-core banking system (CBS).

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 due to additional investment in subsidiary namely IFIC Securities Limited of BDT 140 million, additional payment as advance income tax during the year that is yet to be adjusted with provision for corporate tax etc.

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 2016 since 2013.

Liabilities

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

BDT in million

Particulars	2016	2015	% Change
Borrowing from other banks, financial Institutions and agents	5,827	7,201	-19.08%
Subordinated debt	3,500	-	
Deposit and other accounts	**160,155**	**146,820**	**9.08%**
Current deposits and other accounts	20,063	17,412	15.23%
Bills payable	2,076	1,474	40.86%
Savings bank deposits	27,886	24,496	13.84%
Fixed Deposits	110,131	103,439	6.47%
Other liabilities	14,728	12,659	16.34%
Total liabilities	**184,210**	**166,680**	**10.52%**
Capital / Shareholders' equity			
Paid up capital	5,638	5,034	12.00%
Statutory reserve	4,649	4,232	9.85%
General Reserve	155	155	0.00%
Revaluation reserve against securities	13	41	-67.66%
Revaluation reserve against fixed assets	115	115	0.00%
Surplus in Profit and Loss Account	2,269	2,076	9.31%
Total shareholders' equity	**12,840**	**11,654**	**10.18%**
Total liabilities and shareholders' equity	**197,051**	**178,334**	**10.50%**

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 5,827million at 31 December 2016 due to increase in short-term borrowings from different banks and refinance from Bangladesh Bank.

Subordinated debt

During the year 2016, the Bank with prior consent of Bangladesh Securities and Exchange Commission (vide letter no. BSEC/CI/DS-32/2015/644 dated 28 December 2015) and Bangladesh Bank (vide letter no. BRPD(BFIS)661/18B(P)/2016-938dated08February 2016 and BRPD(BFIS)661/18B(P)/2016-2475 dated 17 April 2016) issued 07 (seven) years Tier-II Non-Convertible Coupon Bearing Subordinated Bonds to several banks. The issued instrument is un-secured, non-convertible in nature and will be redeemed at the end of 3rd, 4th, 5th, 6th and 7th year of maturity at 20% of bond value respectively.

Deposit and other accounts

Deposits increased by 9.08%, BDT 160,155 million at 31 December 2016 from BDT 146,820 million at 31 December 2015. Deposits consisting of fixed nature decreased to BDT 110,131 million at 31 December 2016 from BDT 103,439 million at 31 December 2015, while savings bank deposits increased to BDT 27,886 million at 31 December 2016 from BDT 24,496 million at 31 December 2015 and current deposits & other accounts increased to BDT 20,063 million at 31 December 2016 from BDT 17,412 million at 31 December 2015.

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 14,728 million at 31 Dec 2016 from BDT 12,659 at 31 December 2015 mainly due to increase in Provision for taxation and Interest suspense accounts.

Capital / Shareholders' equity

Capital and shareholders' equity increased to BDT 12,840 million at 31 December 2016 from BDT 11,654 million at 31 December 2015 primarily due to accretion to paid up capital through declaration of stock dividend by 12% on paid up capital for the year 2015, statutory reserve by 20% on profit before tax of the year 2016 and by the impact of Surplus in profit and loss account for the year 2016.

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 2016, the Bank is required to maintain minimum Tier-1 capital ratio of 5.50%, and minimum total Capital including Capital Conservation Buffer (CCB) of 10.625%. 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 2016.

BDT in million

Particulars	2016	2015	% Change
Common Equity Tier 1 (going-concern capital):			
Paid-up capital	5,638	5,034	12.0%
Statutory reserve	4,649	4,233	9.8%
General reserve	155	155	0.0%
Retained earnings	2,269	2,076	9.3%
	12,711	**11,498**	**10.5%**
Regulatory Adjustments:			
Deduction from Tier-1 Capital	(1,102)	(990)	11.3%
Total Common Equity Tier 1 Capital	**11,609**	**10,508**	**10.5%**

Particulars	2016	2015	% Change
Tier-2 (Gone-Concern Capital):			
General Provision	1,783	1,259	41.6%
Revaluation Reserves as on 31 December 2014 (50% of Fixed Assets and Securities & 10% of Equities)	58	58	0.0%
Subordinated debt	3,500	-	
	5,341	**1,317**	**305.5%**
Regulatory Adjustments:			
Revaluation Reserves for Fixed Assets, Securities & Equity Securities (Phase-in deductions)	(23)	(12)	
Total Admissible Tier-2 Capital	**5,318**	**1,305**	**307.5%**
Total Regulatory Capital	**16,927**	**11,813**	**43.3%**
Risk-Weighted Assets (RWA) for Credit Risk	133,567	100,698	32.6%
Risk-Weighted Assets (RWA) for Market Risk	4,868	5,404	-9.9%
Risk-Weighted Assets (RWA) for Operational Risk	12,088	11,212	7.8%
Total Risk-Weighted Assets (RWA)	**150,523**	**117,314**	**28.3%**
Tier-I Capital to Risk-Weighted Assets (RWA)	7.71%	8.96%	-1.24%
Tier-II Capital to Risk-Weighted Assets (RWA)	3.53%	1.11%	2.42%
Capital to Risk-weighted Asset Ratio (CRAR)	**11.25%**	**10.07%**	**1.18%**
Minimum Capital Requirement	15,993	11,731	36.3%
Surplus Capital	934	82	1039.0%

The information displayed above shows that the Bank is able to meet Basel III capital requirements with Tier-1 capital ratio of 7.71% against the current minimum Tier-1 capital requirement of 5.50% and Capital to Risk-weighted Asset Ratio (CRAR) of 11.25% against the minimum total capital requirement of 10.625%.

At 31 December 2016, consolidated Tier-1 capital ratio was 8.27% against the current requirement of 5.50% and total consolidated Capital to Risk-weighted Asset Ratio (CRAR) was 11.73% against the current requirement of 10.625%.

Movement in the capital funds and risk weighted assets to 31 December 2016 from 31 December 2015

Capital increased by BDT 5,115 million to BDT 16,928 million at 31 December 2016 from BDT 11,813 million at 31 December 2015 primarily due to issuance of Subordinated Bond of BDT 3,500 million and accretion to paid up capital through declaration of stock dividend by 12% on paid up capital, statutory reserve by 9.8% and general provision by 42%.

RWA for credit risk increased by BDT 32,869 million to BDT 133,567 million at 31 December 2016 from BDT 100,698 million at 31 December 2015 due to increase of BDT 18,673 million in loans and advances and off-balance sheet items in different categories.

RWA for market risk decreased by BDT 536 million to BDT 4,868 million at 31 December 2016 from BDT 5,404 million at 31 December 2015 for decrease in RWA for equities by BDT 716 million (capital charge BDT 71.6 million) and increase in RWA for foreign exchange position by BDT 179.9 million (capital charge BDT 18 million).

The RWA for operational risk at 31 December 2016 was BDT 12,088 million (capital charge of BDT 1,208 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, at the dates indicated, the composition of the Bank's gross loans and advances (net of write-offs):

BDT in million

Particulars	2016		2015	
	Amount	%	Amount	%
Agriculture Industries	3,007	2.19%	2,003	1.62%
Jute Industries	2,178	1.59%	1,296	1.05%
Textile Industries	5,852	4.27%	8,119	6.59%
Garments Industries	19,811	14.45%	18,336	14.88%
Chemical and Chemical Products	222	0.16%	372	0.30%
Cement Industries	154	0.11%	368	0.30%
Bricks & Ceramic	988	0.72%	887	0.72%
Food Products & Processing	4,995	3.64%	1,228	1.00%
Engineering & Metal	3,471	2.53%	5,594	4.54%
Drugs & Pharmaceuticals	732	0.53%	935	0.76%
Hospital & Clinics	139	0.10%	125	0.10%
Paper & Paper Products Industries	518	0.38%	296	0.24%
Other Small Industries	5,094	3.71%	11,498	9.33%
IT Sector	2,846	2.08%	3,243	2.63%
Other Service Industries	13,441	9.80%	4,890	3.97%
Trade & Commerce	24,580	17.93%	26,273	21.31%
IFIC Securities Ltd.	-	0.00%	1,295	1.05%
Transport	472	0.34%	896	0.73%

Particulars	2016		2015	
	Amount	%	Amount	%
Construction Firms/Companies	4,527	3.30%	4,547	3.69%
Housing Societies/Companies	9,218	6.72%	9,908	8.04%
Cold Storage	76	0.06%	89	0.07%
Non-Banking Financial Institutions	-	0.00%	700	0.57%
Consumer Finance	18,733	13.66%	6,239	5.06%
Energy	6,861	5.00%	4,973	4.03%
Telecommunication	6,510	4.75%	5,525	4.48%
Others	2,694	1.96%	3,633	2.95%
	137,118	100.00%	123,269	100.00%

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.

Bangladesh Bank has separate guidelines for rescheduled loans. A classified loan or advance can be rescheduled by re-schedulement 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.

BDT in million

Particulars	2016	2015	% Change
Non-performing loans and advances			
Sub-standard	1,750	1,209	44.78%
Doubtful	467	1,282	-63.59%
Band & loss	5,034	5,471	-7.99%
Total Non-performing loans and advances	**7,251**	**7,962**	**-8.93%**

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

BDT in million

Particulars	2016	2015
Gross NPL	7,251	7,962
Provision	2,355	2,700
Interest suspense	4,196	3,218
NPL coverage	**6,551**	**5,918**
Net NPL	**700**	**2,044**
NPL coverage ratio	**90%**	**74%**

At 31 December 2016, gross NPLs were BDT 7,251 million compared to BDT 7,962 million at 31 December 2015. Net NPLs (net off provision for PL/ NPL and interest suspense) were BDT 700 million at 31 December 2016 compared to BDT 2044 million at 31 December 2015. During the year 2016, the Bank wrote-off NPLs of BDT 2,109 million as against BDT 1,224 million in the year 2015.

Net NPL coverage ratio of the Bank was 90% at 31 December 2016 and 31 December 2015 was 74%. At 31 December 2016, total general provision held against standard loans and advances was BDT 1,783 million.

Based on Consolidated financial statements

The consolidated profit after tax including the results of operations of the Bank's subsidiaries increased by 49.70% , BDT 1,583 million in the year 2016 from BDT 1,057 million in the year 2015 primarily due to increase in the profit of IFIC Bank Limited. The consolidated return on equity (ROE) increased to 12.03% in the year 2016 from 8.97% in the year 2015.

Profit after tax of IFIC Securities Limited decreased to BDT 2.87 million in the year 2016 from BDT 10.04 million in the year 2015.

Net loss after tax of IFIC Money Transfer (UK) Limited was BDT 7.19 million in the year 2016 as against net profit after tax of BDT 5.97 million in the year 2015.

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

BDT in million

Particulars	2016	2015	% Change
IFIC Securities Limited	2.87	10.04	-71.42%
IFIC Money Transfer (UK) Limited	(7.19)	5.97	-220.42%

HUMAN CAPITAL (WITH TRAINING & DEVELOPMENT):

IFIC Bank Limited has always been committed to its employee development. Training and development programs are designed to ensure appropriate employee knowledge and skills for performing current jobs as well as future responsibilities. In 2016, 4591 participants attended in 233 Training Programs on different areas of Banking, Finance, Customer Service, IT and Leadership. This implies that we covered almost all employees under our inclusive training net.

In 2016 we have taken initiatives to standardize our training courses in major areas of banking keeping in mind bank's requirement like Basics of Banking, Basic Course on Credit Management and Basic Course on Trade Processing and then brought the relevant desk officers under the programs.

A comprehensive Management Trainee Development Program has been introduced for 6 months where MTs are nurtured under a planned learning path that includes Training on Team Building & Leadership and Negotiation Skills along with the standardized programs. New joiners (Management Trainee Officers and Transaction Service Officers) are also getting on the job training with job orientation in branch and head office.

In IFIC Bank training team works as a strategic partner to achieve bank's goals and objectives and thus support all concerned division and department to meet business target as well as regulatory compliance. We organized training on Integrated Supervision System (ISS), Anti-Money Laundering (AML), CIB for regulatory requirement and training on Home Loan & Aamar Account to achieve business target. Our another focus on training is IT to make our employees complacent with New Core Banking Software Bank Fusion Equation.

As part of succession planning, we arrange leadership programs with distinguished trainers from home and abroad. We are member of Malaysian Institute of Management (MIM) and continuing leadership program with them for last 3 years. We created a pool of Coaches & Mentors in the organization through intensive training. On the other hand we started Train the Trainers (TTT) programs in collaboration with Malaysian Institute of Management for capacity building of bank's trainers and enhance bank's training standard.

Our participants often go to National Institute of Bank Management (NIBM), India; Visa Business School, Singapore Institute of Management (SIM), Singapore; Fitch Learning; Indian School of Business (ISB), India; Indian Institute of Management (IIM), India for training on contemporary banking and know the global best practices. In 2016, 52 participants attended foreign training on 37 different training programs in India, Malaysia, Singapore, Thailand, Indonesia and USA.

EMPLOYEE COMPENSATION & BENEFITS:

Formulation of "Compensation & Benefits Strategy" in IFIC Bank is very much challenging ensuring HR Budget under control through efficient utilization of resources and maintaining the jobs within competitive pay packages. Management of IFIC Bank believes that attractive Salary & Benefits package brings competitive advantage in the industries both for the organization and the employees. In line with the Management's mission & vision, Human Resource Management Division always conducts both formal & informal benefits survey in the industry to make the same competitive which can be elucidated in the following sensible arenas:

Competitive Pay Package:
Pay package is one of the most effective tools that really attract 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 employee while Pay for Performance strategy encourages to boost individual employee performance. Modern and effective performance appraisal system based on the theory of Management by Objectives (MBO) triggers the performance of the employees. 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:
To keep the employee motivation level high, IFIC Bank provides numerous benefits which includes Staff House Building Loan, Car Purchase Finance Scheme, Salary Overdraft & Staff Salary Loan. As a part of long term service benefits, Provident Fund, Gratuity Fund, Earned Leave Encashment are provided as per compensation & benefits policy. These facilities are designed in such a way so that employees will have a handsome amount of benefits while leaving the bank to enjoy a decent life with family.

Process Management for Compensation & Benefits:
Using standard HR software, Human Resource Management Division is managing the automated process fully/partly in disbursement of Monthly Salary, Increment, Bonuses, Leave Fare Assistance (LFA), Salary Overdraft (OD) and Car Reimbursement effectively and efficiently so as to slash the processing time & cost. Likewise, Key Performance Indicators (KPI) for Performance Appraisal of all eligible employees has come under the purview of HR Software for prompt processing.

Human Resource Accounting:
IFIC bank is not merely recognizing the value of all resources but also managing the human resource which ultimately ensures 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.

ADVERTISEMENT & PUBLICITY

In the year 2016, IFIC Bank was comprehensively focused on its brand promotion activities to create a market buildup and tap the ongoing demand of consumers. To facilitate the current and potential customers – the bank introduced groundbreaking products and services in 2016.



IFIC celebrated 40th anniversary in 2016 by undertaking a series of activities engaging its customers, patrons, stakeholders and employees. A full page press advertisement at national dailies was published on the anniversary day, nationwide branches were decorated with promotional materials along with anniversary cake cutting with valued customers and employees. An event was organised with participation of directors, bank officials and other eminent personalities to share the spirit of 40 years' journey towards dynamic maturity and mutual progression. Special celebration cakes, thankscards and mementos were given to valued clients.



IFIC has introduced the revolutionary product named "IFIC Aamar Account" – the first one-stop account in Bangladesh banking history. To stimulate this product, a full circle campaign was undertaken across all available media (TVC and RDC airing in different channels, series of newpaper advertisement insertions in national and local dailies, billboard advertisements at different strategic points, digital media advertisements along with field level activation).

IFIC Bank was the trend-setter in Home Loan. Promotion activities for Home Loan across the



media was very successful in 2016. The Bank got positive word of mounth impact as a result of communications that were aired in both TV, Radio, Press and other media vehicles.



IFIC seized the opportunity of introducing "One Stop Service" to the customers. Now customers can avail 19 types of services from one single counter at IFIC Bank branches. Through Television, Radio and Press ad campaign, the bank announced and grabbed the attention of consumers.



IFIC, a true patron of Bangladeshi heritage and culture, holds and run-through the national values. Like previous years, IFIC bank organized IFIC Bank Sahittyo Puroskar in 2016 also. Two living literary geniuses were awarded with a prize money of BDT 5 Lac, a certificate and a crest. Finance Minister Mr. A. M. A. Muhit, MP was present at the ceremony as chief guest with Emeritus Professor Mr. Anisuzzaman in the chair. IFIC Tower was formally inaugurated by the minister on the same day. Principal Secretary to Honourable Prime Minister Dr. Kamal Abdul Naser Chowdhury, Chairman of IFIC Bank Mr. Salman F Rahman and Chairman of Bengal Foundation Mr. Abul Khaer were also present during the inaugural ceremony.



The Bank sponsored Rebel Poet Kazi Nazrul Islam's 40th death anniversary programme organised by the Nazrul Institute, renovation works of Zainul Art Gallery of Bangladesh National Museum and a function to remember renowned musician Sachin Dev Barman.

"IFIC Pitha Utshab 2016" – was a notable and much-appreciated event. Selected customers with their families, eminent personalities of the society, honorable shareholders and bank's high officials were invited to that gathering at Gulshan Branch premises.



Different television programmes including *Kemon Budget Chai* in NTV, *Ekushay Book Mela Sorasori* and *Rangtulite Muktijudhdho* in Channel i were sponsored by the bank. The Bank also did branding of the news scroll and a documentary titled "*IFIC Bank Ei Banglaye*' in ATN News to increase the Bank brand visibility.

The Bank also sponsored a good number of events like Dhaka International Film Festival organized by Rainbow Film Society, Ekushay Boimela of Bangla Academy, Bangabandhu Gold Cup Football Tournament of Bangladesh Football Federation, Asian Volleyball Championship Tournament of Bangladesh Volleyball Federation, Digital World-2016 of Bangladesh Association of Software & Information Services (BASIS) and Victory Day parade of Bangladesh Armed Forces.



MEDIA HIGHLIGHTS



সমকাল

প্রধানমন্ত্রীর ত্রাণ তহবিলে আইএফআইসি ব্যাংকের কম্বল প্রদান

প্রধানমন্ত্রীর কার্যালয়ে সম্প্রতি আইএফআইসি ব্যাংকের চেয়ারম্যান সালমান এফ রহমান প্রধানমন্ত্রী শেখ হাসিনার কাছে প্রধানমন্ত্রীর ত্রাণ তহবিলের জন্য কম্বল হস্তান্তর করেন। এ সময় ব্যাংকের এমডি শাহ এ সারওয়ার উপস্থিত ছিলেন।

এ সপ্তাহের সাক্ষাৎকার

খেলাপি ঋণ কমাতে সমন্বিত প্রচেষ্টা দরকার

The Financial Express

IFIC Bank arranged a si... Account' at IFIC Tower in t... the bank Shah A Sarwar ar...

Star

IFIC steps into home financing with a bang

SARWAR A CHOWDHURY

"Any client can take home loan from any of its 130 branches across the country. We are not



Shah A Sarwar

প্রথম আলো

নেপালের ব্যাংকে বিনিয়োগ করে মুনাফায় আইএফআইসি

নেপাল ব্যাংকারস ব্যাংকের ৪৯.৯% শেয়ারের মালিক আইএফআইসি

NB IFIC BANK


MEDIA HIGHLIGHTS
daily sun
inister Sheikh Hasina receives a cheque for Tk 2.0 crore from Managing Direc-
CEO of IFIC Bank Shah Alam Sarwar for the Prime Minister's Relief Fund, at a
y at Ganabhaban in the city on Monday.
দৈনিক ইত্তেফাক
IFIC
শচীন দেব বর্মণের জীবনী বইয়ের প্রকাশনা উৎসব
উত্তরায় চলছে বিজয়ের বইমেলা
প্রথম আলো
আইএফআইসি ব্যাংক ও বিয়াকের চুক্তি সই
dailyobserver
Children
AWARD GIVING CEREMONY
for Academic Excellence
IFIC Bank Managing Director and CEO Shah Alam Sarwar seen, among others, with the p
ticipants at an awarding ceremony at its head office in the city on Saturday. PHOTO: BA
IFIC Bank awards its officials' kids
Business Desk
IFIC Bank Limited (IFIC Bank) awarded the children of its officials for their outstanding academic achievements held at the bank's head office in the city's Purana Paltan area on Saturday.
The bank's Managing Director and Chief Executive Officer (CEO) Shah Alam Sarwar handed over cash rewards and certificates among the childre
said a press release.
IFIC Bank Deputy Managi
Directors and other senior officials, a
parents were also present in the ce
mony.
A total of 51 children who achiev
brilliant results in SSC or 'O' Level a
HSC or 'A' Level examinations
rewards in the ceremony.
theindependent
Munier Chowdhury, Zakaria Padak conferred
REMEMBRANCE
To mark the 81st birth anniversary of eminent intellectual Professor Munier Chowdhury, Theatre organised a commemorative event on Sunday at the Experimental theatre Hall of Shilpakala Academy, where Munier Chowdhury Award and Mohammad Zakaria Padak were
director Ramendu Majumdar delivered the welcome speech and Syed Ahsanul Apon conducted the event.
After receiving Munier Chowdhury Award, Ezzatur Mouli expressed his feelings, "I got a lot of things in life. But, receiving Munier Chowdhury Award is a special pride for me, because I have played many roles in Munier Chowdhury's plays and also acted with Zakaria. This moment will be considered as
best moment of my life."
Avijit Sengupta said, "Recognition for the work has been always joyful. Amid of many obstacles in Chittagong, I
ceived my work. The award, ich has been given to me in gnition of my earnest work, boost me up to be more dutiful nds my work in the future, I dd like to express my sincere itude to the colleagues of ues. I have achieved this award ause of working with them. ving this award is really a great for me."
the second part of the grammre. Abdullah Al-Mamun ture School staged Munier wdhury's play 'Bongoodhor' cted by Shekanal Islam
সমকাল
সমকাল
স্কুলছাত্রীদের মধ্যে আইএফআইসির সাইকেল বিতরণ
যুগান্তর
মন্ত্রীর কাছে আইএফআইসি ব্যাংকের শীতবস্ত্র হস্তান্তর



daily sun



The Daily Star



Dhaka Int'l Film Festival in January

যুগান্তর



আইসিএমএবি সেরা কর্পোরেট পুরস্কার পেল আইএফআইসি ব্যাংক

অর্থমন্ত্রী আবুল মাল আবদুল মুহিতের কাছ থেকে 'আইসিএমএবি সেরা কর্পোরেট পুরস্কার-২০১৫' গ্রহণ করেন আইএফআইসি ব্যাংকের উপব্যবস্থাপনা পরিচালক ও চিফ অপারেটিং অফিসার শাহ মোহাম্মদ মঈনউদ্দিন। সম্প্রতি শেরাটন কনভেনশন সেন্টারে এক অনুষ্ঠানে পুরস্কারটি হস্তান্তর করা হয়।

বণিক বার্তা

বাংলাদেশ ব্যাংকের প্রশংসাপত্র পেল আইএফআইসি ব্যাংক

২০১৪-১৫ অর্থবছরে কৃষিখাণ বিতরণে লক্ষ্য অর্জনের ভিত্তিতে বাংলাদেশ ব্যাংকের প্রশংসাপত্র পেয়েছে আইএফআইসি ব্যাংক। সম্প্রতি বাংলাদেশ ব্যাংকে আনুষ্ঠানিক এক অনুষ্ঠানে আইএফআইসি ব্যাংকের ব্যবস্থাপনা পরিচালক ও সিইও শাহ এ সওকাতের হাতে প্রশংসাপত্রটি তুলে দেন ডেপুটি গভর্নর এনকে সুর চৌধুরী। এ সময়ে সংশ্লিষ্ট উর্ধ্বতন কর্মকর্তারা উপস্থিত ছিলেন।





The Financial Express



Deputy Managing Director and Chief Operating Officer of IFIC Bank Raihan Ul Ameen and Secretary of DPDC Muhammad Munir Chowdhury exchanging documents after signing t

IFIC Bank signs deal with DPDC

IFIC Bank Limited has recently signed an agreement with Dhaka Power Distribution Company (DPDC) for offering online bill collection services to their customers, said a statement.

Under the agreement, IFIC Bank will receive bills from customers of the power distribution company through the bank's branch network.

Deputy Managing Director and Chief Operating Officer of IFIC Bank Raihan Ul Ameen and Company Secretary of DPDC Muhammad Munir Chowdhury signed the agreement in presence of DPDC Managing Director Brigadier General (Retd.) Nazrul Hasan at DPDC Head Office in the city.

IFIC Bank's Deputy Managing Director and Head of Business Shah Md Moinuddin, Senior Executive Vice President (SEVP) Bader Kamal, DPDC's Executive Director (Engineering) Ramiz Uddin Sarker and Executive Director (Finance) Golam Mostafa were, among others, present during the signing ceremony.

Biographical book on Sachin Dev Burman published

BOOK

AFSANA ASHA

A biographical book titled 'Sachin Dev Burman-Maatyer Rajya Chhere Surer Samsive', written by Anis A Khan, chairman of the Association of Bankers, Bangladesh, presides over the association's 19th annual general meeting at the head office of IFIC Bank at IFIC Tower in Dhaka on December 17. Md Abdus Salam, vice chairman; Syed Mahbubur Rahman, vice chairman; Mohammed Haider Ali Miah, treasurer, and Arif Quadri, secretary general, were also present.

Dev Burman, was launched at a progarmme at the National Museum in the capital yesterday. Supported by IFIC Bank, the Daily Amader Comilla organised the publication ceremony.

Chaired by actino Editor of Daily

as chief guest at the publication ceremony yesterday, while president of Bangla Academy Professor Emeritus Anisuzzaman, Poet Asad Chowdhury, Poet Mohammad Nurul Huda, Advocate Md Ziaul Haque Mridha, MP, Brahmanbaria-2,

nalities and social

i Dutta, Director

ngladesh National

The Daily Star



A6B

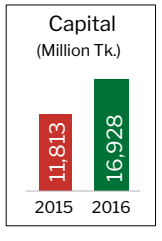


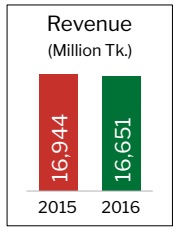
SHAREHOLDERS' INFORMATION

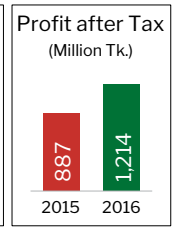
FINANCIAL HIGHLIGHTS

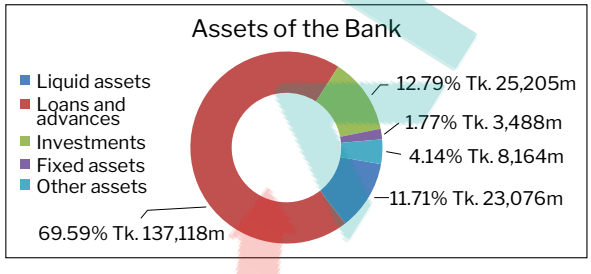
BDT in million

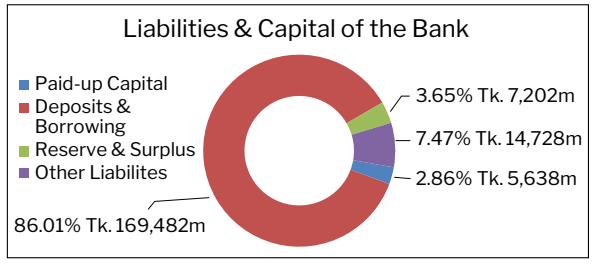
Particulars	Bank			Group		
	2016	2015	Change	2016	2015	Change
Financial Performance during the year						
Interest income	12,483.14	12,652.96	-1.34%	12,552.25	12,720.24	-1%
Profit before provision and tax	3,420.02	3,645.71	-6.19%	3,841.84	3,851.83	-0%
Provision for loans and assets	1,336.38	2,030.74	-34.19%	1,371.93	2,050.58	-33%
Profit after provision before tax	2,083.63	1,614.96	29.02%	2,469.91	1,801.25	37%
Tax including deferred tax	869.52	727.98	19.44%	887.37	744.11	19%
Profit after tax	1,214.12	886.98	36.88%	1,582.53	1,057.14	50%
Financial Position at the end of the year						
Total shareholders' equity	12,840.32	11,654.21	10.18%	13,922.40	12,370.38	12.55%
Total eligible capital	16,927.66	11,813.12	43.30%	18,037.58	12,578.21	43.40%
Deposits	160,155.01	146,819.71	9.08%	160,132.62	146,848.21	9.05%
Loans and advances	137,118.11	123,268.67	11.24%	141,258.76	125,668.04	12.41%
Investments	25,204.52	28,497.86	-11.56%	26,279.46	29,113.75	-9.74%
Property, plant and equipment	3,487.93	3,230.37	7.97%	3,498.78	3,244.88	7.82%
Total assets	197,050.71	178,333.95	10.50%	200,251.06	180,737.39	10.80%
Per Share Information						
Earnings per share (Taka)	2.15	1.57	0.58	2.81	1.87	0.93
Dividend (%)	12%	12%	0.00%	12%	12%	0.00%
Net assets value per share (Taka)	22.77	23.15	-1.63%	24.69	24.57	0.49%
Ratios (%)						
Capital adequacy ratio	11.25%	10.07%	11.68%	11.73%	10.24%	14.55%
Liquidity Ratio	14.98%	18.36%	-18.38%	14.98%	18.36%	-18.38%
Non performing loans	5.29%	6.46%	-18.13%	5.29%	6.46%	-18.13%
Return on average equity	9.91%	7.96%	24.52%	12.04%	9.52%	26.51%
Return on average assets	0.65%	0.53%	22.04%	0.83%	0.67%	23.69%
Credit Rating						
Long Term	AA2	AA2				
Short Term	ST-2	ST-2				
Others						
Number of employees	2,536	2,489				
Number of branches	134	129				

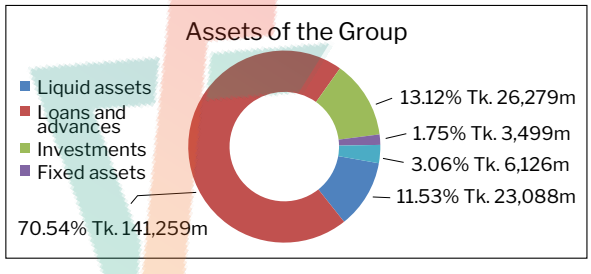


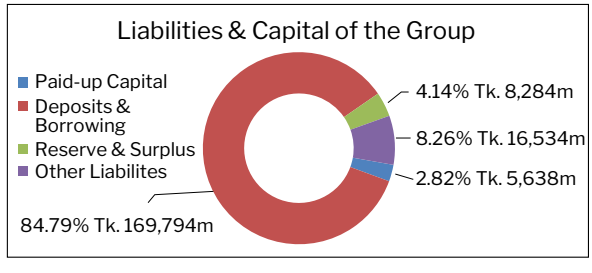












FIVE YEARS PERFORMANCE OF THE BANK

Key Financial Data and Indicators

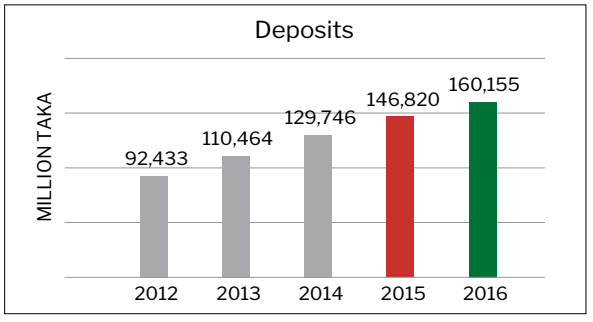
BDT in million except percentages and numbers

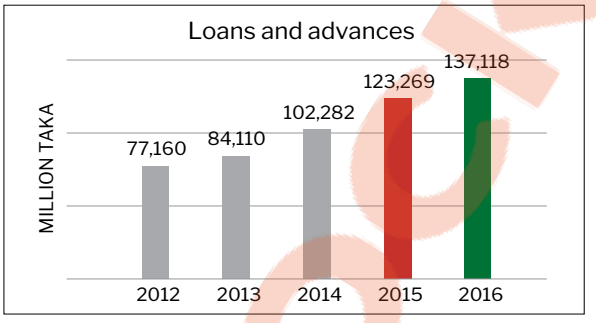
Particulars	2016	2015	2014	2013	2012
Financial Position Matrix					
Authorized capital	20,000	20,000	20,000	20,000	5,350
Paid-up capital	5,638	5,034	4,377	3,807	3,460
Shareholders' equity	12,840	11,654	10,628	9,098	7,753
Deposits	160,155	146,820	129,746	110,464	92,433
Borrowings	5,827	7,201	5,621	3,493	874
Total liabilities	184,210	166,680	145,711	122,919	106,975
Loans and advances	137,118	123,269	102,282	84,110	77,160
Investments	25,205	28,498	22,845	21,171	15,671
Fixed assets	3,488	3,230	2,929	2,383	2,342
Interest earning assets	166,861	151,499	132,838	109,474	94,235
Non-interest earning assets	30,190	26,835	23,500	22,588	20,494
Total assets	197,051	178,334	156,339	132,062	114,729
Total off-balance sheet items	52,602	47,779	47,824	42,304	36,502
Financial Performance Matrix					
Interest income	12,483	12,653	11,858	11,111	10,443
Interest expenses	8,108	8,907	8,467	8,494	7,637
Net interest income (NII)	4,375	3,746	3,392	2,617	2,806
Non-interest income	4,167	4,291	4,204	3,911	3,372
Administrative expenses	5,123	4,391	4,423	3,581	3,068
Investment income	2,100	2,375	2,377	2,170	1,814
Operating profit	3,420	3,646	3,173	2,948	3,110
Provision for loans and assets	1,336	2,031	496	240	1,720
Profit before tax	2,084	1,615	2,677	2,708	1,390
Provision for Taxation	870	728	1,132	1,362	285
Profit after tax	1,214	887	1,545	1,346	1,105
Trade Business Matrix					
Foreign Exchange Business	208,672	205,923	193,982	183,791	179,162
Import	92,927	87,307	85,326	84,899	80,710
Export	94,410	96,080	89,894	83,118	84,147
Remittance	21,335	22,537	18,762	15,774	14,305
Guarantee Business	7,407	8,687	5,773	6,159	5,329
Capital Measure Matrix (under Basel-II)					
Risk weighted assets (RWA)	150,523	117,314	111,574	92,915	77,799
Common Equity Tier 1 Capital	11,609	10,508	9,695	8,324	6,738
Admissible Tier-2 Capital	5,318	1,305	1,613	1,307	1,185
Total Regulatory Capital	16,928	11,813	11,308	9,631	7,923
Common Equity Tier 1 to RWA	7.71%	8.96%	8.69%	8.96%	8.66%
Tier 2 Capital to RWA	3.53%	1.11%	1.45%	1.41%	1.52%
Capital to Risk-weighted Asset Ratio (CRAR)	11.25%	10.07%	10.14%	10.37%	10.18%
Credit Quality Matrix					
Non-performing/classified loans (NPLs)	7,251	7,962	5061	3,168	4,096
Specific Provision for classified loans	2,355	2,700	1966	1,620	2,210

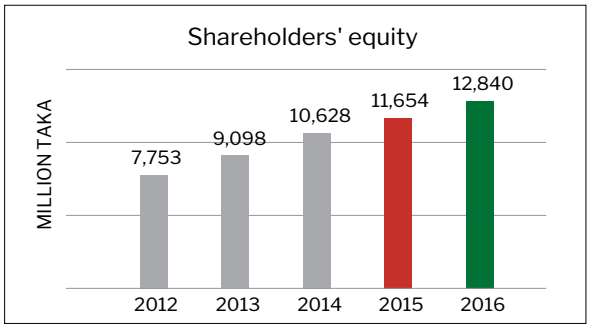
BDT in million except percentages and numbers

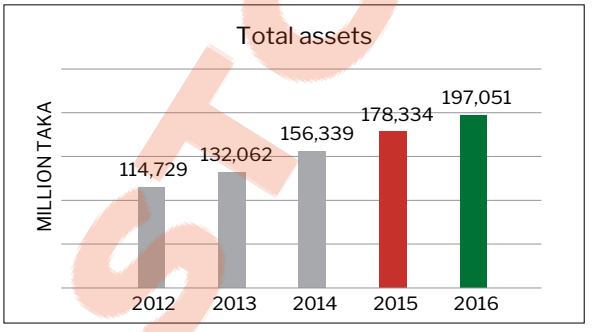
Particulars	2016	2015	2014	2013	2012
General Provision for unclassified loans	1,783	1,282	1076	812	753
NPLs to total loans and advances	5.29%	6.46%	4.95%	3.77%	5.31%
Share Information Matrix					
Number of shares outstanding	563.82	503.41	437.75	380.65	346.05
Number of shareholders	31,569	35,949	44,444	49,196	40,295
Market price per share	20.9	21.20	26.10	34.30	36.20
Operating profit per share	6.07	7.24	7.25	7.74	8.99
Earnings per share	2.15	1.57	3.07	3.07	2.90
Dividend - stock	12.00%	12.00%	15.00%	15.00%	10.00%
Effective dividend ratio	12.68%	12.84%	16.04%	15.72%	10.00%
Dividend coverage ratio (times)	1.79	1.47	2.35	2.36	3.19
Market capitalization	11,784	10,672	11,425	13,056	12,527
Net asset value (NAV) per share	22.77	23.15	24.28	24.02	22.41
Price earning ratio (times)	9.71	13.48	8.51	11.16	12.48
Profitability Ratio (%)					
Return on average assets (RoA)	0.65%	0.53%	1.07%	1.09%	1.07%
Return on average equity (RoE)	9.91%	7.96%	15.66%	15.98%	15.43%
Loans and advances to deposits ratio/LD Ratio	85.62%	83.96%	78.83%	76.14%	83.48%
Net interest margin on average earning assets	2.75%	2.64%	2.80%	2.57%	3.25%
Yield on average assets	8.87%	10.13%	11.14%	12.17%	13.40%
Cost of fund	4.32%	5.32%	5.87%	6.88%	7.40%
Administrative cost	2.73%	2.62%	3.07%	2.90%	2.97%
Operating margin	1.82%	2.18%	2.20%	2.39%	3.02%
Cost to income ratio	59.97%	54.64%	58.23%	54.86%	49.66%
Gross profit ratio	51.31%	47.43%	47.29%	43.46%	44.72%
Operating profit per employee	1.35	1.46	1.26	1.15	1.28
Liquidity Ratio (%)					
Equity to debt ratio	53.19%	57.54%	46.20%	25.92%	16.02%
Cash reserve ratio (CRR) maintained	6.56%	6.44%	6.58%	6.00%	6.15%
Statutory liquidity ratio (SLR) maintained	14.98%	18.36%	16.72%	24.56%	20.97%
Other information (Figure in Number)					
Number of employees	2,536	2,489	2,527	2,574	2,422
Number of branches	134	129	120	112	106
Number of correspondent banks	500	497	471	464	401
Number of ATMs	72	59	50	50	46
Number of deposit account	760,634	667,785	544,198	389,592	387,150
Number of loan account	27,968	34,414	33,056	29,315	22,981
Average deposit	153,487	138,283	120,105	101,449	82,770
Average borrowings	6,514	6,411	4,557	2,184	1,147
Average loans & advances	130,193	112,775	93,196	80,635	70,901
Average total assets	187,692	167,336	144,201	123,396	103,135
Average earning assets	159,180	142,168	121,156	101,855	86,455
Average equity	12,247	11,141	9,863	8,426	7,161

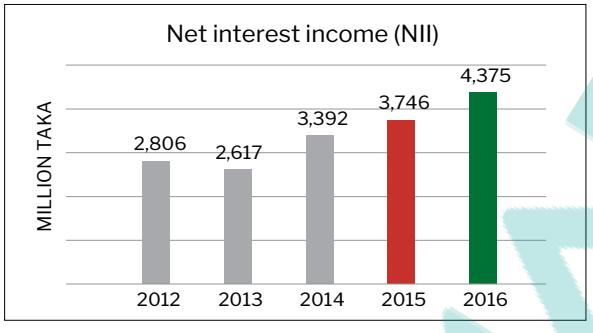
GRAPHICAL PRESENTATION

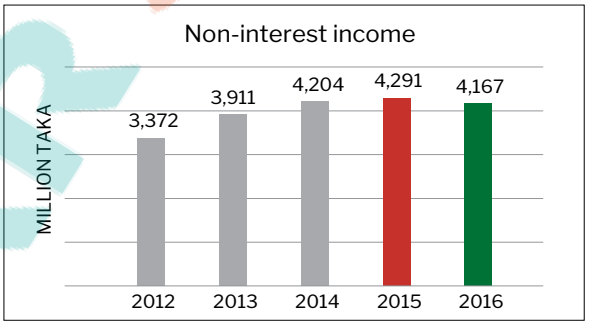


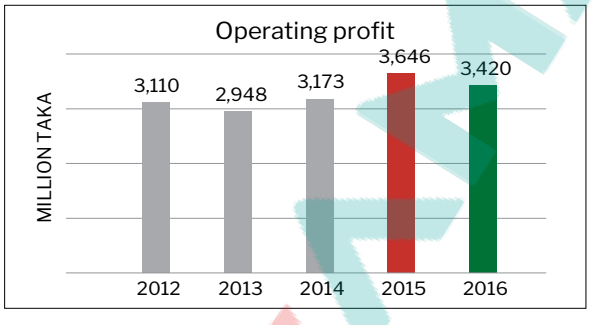


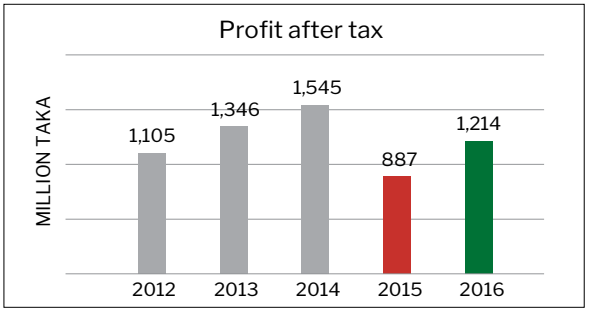


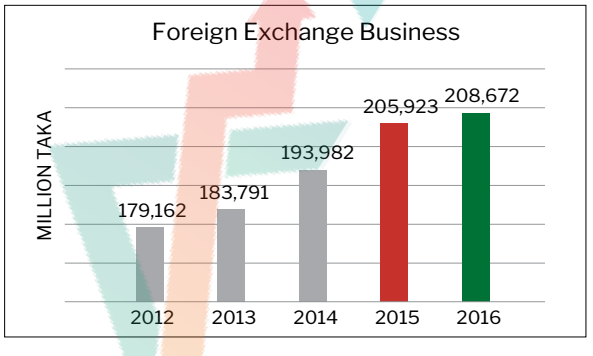


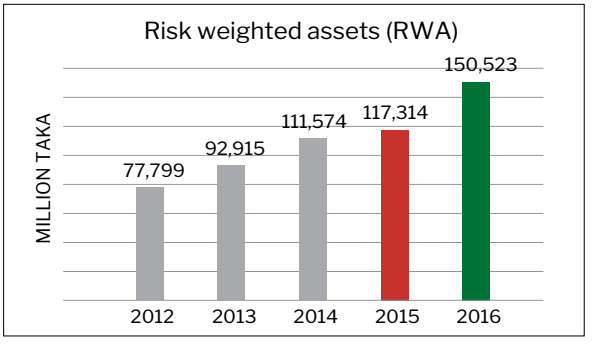




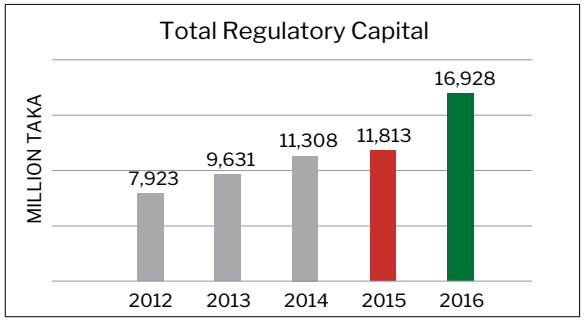


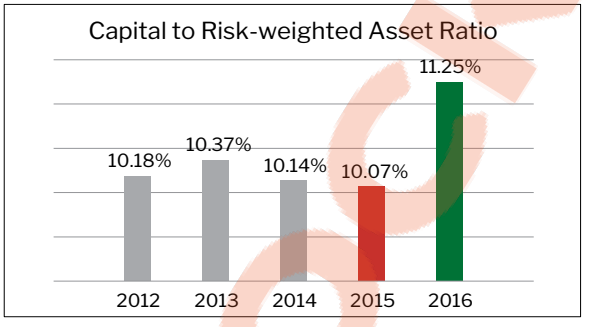


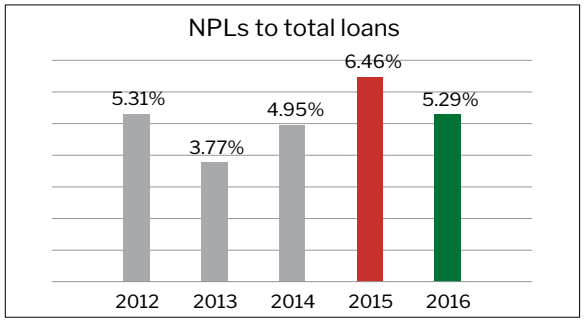


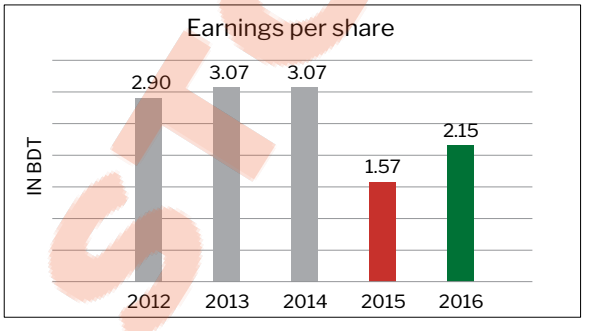


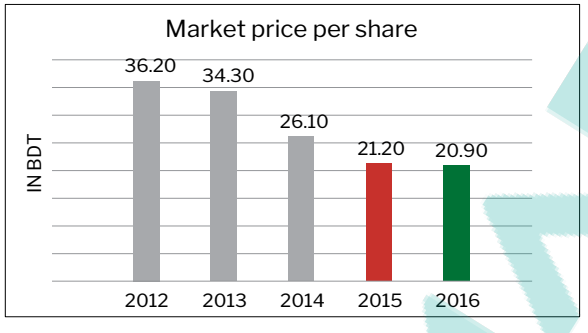
GRAPHICAL PRESENTATION

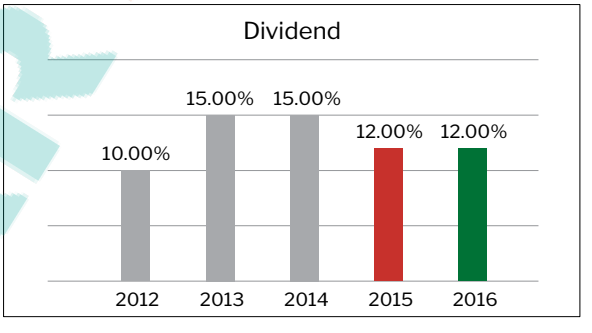


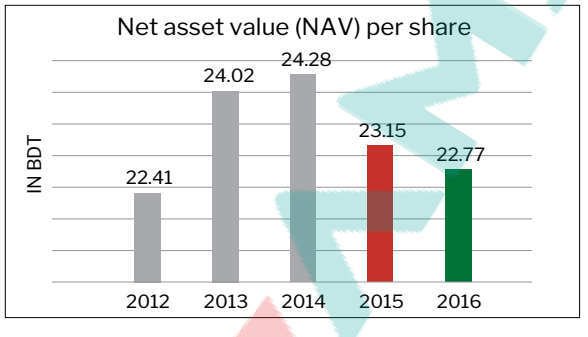


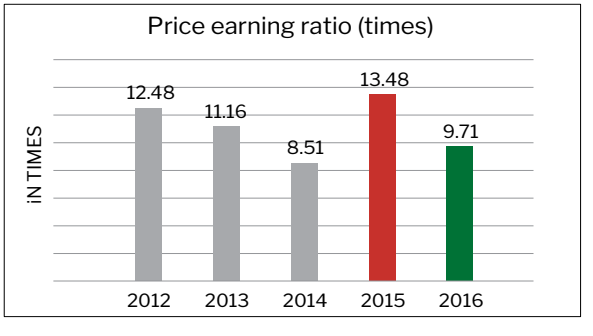


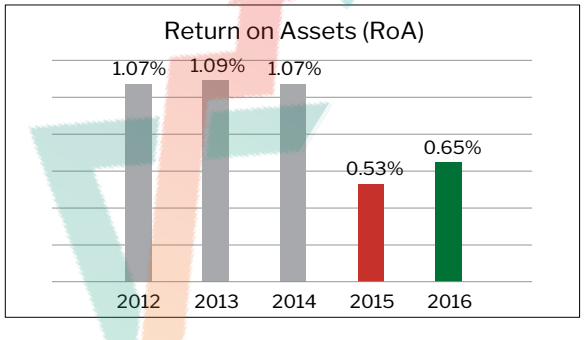


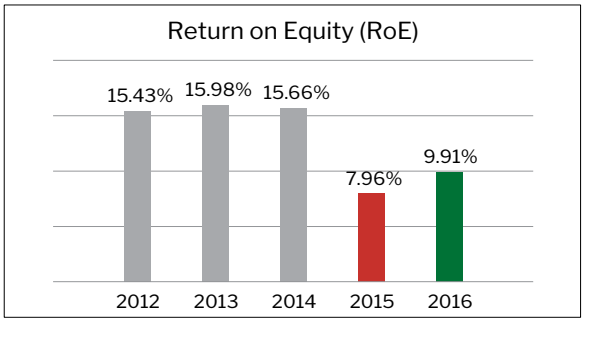












DIRECTORS' SHAREHOLDING STATUS

Sl.	Name of the Directors	Status	% of Share as at 31 Dec 2016	31-Dec-16	31-Dec-15
1	Mr. Salman F Rahman	Chairman	2.00	11,279,614	10,071,085
2	Mr. Monirul Islam	Independent Director	Nil	Nil	Nil
3	Mr. Anwaruzzaman Chowdhury	Independent Director	Nil	Nil	Nil
4	Mr. Jalal Ahmed *	Govt. nominated Director	32.75	184,643,542	164,860,306
5	Mr. A. R. M. Nazmus Sakib *	Govt. nominated Director			
6	Ms. Quamrun Naher Ahmed*	Govt. nominated Director			
7	Mr. M Shah Alam Sarwar	Managing Director	Nil	Nil	Nil

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

DISTRIBUTION OF SHAREHOLDING

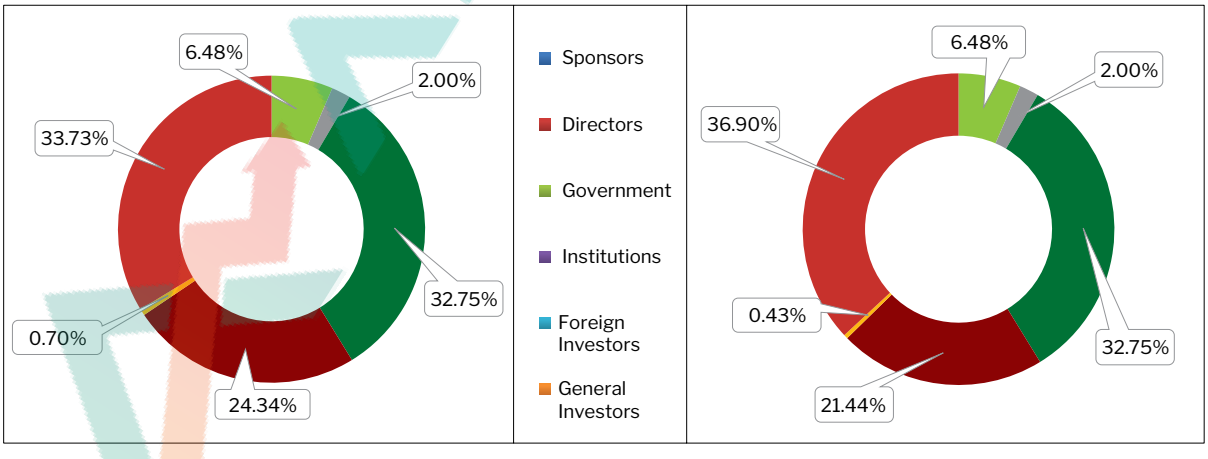
As on 31 December 2016 total holding of shares by the Sponsors, Directors & Government is 41.23% which are tradeable subject to prior intimation to the BSEC & the Stock Exchanges and the rest 58.77% are in free float.

Category	2016			2015		
	No. of Shares held	%	BDT	No. of Shares held	%	BDT
Sponsors	36,559,051	6.48	365,590,510	32,642,018	6.48	326,420,180
Directors	11,279,614	2.00	112,796,140	10,071,085	2.00	100,710,850
Government	184,643,542	32.75	1,846,435,420	164,860,306	32.75	1,648,603,060
Institutions	137,249,426	24.34	1,372,494,260	107,931,225	21.44	1,079,312,250
Foreign Investors	3,969,289	0.70	39,692,890	2,148,621	0.43	21,486,210
General Investors	190,120,985	33.73	1,901,209,850	185,759,162	36.90	1,857,591,620
Total	**563,821,907**	**100**	**5,638,219,070**	**503,412,417**	**100**	**5,034,124,170**

* Mr. Salman F Rahman is a Sponsor as well as a Director of the Bank but his shares are shown against Directors' Category.

** The Government is representing in the Board of the Bank by nominating 03(three) Directors and as such, Sponsors & Directors are at present holding (6.48% + 2.00% + 32.75%) a total of 41.23% shares of the Bank.

Shareholding Status (%) : 2016

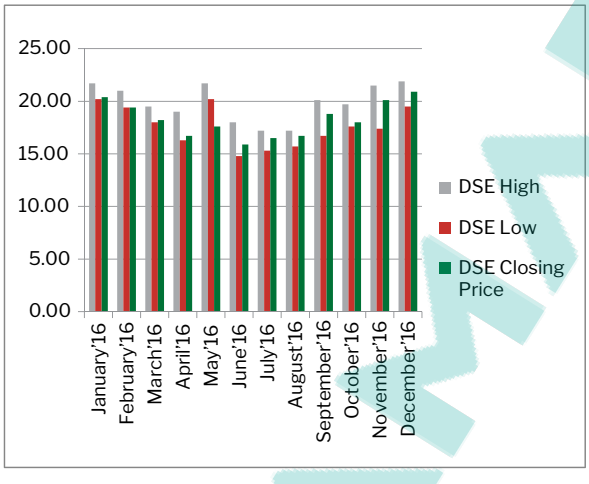


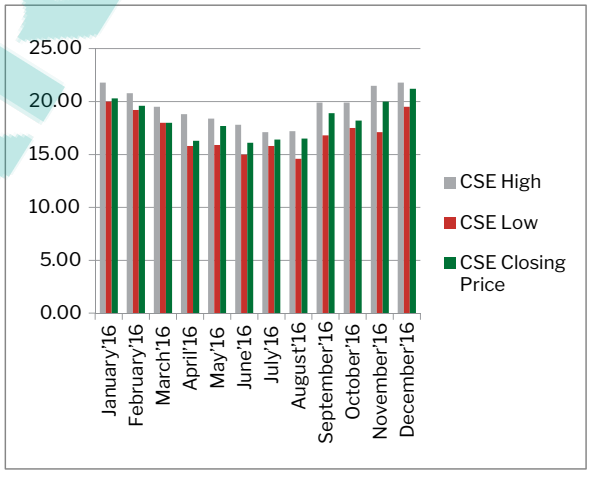
Shareholding Status (%) : 2015

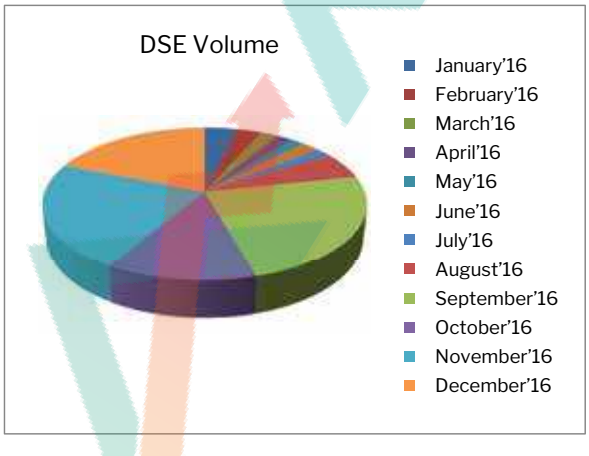
MARKET PRICE INFORMATION

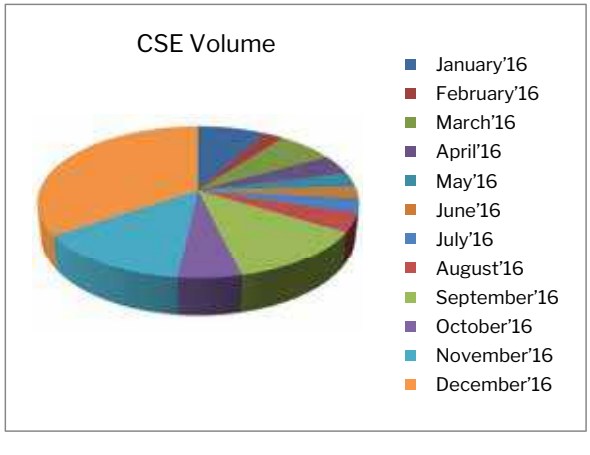
Monthly High, Low & Close price and volume of Company's shares traded on Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE) during the year 2016;

Month	DSE				CSE				Total Volume on DSE & CSE
	High	Low	Closing Price	Volume	High	Low	Closing Price	Volume	
January'16	21.70	20.20	20.40	5,445,687	21.80	20.00	20.30	601,154	6,046,841
February'16	21.00	19.40	19.40	4,086,566	20.80	19.20	19.60	165,991	4,252,557
March'16	19.50	18.00	18.20	2,984,450	19.50	18.00	18.00	501,059	3,485,509
April'16	19.00	16.30	16.70	2,493,117	18.80	15.80	16.30	304,965	2,798,082
May'16	21.70	20.20	17.60	2,360,926	18.40	15.90	17.70	229,891	2,590,817
June'16	18.00	14.80	15.90	2,940,629	17.80	15.00	16.10	178,138	3,118,767
July'16	17.20	15.30	16.50	2,752,184	17.10	15.80	16.40	229,799	2,981,983
August'16	17.20	15.70	16.70	7,940,697	17.20	14.60	16.50	298,721	8,239,418
September'16	20.10	16.70	18.80	34,245,423	19.90	16.80	18.90	931,954	35,177,377
October'16	19.70	17.60	18.00	18,459,607	19.90	17.50	18.20	405,858	18,865,465
November'16	21.50	17.40	20.10	32,184,967	21.50	17.10	20.00	1,029,042	33,214,009
December'16	21.90	19.50	20.90	27,145,568	21.80	19.50	21.20	2,562,944	29,708,512









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.

30 March 2017	Compliance under Listing Regulation 19(1)
06 April 2017	Approval of audited Financial Statements for the year ended 31 December 2016
06 April 2017	Disclosure on Price Sensitive Information
03 May 2017	Record Date for 40th AGM
11 June 2017	Notice for 40th Annual General Meeting
03 July 2017	40th Annual General Meeting
4th week of July 2017	12% Stock Dividend distribution for the year 2016
09 May 2017	Announcement of first quarter (Q1) financial results
Last week of July 2017	Announcement of second quarter (Q2) financial results
Last week of October 2017	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 (BDT)	10.00	10.00
Market Lot (number)	1	1
Total Number of Securities	563,821,907	563,821,907

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 2016 and Information about IFIC

Annual Report 2016 and other information about IFIC Bank may be viewed on Bank's website at www.ificbank.com.bd. Copies of Annual Report 2016 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

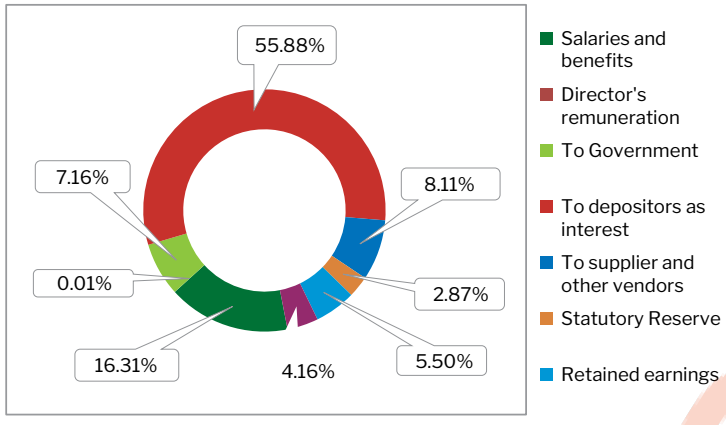
All correspondences with regard to share matters and other related issues to be made to the following address:

The Company Secretary
IFIC Bank Limited
Head Office
'IFIC Tower'
61, Purana Paltan, Dhaka-1000
IP Phone No. 09666716250, Ext. 122
Fax No. 02-9554102

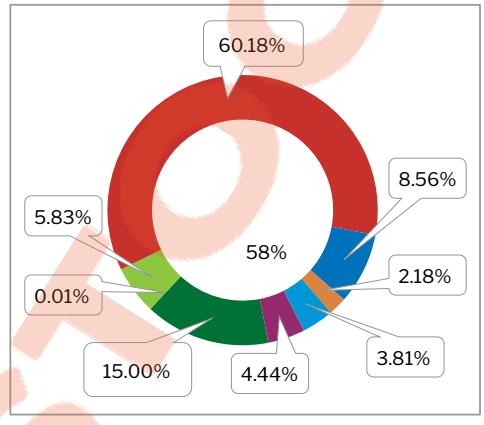
VALUE ADDED STATEMENT

Value added statement is a financial statement that shows how much wealth have been created by IFIC Bank Limited through its activities and how it was distrubuted amoung various stakeholders.

Distribution of Value Addition-2016



Distribution of Value Addition-2015



Value Added Statement

Value added by banking services	2016		2015	
Income from banking services	16,650.50		16,943.77	
Less:				
Provision for loans and advances	(1,336.38)		(2,030.74)	
Deferred tax income/(expense)	(169.52)		222.02	
Depreciation	(354.26)		(265.70)	
Charges on loan losses	(281.17)		(69.83)	
Net Value Added	**14,509.17**		**14,799.53**	

Distribution of value addition	2016	%	2015	%
Government	**1,039.24**	**7.16%**	**862.14**	**5.83%**
Corporate tax	869.52	5.99%	727.98	4.92%
Value Added Tax (VAT) etc.	169.72	1.17%	134.16	0.91%
Employees & Directors	**2,367.18**	**16.32%**	**2,220.92**	**15.01%**
Salaries and benefits	2,365.83	16.31%	2,219.91	15.00%
Director's remuneration	1.35	0.01%	1.02	0.01%
Depositors and suppliers	**9,284.54**	**63.99%**	**10,172.85**	**68.74%**
Depositors as interest	8,107.92	55.88%	8,906.75	60.18%
Supplier and other vendors	1,176.62	8.11%	1,266.10	8.56%
Shareholders	**604.09**	**4.16%**	**656.62**	**4.44%**
Dividend	604.09	4.16%	656.62	4.44%
Retained in the business	**1,214.12**	**8.37%**	**886.98**	**6.11%**
Statutory Reserve	416.73	2.87%	322.99	2.18%
Retained earnings	797.39	5.50%	563.99	3.81%
Total value distributed	**14,509.17**	**100%**	**14,799.53**	**100%**

ECONOMIC VALUE ADDED (EVA) STATEMENT

Econonic 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 concious 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 absorve the losses inherent in the investments.

BDT in million

Particulars	2016	2015
Shareholders' equity	12,840.32	11,654.21
Add: Accumulated provision for loans and advances	5,452.93	5,161.22
Total capital employed	**18,293.25**	**16,815.43**
Average capital employed	**17,554.34**	**15,788.02**
Earnings		
Profit after tax	1,214.12	886.98
Add: Provision and written-off	2,814.10	3,024.45
	4,028.21	**3,911.43**
Average cost of equity (based on weighted average rate of 10 years treasury bond issued by Banglsdesh Government) plus 2% risk premium	9.03%	9.25%
Cost of average capital employed	**1,585.16**	**1,460.39**
Economic value added	**2,443.05**	**2,451.04**

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 sunstantial 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	2016	2015
Face Value per share (in Taka)	10.00	10.00
Market Value per share (in Taka)	20.90	21.20
Number of shares (in million)	563.82	503.41
Market value (in million Taka)	11,783.88	10,672.34
Book value (in million Taka)	5,638.22	5,034.12
Market value added (in Taka)	**6,145.66**	**5,638.22**

DUPONT ANALYSIS

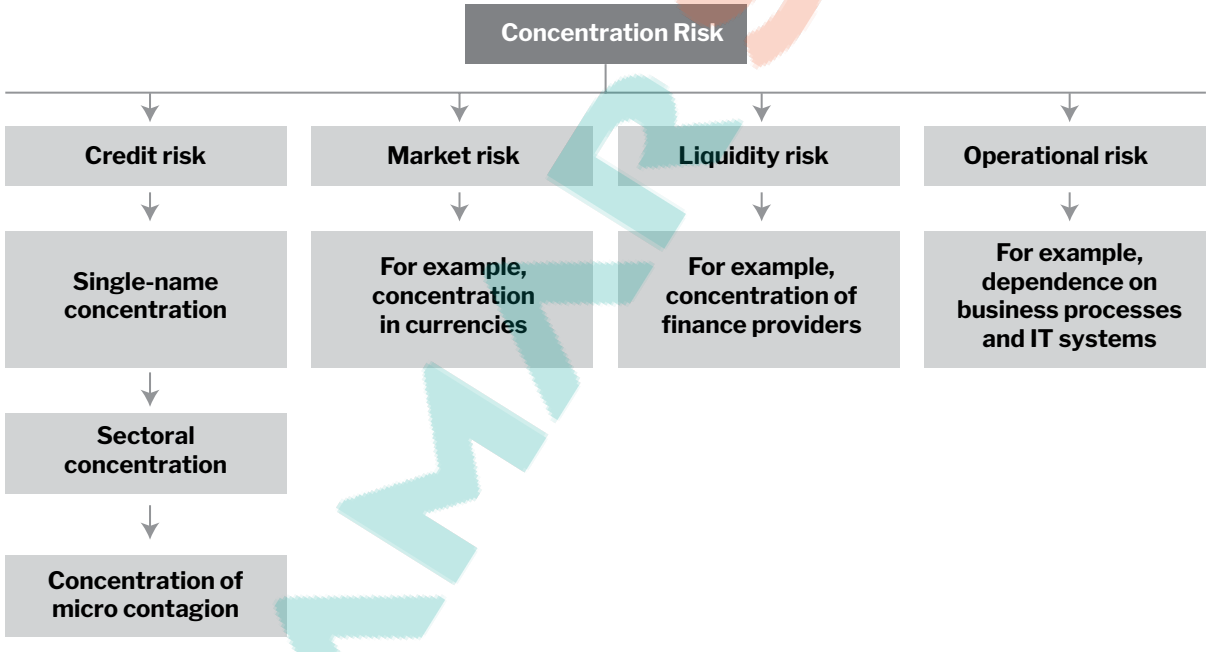
Particulars	Formula	2016	2015
Return on Equity (ROE)	Profit margin*Asset turnover*Equity multiplier	9.46%	7.61%
Net Profit Margin	Net income after tax/Total operating revenue	7.29%	5.23%
Total Asset Turnover	Total operating revenue/Total Assets	8.45%	9.50%
Equity Multiplier	Total Assets/Total Equity Capital	15.35	15.30

MANAGING CREDIT CONCENTRATION RISK

Historical experience shows that concentration of credit risk in asset portfolios has been one of the major causes of bank distress. This is true both for individual institutions as well as banking systems at large. The term "concentration risk" in the context of banking generally denotes the risk arising from an uneven distribution of counterparties in credit or any other business relationships or from a concentration in business sectors or geographical regions which is capable of generating losses large enough to jeopardize an institution's solvency. 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 Risk 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 instrument (financial securities) 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 have effective internal policies, systems and controls to identify, measure, monitor and control credit/market risk concentrations. Our 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
The risk to an investment in a specific geographic/ area. Specifically, it refers to the possibility that a natural disaster/any other issues to which an area is prone will negatively impact an investment.

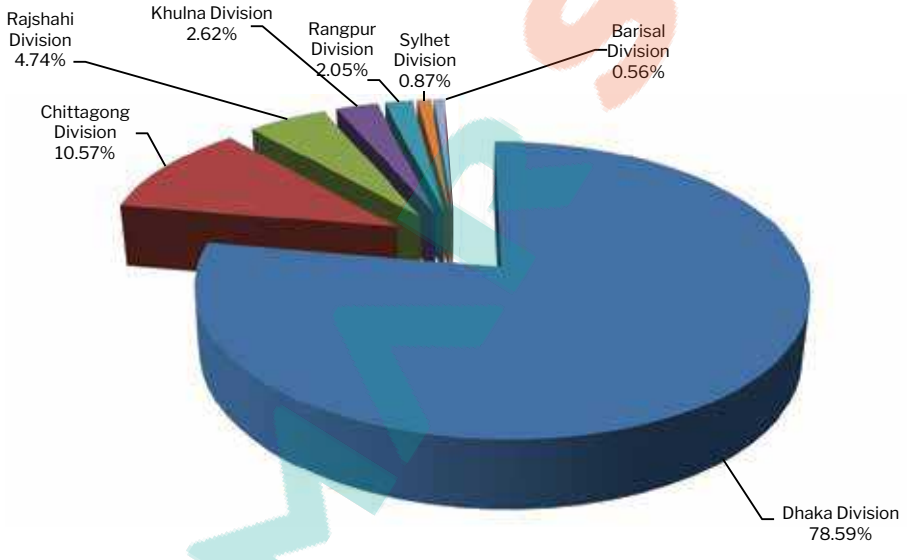
IFIC Bank segregates its total exposure according to Geographical location i.e. division- wise to identify the concentration lies in divisions and give utmost effort to bring down area concentration of the loan portfolio for the sustainability of the Bank. IFIC Bank is aware of concentration risk which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

Area wise loan concentration as on 31 December 2016

(Amount in Million)

Name of Area	31 December 2016		31 December 2015	
	Outstanding	% of total loans	Outstanding	% of total loans
Dhaka Division	107,767.26	78.59%	95,187.26	77.22%
Chittagong Division	14,489.00	10.57%	16,068.89	13.04%
Rajshahi Division	6,495.23	4.74%	5,369.26	4.36%
Khulna Division	3,597.88	2.62%	2,930.92	2.38%
Rangpur Division	2,806.23	2.05%	2,364.65	1.92%
Sylhet Division	1,189.60	0.87%	883.82	0.72%
Barisal Division	772.91	0.56%	463.87	0.38%
Total	**137,118.11**	**100%**	**123,268.67**	**100%**

Area wise loans Concentration as on 31 December 2016



Single Name Concentration Risk

If the loan concentrates in the Single-name borrower exposure, concentration risk may arise which are to be required to diversify to avoid single name concentration risk, i.e., the firm's specific 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 independent borrowers or the entire portfolio. Systematic risks may be abridged by diversification.

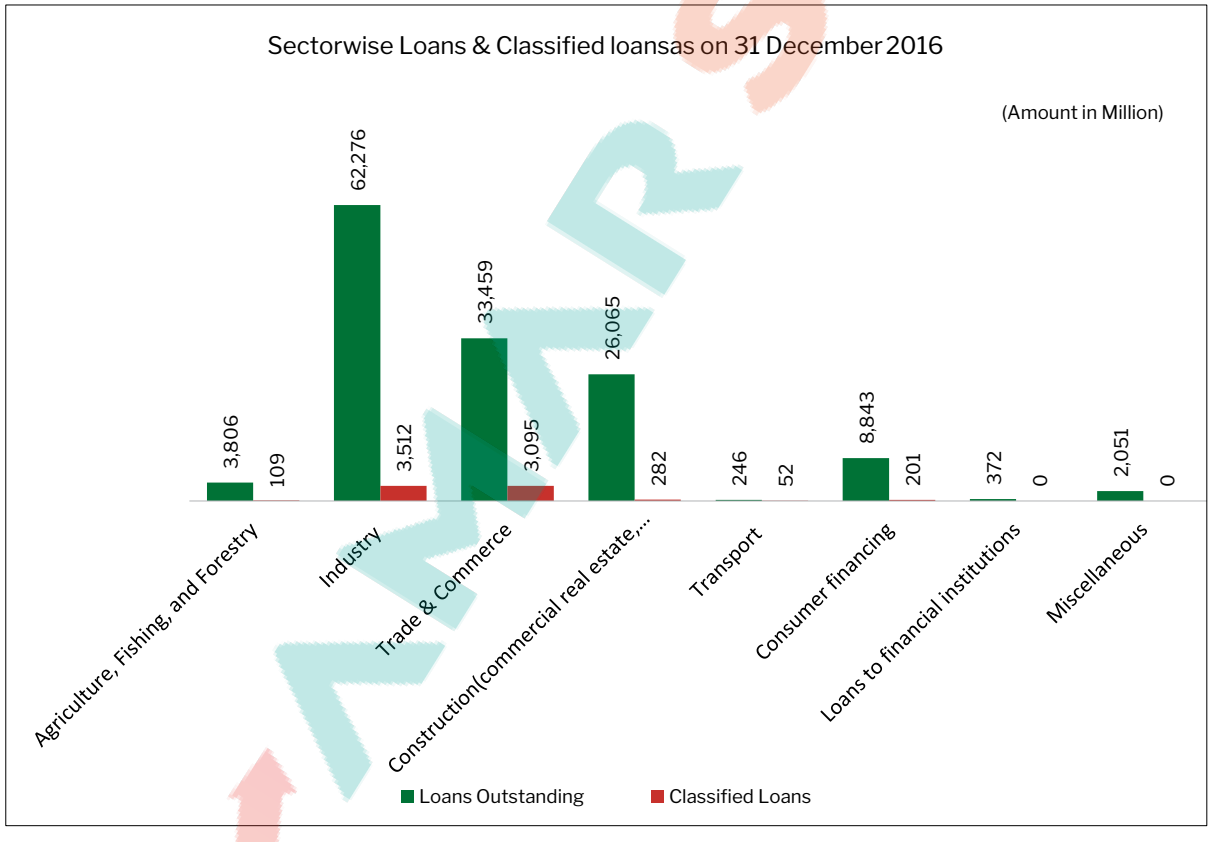
Sectoral Credit Concentration

Sectoral concentration risk is which can arise from uneven distribution of exposures to particular sectors, regions, industries or products. Sectoral concentration in credit portfolios can be broken down into concentration in certain sectors of industry. 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.

Sectoral Loan Concentration as on 31 December 2016

(Amount in Million)

Sl. No.	Name of Area	Loans Outstanding	% of Total Loans	Classified Loans	% of Total classified loans
1	Agriculture, Fishing, and Forestry	3,806.38	2.78%	108.80	1.50%
2	Industry	62,275.98	45.42%	3,512.34	48.44%
3	Trade & Commerce	33,458.80	24.40%	3,095.20	42.69%
4	Construction(commercial real estate, construction and land development loans)	26,065.30	19.01%	281.50	3.88%
5	Transport	245.52	0.18%	52.20	0.72%
6	Consumer financing	8,843.10	6.45%	200.90	2.77%
7	Loans to financial institutions	372.20	0.27%	0.00	0.00%
8	Miscellaneous	2,051.00	1.50%	0.00	0.00%
	Total	**137,118.11**	**100%**	**7,250.94**	**100%**



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 deposit concentration of a particular top-20 depositors may arise dependencies in liabilities concentration of depositors, resulting from occur liquidity risk when the those depositors withdraw their money.

Dependencies in liabilities of a particular depositors may be diversified to avoid the liability concentration risk.

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.

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 may 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.

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 should have defined 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, geographical location wise 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 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.

GLIMPSES OF THE 39TH AGM






39th
ANNUAL
GENERAL
MEETING
REGISTRATION


WELCOME
39th
ANNUAL GENERAL
MEETING


ELCOME

MARKET DISCIPLINE - DISCLOSURES ON RISK BASED CAPITAL
(Under Pillar 3 of Basel III Framework)

For the year ended 31 December 2016
(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 went live under Basel–III since 01 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)	The name of the top corporate entity in the group to which this guidelines applies.	The Risk Based Capital Adequacy and related disclosures are applicable for "*International Finance Investment & Commerce Bank Limited*" (known as *IFIC Bank Limited*) which is the top corporate entity of the group.
(b)	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).	**Brief Description of the Subsidiaries:** **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 IFIC Tower, 61 Purana Paltan, Dhaka-1000, Bangladesh. 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 started on 10 March 2011. **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, 2nd Floor, 102 College Road, Harrow, Middlesex, United Kingdom HAI IES, London, UK.

Qualitative Disclosures		
		Brief Description of the Joint Ventures/ Associates of the Bank: **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 form 6th June 1994. IFIC's investment in the share capital of NBBL is 40.91%. **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. **Brief Description of Off-shore Banking Unit:** 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 10 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. **Basis for Consolidation:** 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, 2016. The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standards 27: *Separate Financial Statements* and Bangladesh Financial Reporting Standards 10: *Consolidated Financial Statements*. The consolidated financial statements are prepared to a common financial year ended 31 December 2016. 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.
(c)	Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	During the year one of the associate/joint venture namely Nepal Bangladesh Bank Limited has decided to increase their paid up capital through issuance of Rights Issue to comply with minimum capital requirement of their Central Bank. IFIC Bank Limited being one of the sponsor shareholder has already obtained permission to subscribe in the said Rights Issue and necessary remittance has been done as per approval of Bangladesh Bank. In all cases any Transfer of funds or regulatory capital can be performed as per approval and/or directives of the regulatory bodies.
(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, and Revaluation Reserve of Fixed Assets and Securities (up to 50 percent). The Bank has obtained permission from Bangladesh Securities & Exchange Commission (BSEC) vide their letter no. BSEC/CI/RI/110/2016/133 dated 15 March 2017 to issue Rights Share totaling BDT 5,638.22 Million at a ratio of 1R:1 i.e. one right share for one existing share. 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. **Non-convertible Subordinated Bond** During the year 2016, the Bank with prior consent of Bangladesh Securities and Exchange Commission (vide letter no. BSEC/CI/DS-32/2015/644 dated 28 December 2015) and Bangladesh Bank (vide letter no. BRPD(BFIS)661/18B(P)/2016-938 dated 08 February 2016 and BRPD(BFIS)661/18B(P)/2016-2475 dated 17 April 2016) issued 07 (seven) years Tier-II Non-Convertible Coupon Bearing Subordinated Bonds to several banks. The issued instrument is un-secured, non-convertible in nature and will be redeemed at the end of 3rd, 4th, 5th, 6th and 7th year of maturity at 20% of bond value respectively. The rate of interest of the Bond is Reference Rate + 4.8% Margin, where Reference Rate is the latest 182 days Bangladesh Govt. T-Bill rate. Coupon floor rate is 7.0% and coupon ceiling rate is 11.0%. Coupon to be paid semi-annually. First coupon payment was made on 29 November 2016 after 6 months of the first drawdown date i.e. 29 May 2016. This subordinated bond has been rated by CRAB as AA3 (Hyb) in Long Term category with 'Stable' outlook valid up to 28 June 2017 which is judged to be of very high quality, subject to very low credit risk. A total interest of BDT 142.625 Million was paid on 29 November 2016 as first semi-annual coupon payment at the rate of 8.15% p.a.

Qualitative Disclosures			
(b)	The amount of Regulatory capital, with separate disclosure of:		
	CET1 Capital		*In Million BDT*
		Fully Paid-up Capital	5,638.22
		Statutory Reserve	4,649.23
		General Reserve	155.07
		Retained Earnings	3,379.03
		Total [A]	**13,821.55**
	Additional Tier 1 Capital	**[B]**	Nil
	Total Tier 1 Capital	**[C]=[A]+[B]**	**13,821.55**
	Tier 2 Capital	General Provision	1,783.13
		Subordinated Debt 3,500.00 Revaluation Reserves as on 31 December 2014 (50% of Fixed Assets and Securities)	58.45
		Total [D]	**5,341.58**
(c)	Regulatory Adjustments/ Deductions from capital	Goodwill and all other Intangible Assets	282.34
		Deferred tax assets (DTA)[1]	819.83
		Revaluation Reserves for Fixed Assets, Securities & Equity Securities (Phase-in deductions)	23.38
		Total [E]	**1,125.55**
(d)	Total eligible capital	**[F]=[C]+[D]-[E]**	**18,037.58**

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. IFIC Bank has maintained Capital to Risk-weighted Asset Ratio (CRAR) of 11.73% as on 31 December 2016, whereas Minimum Capital Requirement (MCR) is 10.625% from 01 January 2016 as per BRPD circular No.18 dated 21 December 2014. The Bank has thus maintained excess capital of 1.105% above the minimum requirement of 10.625%. 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.

Qualitative Disclosures			
(b)	Capital requirement for Credit Risk		***In Million BDT***
		On-Balance Sheet	11,905.20
		Off-Balance Sheet	1,720.02
		Total	**13,625.22**
(c)	Capital requirement for Market Risk	Interest Rate Related Instruments	Nil
		Equities	466.93
		Foreign Exchange Position	19.85
		Commodities	Nil
		Total	**486.78**
(d)	Capital requirement for Operational Risk		**1,262.95**
(e)	Total capital, CET1 capital, Total Tier 1 capital and Tier 2 capital ratio:		
	• For the consolidated group		***Ratios***
		Total Capital	11.73%
		CET1 Capital	8.27%
		Total Tier 1 Capital	8.27%
		Total Tier 2 Capital	3.46%
	• For stand alone	Total Capital	11.25%
		CET1 Capital	7.71%
		Total Tier 1 Capital	7.71%
		Total Tier 2 Capital	3.53%
(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 1 January 2016, 2017, 2018 and 2019 at 0.625%, 1.25%, 1.875% and 2.50% respectively above the regulatory minimum capital requirement of 10%. The minimum total capital plus CCB for the year 2016 is 10.625%.	
(g)	Available Capital under Pillar 2 Requirement		***In Million BDT***
		Total Eligible Regulatory Capital **[A]**	**18,037.58**
		Minimum Capital Requirement under Pillar 1 **[B]**	15,374.95
		Capital Conservation Buffer **[C]**[2]	960.93
		Minimum Capital Requirement including CCB **[D=B+C]**	**16,335.88**
		Total [E=A - D]	**1,701.12**

D) Credit Risk

Qualitative Disclosures		
(a)	The general qualitative disclosure requirement with respect to credit risk, including:	
	• Definitions of past due and impaired (for accounting purposes)	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 & Micro Credit. **Definition of past due/overdue:** i. 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; ii. 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; iii. 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. iv. 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. **Definition of impaired / classified /non-performing loans and advances are as follows:** *Continuous loan is classified as follows:* **Substandard:** If it is past due /overdue for 3 (three) months or beyond but less than 6 (six) months; **Doubtful** - If it is past due / overdue for 6 (six) months or beyond but less than 9 (nine) months; **Bad/Loss** - If is past due / overdue for 9 (nine) months or beyond. *Demand loan is classified as follows:* **Substandard** - 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; **Doubtful** - 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; **Bad/Loss** - 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. **Substandard** - 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''.

Qualitative Disclosures		
		Doubtful - 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". **Bad/Loss** - 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". 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: **Substandard** - 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'; **Doubtful** - 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'; **Bad/Loss** -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'. *Short-term Agricultural and Micro-Credit is classified as follows:* 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.
	• Description of approaches followed for specific and general allowances and statistical methods	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).
	• Discussion of the bank's credit risk management policy	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 & compliance division independently assess the quality of loans and compliance status of loans at least once in a year.
(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.

Qualitative Disclosures			
(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		In Million BDT
		Specific provision	2,354.94
		General provision	1,783.14
	• Charges for specific allowances and charge-offs during the period		
		Specific provision	699.69
		General provision	505.56
(g)	**Non-Performing Assets (NPAs):**		
			In Million BDT
	Gross non-performing assets (NPAs)		7,250.94
	Non-Performing Assets (NPAs) to Outstanding Loans & advances		5.29%
	Movement of Non-Performing Assets (NPAs)		
	Opening balance		7,962.05
	Additions		5,443.87
	Reductions		(6,154.98)
	Closing balance		**7,250.94**
	Movement of specific provisions for NPAs		
	Opening balance		2,699.92
	Provisions made during the period		699.69
	Write-off		(1,477.71)
	Write-back of excess provisions		433.05
	Provision transferred to general reserve		Nil
	Closing balance		**2,354.94**

E) Equities: Disclosures for Banking Book Positions

Qualitative Disclosures		
(a)	The general qualitative disclosure requirement with respect to equity risk, including:	
	• differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and	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: i. **Quoted Securities** (Common or Preference Shares & Mutual Fund) that are traded in the secondary market (Trading Book Assets). ii. **Unquoted securities** 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. The equity positions are reviewed periodically by the senior management.
	• 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.	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 initially recognized at cost and necessary provisions are maintained if the prices fall below the cost price after comparing with their fair value. As per to Bangladesh Bank guidelines, the HFT equity securities are revalued once in each week using marking to market concept. However equity investment in associates/joint ventures are initially recognized at cost and provision is maintained if cost is higher than lower of market value and net assets value of that investee as per instruction of Bangladesh Bank. Preference is given to purchase of shares of strong companies at face value through placement/ IPO.
(b)	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.	***In Million BDT*** Cost price of quoted shares 2,469.41 Fair value of quoted shares 2,144.10 Decrease **in value** **325.31**
(c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	14.73
(d)	• Total unrealized gains (losses)	(272.72)
	• Total latent revaluation gains (losses)	Nil
	• Any amounts of the above included in Tier 2 capital.	Nil

Qualitative Disclosures		
(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. **Capital Charge on Equities** — ***In Million BDT*** Specific Risk — 2,334.66 General Market Risk — 2,334.66 **Total** — **4,669.32**	

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.
(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	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.

Qualitative Disclosures		
		The market risk covers the followings risks of the Bank's balance sheet: i. Interest rate risk ii. Equity price risk iii. Foreign exchange risk; and iv. Commodity price risk

	Methods used to measure Market risk	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'.
		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.
		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.:
		i. Capital Charge for Interest Rate Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk;
		ii. Capital Charge for Equity Position Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk;
		iii. Capital Charge for Foreign Exchange Risk = Capital Charge for General Market Risk;
		iv. Capital Charge for Commodity Position Risk = Capital charge for General Market Risk.

	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	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: ■ **Interest Rate Risk Management:** 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:

Qualitative Disclosures		
		i. **Market Analysis:** 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. ii. **Gap Analysis:** 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. ■ **Foreign Exchange Risk Management:** 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: i. **Continuous Supervision:** 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. ii. **Treasury Back Office separated from the Treasury Front Office:** 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. iii **Mark-to-Market Method for Approved Securities and Foreign Exchange Revaluation:** 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. iv. **Nostro Accounts**: 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. ■ **Equity Risk Management:** 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: i. **Investment Portfolio Valuation**: 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.

Qualitative Disclosures		
		ii. **Diversified Investment to minimize Equity Risk**: IFIC minimizes the Equity Risks by Portfolio diversification as per investment policy of the Bank. **Margin Accounts are monitored very closely:** Where Margin loan is allowed, security of investment, liquidity of securities, reliability of earnings and risk factors are considered and handled professionally.
(b)	The capital requirements for: ***In Million BDT***	
	Interest rate risk	Nil
	Equity position risk	466.93
	Foreign exchange risk	19.85
	Commodity risk	Nil

H) Operational risk

Qualitative Disclosures		
(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. 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 see documented, authorization as 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 which industry best practice and takes account or lessons learned from publicized operational failures within the financial services industry. 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.

Qualitative Disclosures		
		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.
	Performance gap of executives and staffs	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. 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. 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.
	Potential external events	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: ■ **External rules and regulations:** 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. ■ **Damage to assets:** Potential for loss or damage to physical assets and other property from natural disaster and other events. ■ **Safety and security:** Potential for loss or damage to health or safety of staff, customers or third parties arising from the effects of external events. ■ **External financial crime:** Potential for loss due to criminal acts by external parties such as fraud, theft and other criminal activity.

Qualitative Disclosures		
		■ **Political condition and general business:** 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. ■ **Credit quality of borrowers:** 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. ■ **Basel-III implementation:** 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. ■ **Equity markets Volatility:** 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. ■ **Changes in market conditions:** 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. ■ **The litigation risk:** 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.
	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	The Bank follows the Basic Indicator Approach (BIA). The BIA stipulates the capital charge for operational risk is a fixed percentage, denoted by α (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: **$K = [(GI_1 + GI_2 + GI_3) \times \alpha\ ] / n$** Where:

Qualitative Disclosures		
		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) α = 15 percent n = number of the previous three years for which gross income is positive. Besides, Gross Income (GI) is calculated as "Net Interest Income" plus "Net non-Interest Income". The GI is also the net result of: i. Gross of any provisions; ii. Gross of operating expenses, including fees paid to outsourcing service providers; iii. Excluding realized profits/losses from the sale of securities held to maturity in the banking book; iv. Excluding extraordinary or irregular items; v. Excluding the income derived from insurance.
(b)	The capital requirements for operational risk:	**BDT 1,262.95 Million**

I) Liquidity Ratio

Qualitative Disclosures		
(a)	Views of BOD on system to reduce liquidity Risk	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. 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.
	Methods used to measure Liquidity risk	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. ■ **Liquidity Coverage Ratio (LCR):** 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.

Qualitative Disclosures		
		■ **Net Stable Funding Ratio (NSFR):** 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. 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.
	Liquidity risk management system	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 & 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.
	Policies and processes for mitigating liquidity risk	The Asset-Liability (ALCO) policy leads the process & 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: ■ **To maintain CRR** 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. 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. iii. The treasury will assess the level of interbank borrowing capacity and raise funds to meet liquidity from the most reliable sources. ■ **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.

Qualitative Disclosures		
		■ **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. ■ **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. ■ **To maintain LCR:** Liquidity coverage is maintained by- i. Increasing investment in T-bills, BGTB, BB Bill, Reverse Repo ii. Additional investment in Govt. Security shall be made in short/mid/long combination to meet liquidity as well as optimize the return iii. Balance in FC Accounts with BB to be increased iv. Deposit from FIs and Borrowing are to be reduced and replaced by increasing Customer Deposit, and v. Lending/Placement with FI should be more preferable than lending to others. ■ **To maintain NSFR:** 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.
(b)		***In Million BDT***
	Liquidity Coverage Ratio	121.75%
	Net Stable Funding Ratio (NSFR)	100.56%
	Stock of High quality liquid assets	34,444.14
	Total net cash outflows over the next 30 calendar days	28,289.86
	Available amount of stable funding	152,699.37
	Required amount of stable funding	151,838.34

J) Leverage Ratio

Qualitative Disclosures		
(a)	Views of BOD on system to reduce excessive leverage	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.

Qualitative Disclosures		
	Policies and processes for managing excessive on and off-balance sheet leverage	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 & borrowing, loans & 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.
	Approach for calculating exposure	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: i. On balance sheet, non-derivative exposures will be net of specific provisions and valuation adjustments. ii. Physical or financial collateral, guarantee or credit risk mitigation purchased is not allowed to reduce on-balance sheet exposure. iii. Netting of loans and deposits is not allowed. The formula for Leverage Ratio is as follows: **Leverage Ratio= Tier-1 Capital (considering all regulatory adjustments) / Total Exposure** Where, Total Exposure = On-Balance Sheet Exposure + Off-Balance Sheet Exposure - Total Deduction from On and Off-Balance Sheet Exposure/Regulatory adjustments made to Tier 1 capital ■ **On-Balance Sheet Items:** 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'. ■ **Off-Balance Sheet Items:** 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.

Qualitative Disclosures		
(b)		***In Million BDT***
	Leverage Ratio	5.85%
	On balance sheet exposure	197,896.13
	Off B/S exposure	20,649.44
	Total exposure	218,545.57

K) Remuneration

Qualitative Disclosures		
(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 are involved to seek advice. 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)	Information relating to the design and structure of remuneration processes.	
	An overview of the key features and objectives of remuneration policy.	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 & 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.
	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.	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 2016, 5 percent Basic salary was enhanced due to national inflation and 0% - 3% salary enhancement was done based on individual performance.

Qualitative Disclosures		
	A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.	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.
(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes.	
	An overview of the key risks that the bank takes into account when implementing remuneration measures.	The business risk including credit/default risk, compliance & reputational risk are mostly considered when implementing the remuneration measures for each employee/group of employee. Financial and liquidity risks are also considered.
	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).	Performance based remuneration is a justified way to ensure equity in remuneration. The motto of "Performance Based Remuneration" is to attract talented & skilled workforce, increase employee motivation, productivity and reduce employee turnover.
	A discussion of the ways in which these measures affect remuneration.	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.
	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.	The performance based pay package is offered to the suitable employees based on individual performance from the year 2016. This system has been introduced to motivate the talented staff and to attract the suitable resources.
(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.

Qualitative Disclosures		
(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 utilizes and the rationale for using these different forms.	
	An overview of the forms of variable remuneration offered (i.e. 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.
The quantitative disclosures detailed below covers only senior management and other material risk takers.		
(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.	35
	Number and total amount of guaranteed bonuses awarded during the financial year.	02 Festival Bonuses for each employee **BDT 13.76 Million**

Qualitative Disclosures			
	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.		***In Million BDT***
		Cash	Nil
		Shares	Nil
		Share-linked instruments	Nil
		Other forms	Nil
	Total amount of deferred remuneration paid out in the financial year.		Nil
(j)	Breakdown of amount of remuneration awards for the financial year to show:		***In Million BDT***
	■ fixed and variable.		148.58
	■ deferred and non-deferred.		Nil
	■ different forms used (cash, shares and share linked instruments, other forms).		Nil
(k)	Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. 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
General Provision-for Unclassified Loans and advances (excluding SMA)	
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%

Category of Loans & Advances	Rate (%) of provision
Special Mention Account (SMA)	
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%
Off-shore banking unit	
Unclassified loans	1.00%
Specific provision-for Classified	
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%
Particulars of required provision on Off-balance Sheet Exposure	
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	In Million BDT
Claims on Corporate	49,593.95
Claims on Banks and NBFIs	11,154.32
Claims fully secured by Commercial real estate	11,751.14
Claims fully secured by residential property	24,185.46
Claims categorized as retail portfolio & SME	19,487.62
Claims on Bangladesh Government and Bangladesh Bank	25,359.70
All other assets	7,663.96
Claims under Credit Risk Mitigation	7,243.59
Past Due Claims	9,210.49
Investments in premises, plant and equipment and all other fixed assets	3,498.78
Claims on OBU	1,494.11
Capital Market Exposure	4,140.65
Cash	2,018.41
Claims on all fixed assets under operating leases	616.21
Consumer Loan	831.19
Claims on Public Sector Entities	20.00
Unlisted Equity Investment	1,767.37
Total	**180,036.95**

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

Particulars	In Million BDT
Dhaka Division	111,907.91
Chittagong Division	14,489.00
Sylhet Division	1,189.60
Rajshahi Division	6,495.23
Khulna Division	3,597.88
Barisal Division	772.91
Rangpur Division	2,806.23
Total	**141,258.76**

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

Particulars	In Million BDT
Agriculture Industries	3,006.80
Jute Industries	2,177.57
Textile Industries	5,852.22
Garments Industries	19,811.10
Chemical and Chemical Products	222.14
Cement Industries	153.88
Bricks & Ceramic	988.42
Food Products & Processing	4,995.13
Engineering & Metal	3,470.61
Drugs & Pharmaceuticals	731.97
Hospital & Clinics	139.14
Paper & Paper Products Industries	518.18
Other Small Industries	5,093.50
IT Sector	2,846.18
Other Service Industries	13,440.50
Trade & Commerce	24,579.90
IFIC Securities Ltd.	4,140.65
Transport	471.73
Construction Firms/Companies	4,527.27
Housing Societies/Companies	9,218.35
Cold Storage	75.70
Non-Banking Financial Institutions	-
Consumer Finance	18,732.80
Energy	6,861.22
Telecommunication	6,509.70
Others	2,694.10
Total	**141,258.76**

AMARSTOCK

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

Particulars	In Million BDT
On demand	17,200.31
Up to 1 month	6,711.83
Over 1 month but not more than 3 months	19,167.68
Over 3 months but not more than 1 years	44,323.33
Over 1 year but not more than 5 years	29,248.89
Over 5 years	15,486.84
	132,138.88
Bill purchased and discounted	9,119.88
Total	**141,258.76**

Annexure-VI: Impaired and Past Due Loans

(In Million BDT)

Major Counterparty Type	Status-wise amount of impaired/ classified loans				Total
	SMA	Substandard	Doubtful	Bad/Loss	
Continuous Loan	235.59	504.81	304.97	2,911.12	**3,956.49**
Demand Loan	242.38	1,072.72	23.87	198.06	**1,537.03**
Term Loan	8,877.16	158.37	136.07	1,923.67	**11,095.27**
Other Loan	0.24	14.35	1.96	0.98	**17.53**
Total	**9,355.37**	**1,750.25**	**466.87**	**5,033.83**	**16,606.32**

Annexure-VII: Interest Rate Risk in the Banking Book

CRAR before-shock (%)	**11.25**		
Interest rate stress	**Minor**	**Moderate**	**Major**
Assumed change in interest rate	**1.00%**	**2.00%**	**3.00%**
Net interest income impact			
<12 months	3.97	7.94	11.90
Capital after-shock	1,696.73	1,700.70	1,704.67
CRAR after-shock (%)	**11.27**	**11.30**	**11.32**
Change in CRAR after-shock (%)	0.03	0.05	0.08
Repricing impact			
Change in the value of the bond portfolio	-57.04	-114.07	-171.11
Capital after-shock	1,639.70	1,586.63	1,533.56
CRAR after-shock (percent)	**10.89**	**10.54**	**10.19**
Change in CRAR after-shock (%)	-0.38	-0.76	-1.14
Overall change in CRAR (NII and repricing impact,%)	-0.35	-0.71	-1.06



REPORT ON SUSTAINABLE FINANCE (GREEN BANKING)

REPORT ON SUSTAINABLE FINANCE

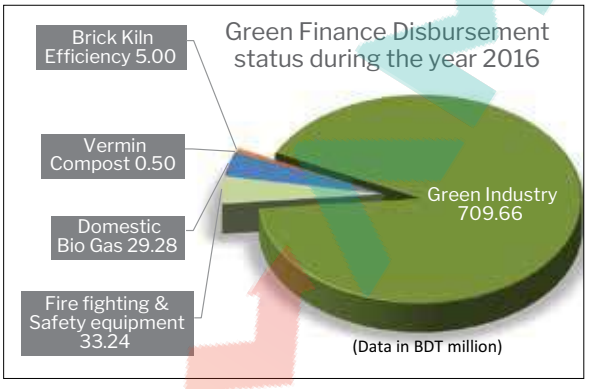
IFIC Bank is committed to promote sustainable growth in the economy. We provide several financial supports under Product Program Guideline named "IFIC Green – Earth".

Detailed as under:

Product	Purpose
Domestic Bio-gas plant	For integrated cow raring & setting up of bio-gas plant.
	For setting up of bio-gas plant in existing cattle/poultry farm.
Commercial bio-gas plant	For setting up of bio-gas plant in existing cattle/poultry farm & produce electricity through gas generator.
Vermin compost	To meet the financial needs for purchasing of 2 cows, vermin construction of shade and for other expenses to produce vermin compost fertilizer for own use/business purpose.
Finance for Brick Kiln Efficiency Improvement Projects	To setup HHK or equivalent technology plant.
	Conversion of traditional FCK into Improved Zig Zag Brick Kiln

An amount of BDT 68.00 million was disbursed in 2016 under "IFIC Green – Earth".

IFIC Bank also provides financial support for setting Green Industry according to U.S. Green Building Council (USGBC)/LEED as guided by Bangladesh Bank. In 2016, we have disbursed BDT 710.00 million in this sector.



Awareness program:

IFIC Bank is continuously engaged to create awareness among young generation on green issues. On October 19, 2016 we have organized an awareness program named "Green Earth for Next Generation" in Notre Dame College-Dhaka.

Market share:

Taka in million

	CMSME Loan	CMSME Loan of IFIC	Market share
Financial Sector	1,606,593.90	28,067.80	1.75%
Banking Sector	1,540,639.20	28,067.80	1.82%
Private Commercial Bank	679,757.70	28,067.80	4.13%

Source: Bangladesh Bank statistics

SME events 2016



Awareness program on green activities named 'Green Earth for Next Generation" in Notre Dame College-Dhaka.



Loan disbursement program for 10 Taka account holders



Study visit of Royal Monitory Authority, Bhutan at IFIC Bank Ltd.

RISK MANAGEMENT



RISK MANAGEMENT

Financial Services Institutions (FSIs) worldwide are pursuing a full, integrated understanding of the risks that are inherent to banking business. As a financial institution, IFIC Bank is exposed to certain amount of risks which are associated with its lending, trade-service business and operational activities. Managing and mitigating such risks are always a prioritized concern of IFIC Bank Limited.

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 risk that arises 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 RMC of Board approves risk governance structures & risk philosophy, endorse 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

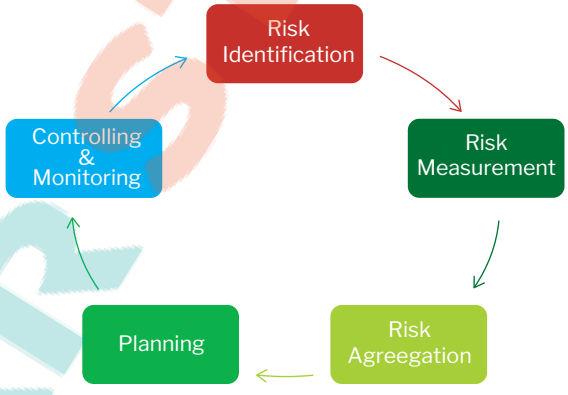
Risks Management Process will allow managers to reach desired indicators of profitability and return on capital and to prevent irrational resource utilization. IFIC Bank's risk management process is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures 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 assumed by the bank. To facilitate focused oversight of various risks Specific Committees have been constituted.

Risk Management begins with identification and its quantification. It is only after risks are identified and measured we may decide to accept the risk or to accept the risk at a reduced level by undertaking steps to mitigate the risk, either fully or partially.

IFIC Bank is tailoring its Risk Management Program to its need and circumstances. Hence, managing of risks consists of the following five processes:

- Risk Identification
- Risk Measurement
- Risk Aggregation
- Planning; and
- Controlling & Monitoring

Fig.: Risk Management Process



Risk Identification: 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 problems. 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: Once risks have been identified, they are measured in order to determine their impact on the bank's profitability and capital. The above-mentioned types of risks are to be consistently assessed and that is an essential prerequisite for successful risk management. Credit risk assessment and measurement in IFIC is calculated on the basis of possible losses from the credit portfolio. Potential losses in the credit business can be divided into expected losses and unexpected losses. Expected losses are derived from the borrower's expected

probability of default. Unexpected losses result from deviations in losses from the expected loss.

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. at branch level where business transactions are undertaken – and at aggregate level – i.e. sum total of all transactions undertaken at all branches – differs.

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 specific committees for risk management such as:

- Management Committee
- Credit Committee
- Asset Liability Committee (ALCO),
- Risk Management Committee at Management Level
- Risk Management Committee at Board Level

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.

BASEL-III accord has already been implemented under the supervision of Central Bank. The Credit risk, Market risk and Operational risk are calculated under the Pillar-I of Basel III. In addition Core risks, Residual risk, Management risk, Strategic risk, Credit concentration risk, Reputational risk etc. are also measured under Pillar-II of Basel-III. The risk weighted assets as well as capital requirement under BASEL-III are increased significantly. However, minimum capital requirement has been fulfilled by the Bank.

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.

Risk Management Division (RMD)

IFIC Bank has a separate 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 analysis including Value at Risk (VaR) analysis are done. Stress testing is being conducted on a regular basis.

Risk management refers to the practice of identifying potential risks in advance, analyzing them and taking precautionary steps to reduce/curb the risk. Risk is an integral part of the Banking business and IFIC Bank's aim is to deliver and maximize shareholders' value by achieving an appropriate trade- off between risk and returns.

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 quarterly Risk Management Paper 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: 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 Paper 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 quarterly basis.

Objectives of Risk Management

Our risk philosophy is that the risk we are taking in line with the risk appetite which is set by our Board of Directors. We accept risks fits with the business strategy, assisted by prudent decision-making process and management effectiveness. The banking sector has perhaps the most specific focus on the management of financial risks.

Risk management is a discipline at the core of every financial institution and encompasses all the activities that affect its risk profile. It involves identification, measurement, monitoring and controlling risks to ensure that

- The individuals who take or manage risks clearly understand it;
- The organization's risk exposure is within the limits established by the board;
- Risk taking decisions are explicit and clear;
- Risk taking decisions are in line with the business strategy and objectives set by the board;
- The expected payoffs compensate for the risks taken; and
- Sufficient capital as a buffer is available to take risk.

Risk Management Committee of the Management

A Risk Management Committee of the Management has been constituted to address the overall risk of the Bank as per Bangladesh Bank instruction.

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.

Risk Management Committee of 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 and risk exposures. 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 directives 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 :

- To formulate and implement strategies/policies/ processes/procedures for assessment and control.

- To review existing strategies/policies/ processes/procedures as well as different internal limits and suggest/ make necessary amendments.
- Formulation and implementation of appropriate for assessment and control.
- Monitoring ongoing potential risk of the bank identified by RMD and take necessary steps to mitigate those risks.
- 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.

■ 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 :
- Monthly and Half-yearly reporting to BB 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.

Elements of a sound risk management system

Some important elements of a sound risk management system should encompass the following:

- Risk management structure with board and senior management;
- Bank policies, procedures and limits that have been developed and implemented to manage business operations effectively;
- Risk identification, measurement, monitoring, control and management information systems that are in place to support all business operations; and
- Bank established internal controls and the Performance of comprehensive audits to detect any deficiencies in the internal control environment in a timely manner.

Risk management is not only limited to the individual(s), who are responsible for overall risk management function. Business activities are equally responsible for the risks that they are taking the exposures. Because the personnel can understand the risks of their activities, any lack of accountability on their part may hinder sound and effective risk management.

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 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 financial condition. Factors such as the external environment customers, business systems and policies will all influence a Bank's risk appetite.

A well-defined risk appetite should have the following characteristics:

- Reflective of strategy, including Banks objectives, business plans and stakeholders expectations.
- Reflective of all key aspects of the business.
- Acknowledges a willingness and capacity to on risk.
- Considers the skills, resources and technology required to manage and monitor risk exposures in the context of risk appetite.
- Inclusive of a tolerance for loss or negative events that can be reasonably quantified.
- May be periodically reviewed and reconsidered with reference to evolving industries and market conditions.
- Must be approved by the Board.

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.

The objectives of credit risk management are:

- Identifying, measuring, monitoring and controlling credit risks in order to maintain a manageable and quality loan portfolio.
- Ensuring that expected returns compensate for the risks taken.
- Ensuring credit risk decisions are explicit, clear and well calculated.
- Maintaining the overall credit exposure of the bank at 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 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. As per Bangladesh Bank guideline, Environmental Risk Rating is adopted in the approval process for our commitment to sustainable finance. 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

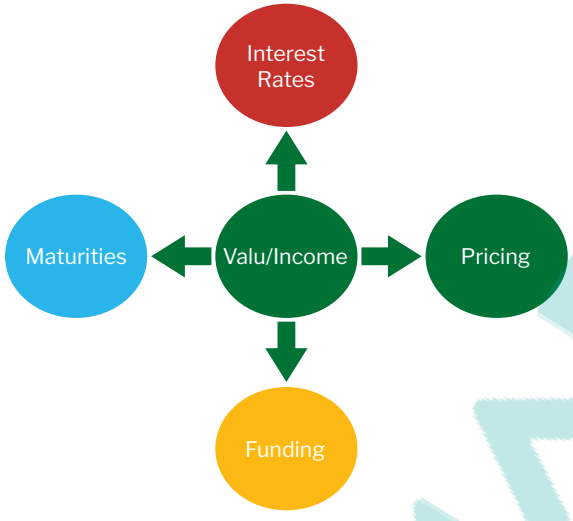
The bank obtains adequate collateral against its credit exposure wherever possible as secondary recourse to the borrowers. Primary recourse remains being the cash flow of the business. The reliance on these mitigates is carefully assessed in light of issues such as legal certainty and enforceability, 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

The assets and liabilities of IFIC Bank Ltd. are managed in order to maximize stake holder'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 Board of Directors believes that accepting some level of interest rate risk is necessary in order to achieve realistic profit goals. The responsibility of managing the asset/liability management procedures are monitored by the Asset/ Liability Management Committee (ALCO).

ALM at a glance



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. The ALCO is headed by the Managing Director.

ALCO meeting is held once or more in every month to analyze, review and formulate strategies in order to manage the same. However, the main responsibility of the ALCO are:

- Ensure bank's measurement and reporting systems accurately convey the degrees of liquidity and market risk.
- Monitor the structure and composition of bank's asset and liabilities and identify balance sheet management issues that are leading to underperformance.
- Decide on the major aspects of balance sheet structure, such as maturity and currency mix of assets and liabilities, mix of wholesale versus retail funding, deposit mix etc
- Decide on how to respond to significant, actual and expected increases and decreases in required funding
- Review maturity profile and mix of assets and liabilities
- Articulate interest rate view of the bank and decide on balance sheet strategy
- Approve and periodically review the transfer pricing policy of the bank
- Evaluate market risk involved in launching of new products
- Review deposit-pricing strategy, and
- Review contingency funding plan for the bank

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 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 re-pricing 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 must be conducted within the context of a comprehensive business plan.

Interest Rate Risk is the current or potential risk to the interest rate sensitive assets and liabilities of a bank's balance sheet as well as the off-balance sheet items arising out of adverse or volatile movements in market interest rate. Volatile movements of market interest rate adversely affect the value of interest rate sensitive assets and liabilities that consequentially results in the loss of equity value also affects the earnings of the bank. An effective risk management process that maintains interest rate risk within prudent levels is essential to the safety and soundness of the bank. The ALCO has been monitoring continuously about the market condition as well as the bank's interest rate on both deposits & lending.

However, Bank has been 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 2016 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 :
  - 0 Net Interest Income
  - 0 Net Interest Margin
  - 0 Interest Earning Asset to Total Assets
  - 0 Average Interest Rates of Loan
  - 0 Average Interest Rates of Deposit etc.
- Valu at Risk (VaR) is calculated
- Sensitivity Analysis
- Maturity profile Analysis
- Stress Testing is conducted

Foreign Exchange Risk Management

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.

Treasury Division of the bank measured and monitored 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.

Front Office: The front office or the dealing room acts as the bank's interface to international and domestic financial market. The front office is the center for market risk management activities in the bank. The front office is the unit that interacts with the market within the generally approved framework and the authority given to dealers by the Board of Directors of the bank.

Functions of Treasury Front Office

- Statutory management
- Optimization of risk return through specialization and management
- Funding of the Balance Sheet at optimum prices
- Proposing interest rate matrix to the ALCO
- Proposing various investment options to the ALCO
- Analyze various economic trends and propose Balance Sheet Strategy to the ALCO
- Quotation of various foreign exchange and interest rates to customers
- Dealing in foreign exchange for position covering as well as for own account trading
- Various funding activities through various Derivatives
- Provide structured treasury solutions to customer
- Remain vigilant for any arbitrage opportunities
- Marketing activities for future business growth
- Estimate daily P&L and work with reporting unit in resolving any difference

- Record/ maintain all foreign exchange and money market positions and check for differences with system generated/back-office reports
- Sending dealing information to Back Office through deal slip (if the deal is not done throuh automated system)
- Performing money market activities
- Security/fixed income trading (if it is a PD)

Back Office: The market risk exposure and particularly front office activities are monitored by the back office. The back office is responsible for monitoring of deal confirmation, deal settlement, funding to nostro account, maintenance and reconciliation of nostro account etc. Monitoring and reporting of all limits including open positions, counterparty settlement, overall limits and portfolio limits are also the responsibility of the back office.

Functions of Treasury Back Office

- Input, verification and settlement of deals
- Receiving and sending of deal confirmation Certificates
- Preparation of currency positions (of previous day-end) and report to traders prior to commencement of day's dealings
- Reconciliation of currency positions
- Rate appropriateness function for all deals done
- Revaluation of all foreign exchange positions at a pre-determined frequency
- Managing discrepancies and disputes
- Daily calculation for adherence to statutory maintenance
- Reconciliation of nostro accounts
- Reconciliation of vostro accounts
- Claim/ pay good value date effect of late settlements

Mid Office: The mid office is responsible to independently monitor measure and analyze risks inherent in treasury operations of the bank. The mid office performs risk review function of day-to-day activities and prepare various risk reports to check whether there is any violation or not and submit the risk reports to the top management. If there is any violation of activities of TFO & TBO the mid office informs the concerned department to take necessary measures.

Responsibilities of Treasury Mid Office :

- Overall responsibility of all treasury Mid office activities
- Responsible for all relevant Risk reporting
- Measure for compliance with Regulatory/ Internal limits and escalate any excesses
- Escalate regulatory and internal policy breaches by Front and back office
- Monitor Treasury Risk issues (both front and back office) with Management
- Responsible for accuracy and timeliness of all reports as well as MIS:

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 control 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.

Objective of Internal Control:

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 are as follows:
- 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 (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

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

"Guidelines on Prevention of Money Laundering" and "Policy for Combating Financing of Terrorism" has been formulated for strict compliance as per directives of Bangladesh Bank

The Chief Anti-Money Laundering Compliance Officer (CAMLCO) regularly submits status report to the competent authorities as per regulatory requirement in respect of hundi activities, abnormal transactions, Suspicious Transaction Report (STR), Cash Transaction Report (CTR), Know Your Customer (KYC) Procedure, Transaction Monitoring Report, Structuring Monitoring Report, Half Yearly Report on Self Assessment Reports of branches & independent testing procedure conducted by ICC Division and similar other areas. The bank has been complying 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 2016, the Bank arranged several training courses on Prevention of Money Laundering & Combating Financing of Terrorism where 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 arena. 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 setup 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 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 a risk management tool that helps in assessment of the risks quantifies the resilience towards shock events and helps to manage the shock results. 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 is carried out at three different shock levels:

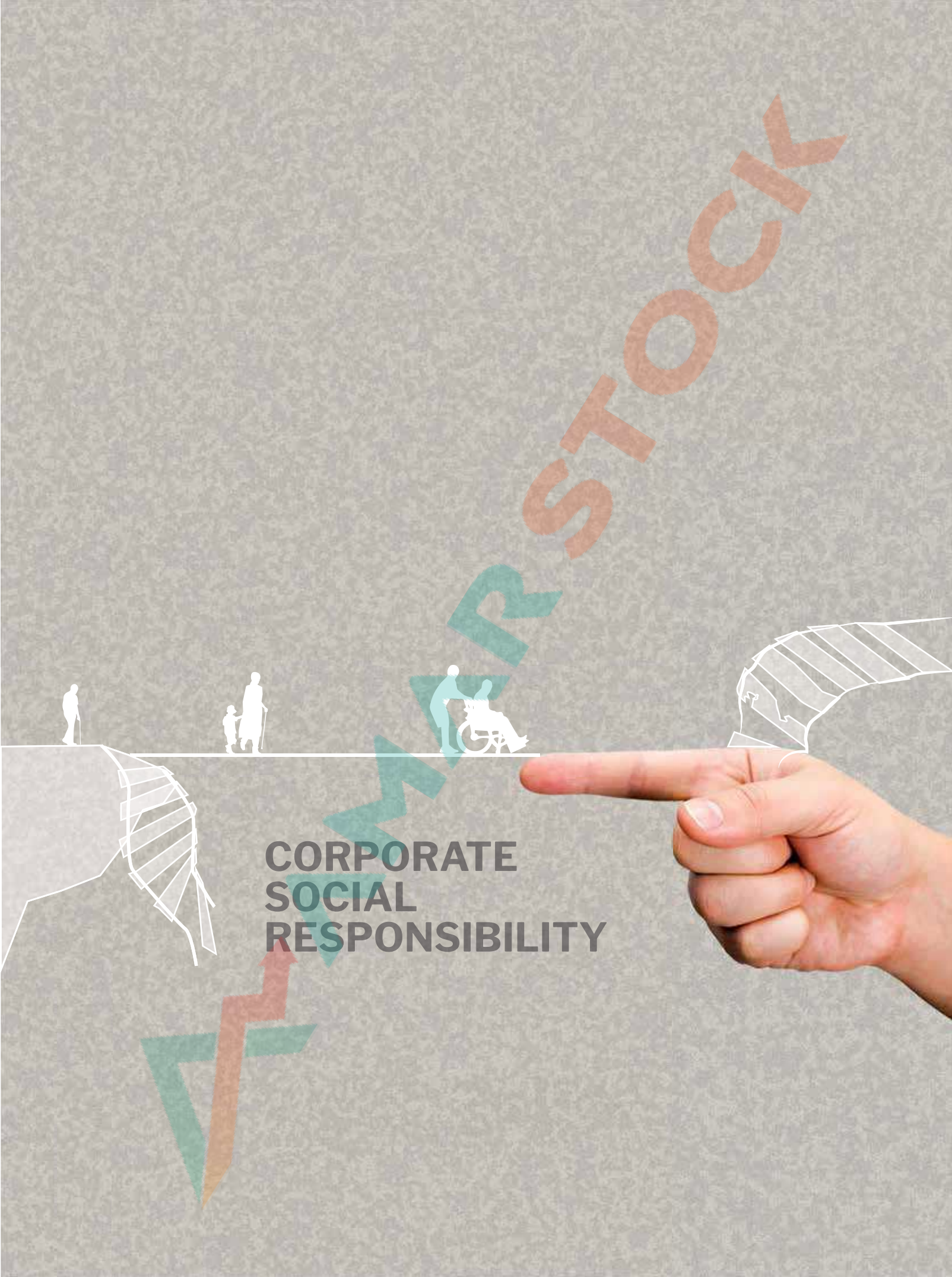
- Minor Level Shocks
- Moderate Level Shock; and
- Major Level Shocks

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 weightage 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.

IFIC Bank prepares Stress Testing Report based on the financials of the bank on quarterly basis and submit the report to Bangladesh Bank as well 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.

AMAR STOCK


CORPORATE
SOCIAL
RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY

The Bank undertook following activities in the field of CSR in 2016



IFIC Bank provided blankets to Prime Minister's Relief Fund and also distributed blankets among poor people in different parts of the country through bank branches. The Bank also made donations to the said Fund through Bangladesh Association of Banks (BAB).



The Bank rewarded two winners for IFIC Bank Shahittyo Purosker.



The Bank provided money for the IFIC Bank Trust Fund in Dhaka University from where students and teachers receive stipends and research grants every year.



Biswashahitya Kendra received a donation to run a programme for college students.



The Bank donated 40 bicycles to female students of Dalit-Harijon Community in Jessore district.



PFDA-Vocational Training Centre received financial assistance for imparting education and training to autistic children.



The Bank provided a fund to Bangladesh Shooting Sports Federation for development of the shooting game.

MARKET SHARE INFORMATION

In light of the global economic scenario and the rapidly growing and evolving financial sector in Bangladesh. Bangladesh Bank (BB) continued to focus on strengthening the financial system of the country. BB announced various growth and investment friendly incentives in credit and financial policies with the aim of influencing investors and enhancing banks' lending activities. Now a days Banking business is more competitive in the present ecomic scenerio of our country. The banking business is growing trend in the competitive market inspite of slow economic trend. Market analysis is essential for each financial institutions to identify business position and market share comparing to the banking industries. It is very important to analize the market Share of IFIC Bank to know that how well a bank is doing better in the market place/industry compared to its competitors.

Banking Sector Exposure vis-à-vis IFIC's Position as on 30 September 2016

BDT in crore

Particulars	IFIC Bank	Banking Industry	Market Share of IFIC
Advance (without OBU)	12,587.40	628,534.99	2.00%

Particulars	IFIC Bank	Banking Industry	Market Share of IFIC
Deposits	15,336.75	861,745.67	1.78%

Area/Regional Credit concentration as on 30 September 2016

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	9,794.71	77.81%	419,159.13	66.69%	2.34%
Chittagong Division	1,354.37	10.76%	119,290.96	18.98%	1.14%
Rajshahi Division	587.55	4.67%	24,601.31	3.91%	2.39%
Khulna Division	344.21	2.73%	25,854.18	4.11%	1.33%
Rangpur Division	253.20	2.01%	15,057.56	2.40%	1.68%
Sylhet Division	114.79	0.91%	8,408.22	1.34%	1.37%
Mymensingh Div.	73.00	0.52%	6,940.80	1.10%	0.94%
Barisal Division	65.57	0.58%	9,222.83	1.47%	0.79%
Total Loan	**12,587.40**	**100%**	**628,534.99**	**100%**	**2.00%**

Total Banking Sector Exposure vis-à-vis IFIC's Exposure as on 30 September 2016

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
A.	Agriculture, Fishing and Forestry	33,774.75	5.37%	331.39	2.63%	0.98%
B.	Industry	2,37,895.75	37.85%	5,603.13	44.51%	2.36%
C.	Construction	56,465.79	8.98%	2,277.62	18.10%	4.03%

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
D.	Transport and Communications	4,774.42	0.76%	12.93	0.10%	0.27%
E.	Trade & Commerce	224,742.49	35.76%	3,259.79	25.90%	1.45%
F.	Other Institutional Loan	13,005.08	2.07%	334.92	2.66%	2.58%
G.	Consumer Finance	52,467.62	8.35%	754.58	6.00%	1.44%
H	Miscellaneous	5409.09	0.86%	13.04	0.10%	0.24%
Total		**628534.99**	**100%**	**12587.40**	**100%**	**2.00%**

PRODUCTS AND SERVICES

Deposit Products	Loan Products	Loan Products
Current Account Savings Account Smart Savings Account IFIC Amar Account School Savings Plan Sanchita - Female Savings A/c Payroll Savings Millionaire Dream Plan (MDP) Special Notice Deposit - SND Fixed Deposit Receipt (FDR) Pension Savings Scheme (PSS) Monthly Income Scheme Three Years Deposit Plus Double Return Deposit Scheme Flexi DPS	Term Loan (Industrial) Term Loan (Others) Loan General Working Capital Loan Amar Account OD Easy Loan Consumer Durable Loan Parua (Education Loan) IFIC Home Loan IFIC Peshajeebi Loan Auto Loan Any Purpose Loan Marriage Loan CNG Conversion Loan Home Renovation/Interior Decoration Loan Medical Loan Holiday Loan Premium Overdraft Salary Loan Credit Card IFIC-Krishi Shilpo IFIC-Shilpo Sohay	IFIC-Shilpo Shongjog IFIC-Prantonari WEC loan Protyasha WEC loan Joyeeta Muldhan Loan Retailers Loan Transport Loan Commercial House Building Loan Bidders Loan Contractors Loan Easy Commercial Loan Lease Finance IFIC-Subornogram Krishi Soronjam Rin Sech Soronjam Rin IFIC-Green earth IFIC-Joibo Shakti Fire Fightings



FINANCIAL STATEMENTS

এম, জে, আবেদীন এন্ড কোং
চার্টার্ড একাউন্টেন্টস্
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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 balance sheet and the separate balance sheet as at 31 December 2016 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the period then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls

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

Auditors' Responsibility

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2016, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the period then ended in accordance with Bangladesh Financial Reporting Standards as explained in **note 2.1.**

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 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 the 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 2.2.6.7.

(c) financial statements of subsidiary companies of the Bank namely IFIC Securities Limited and IFIC Money Transfer (UK) Limited have been audited and properly reflected in the consolidated financial statements;

(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 consolidated profit and loss account of the Group and the separate balance sheet and separate 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 the 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) the financial statements of the bank have been drawn up in conformity with prevailing rules, regulations and Bangladesh Financial Reporting Standard as explained in **note 2.1** as well as with related guidelines, circulars issued by Bangladesh Bank and the instruction given by Bangladesh Bank and decision taken in tripartite meeting amongst Inspection Team of Bangladesh Bank, External Auditors and the Management of IFIC Bank Limited held on 21 March 2017;

(i) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;

(j) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(k) the information and explanation required by us have been received and found satisfactory;

(l) Capital to Risk-weighted Asset Ratio (CRAR) as required by the Bangladesh Bank has been maintained adequately during the year and

(m) we have reviewed over 80% of the risk weighted assets of the bank and we have spent around 3,975 person hours for the audit of the books and accounts of the bank.

Dated: 06 April 2017
Place, Dhaka

M. J. ABEDIN & CO
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Balance Sheet

as at 31 December 2016

Amount in BDT

Particulars	Note	31 December 2016	31 December 2015
PROPERTY AND ASSETS			
Cash		**14,079,419,866**	**11,883,940,873**
Cash in hand (including foreign currency)	3.a	2,018,405,559	1,648,726,967
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.b	12,061,014,307	10,235,213,906
Balance with other banks and financial institutions	**4.a**	**9,008,977,771**	**5,717,048,302**
In Bangladesh	4.a(i)	7,592,399,021	3,827,088,364
Outside Bangladesh	4.a(ii)	1,416,578,750	1,889,959,938
Money at call and on short notice	**5**	**-**	**-**
Investments		**26,279,460,893**	**29,113,754,270**
Government securities	6.a	20,754,752,878	23,596,892,752
Other investments	6.b	5,524,708,015	5,516,861,518
Loans and advances		**141,258,758,320**	**125,668,039,638**
Loans, cash credit, overdrafts etc.	7.a	132,138,872,955	116,635,497,917
Bills purchased and discounted	8.a	9,119,885,365	9,032,541,721
Fixed assets including premises, furniture and fixtures	**9.a**	**3,498,780,629**	**3,244,881,023**
Other assets	**10.a**	**5,752,191,395**	**4,736,254,172**
Non-banking assets	**11**	**373,474,800**	**373,474,800**
Total assets		**200,251,063,674**	**180,737,393,078**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	**12.a**	**6,161,734,496**	**7,493,454,676**
Subordinated debt	**13**	**3,500,000,000**	**-**
Deposits and other accounts	**14.a**	**160,132,621,436**	**146,848,211,304**
Current deposit and other accounts		20,040,265,832	17,440,029,998
Bills payable		2,075,645,107	1,473,570,630
Savings bank deposits		27,886,177,596	24,496,108,248
Fixed deposits		110,130,532,901	103,438,502,428
Other liabilities	**15.a**	**16,534,308,924**	**14,025,345,914**
Total liabilities		**186,328,664,856**	**168,367,011,894**
Capital/Shareholders' equity			
Paid up capital	16.2	5,638,219,070	5,034,124,170
Statutory reserve	**17**	4,649,226,843	4,232,499,880
General reserve	**18**	155,071,397	155,071,397
Revaluation reserve against securities	**19.a**	13,387,424	41,391,939
Revaluation reserve against fixed assets	**20**	115,314,704	115,314,704
Foreign currency translation reserve	**20.a**	(27,858,562)	(25,350,388)
Surplus in profit and loss account	**22**	3,379,031,381	2,817,321,961
		13,922,392,257	**12,370,373,663**
Non-controlling interest	**23**	6,561	7,521
Total shareholders' equity		**13,922,398,818**	**12,370,381,184**
Total liabilities and shareholders' equity		**200,251,063,674**	**180,737,393,078**

Particulars	Note	31 December 2016	31 December 2015
OFF BALANCE SHEET ITEMS			
Contingent liabilities	**24**	**52,602,485,841**	**47,779,027,775**
Acceptances and endorsements	24.1	15,524,365,117	14,210,761,791
Letters of guarantee	24.2	9,742,638,146	9,706,631,662
Irrevocable letters of credit	24.3	17,535,059,809	14,800,324,793
Bills for collection	24.4	9,800,422,769	9,061,309,529
Other contingent liabilities		-	-
Other commitments		-	-
Documentary credit and short term trade -related transactions		-	-
Forward assets purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-Balance Sheet exposures including contingent liabilities		**52,602,485,841**	**47,779,027,775**

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

06 April 2017
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 2016

Amount in BDT

Particulars	Note	2016	2015
Interest income	26.a	12,552,253,073	12,720,241,526
Interest paid on deposits, borrowings etc.	27.a	8,146,826,797	8,945,731,444
Net interest income		**4,405,426,276**	**3,774,510,082**
Investment income	28.a	2,103,580,097	2,281,973,080
Commission, exchange and brokerage	29.a	1,552,391,886	1,562,854,705
Other operating income	30.a	591,454,501	460,644,885
		4,247,426,484	**4,305,472,670**
Total operating income		**8,652,852,760**	**8,079,982,752**
Salaries and allowances	31.a	2,373,808,573	2,231,581,713
Rent, taxes, insurance, electricity etc.	32.a	756,019,205	682,771,493
Legal expenses	33.a	9,253,259	10,026,077
Postage, stamp, telecommunication etc.	34.a	118,589,680	112,913,781
Stationery, printing, advertisement etc.	35.a	273,922,990	174,091,810
Managing Director's salary	36	15,120,000	13,852,500
Directors' fees	37.a	1,495,750	1,104,250
Auditors' fees	38.a	2,251,927	1,790,934
Charges on loan loss	39	281,172,341	69,825,108
Depreciation and repair of bank's assets	40.a	557,399,835	442,183,292
Other expenses	41.a	804,803,102	728,138,397
Total operating expenses		**5,193,836,662**	**4,468,279,355**
Operating profit		**3,459,016,098**	**3,611,703,397**
Share of profit of joint ventures/associates	41.b(iii)	**382,821,516**	**240,124,663**
Profit before provision		**3,841,837,614**	**3,851,828,059**
Provision for loans, investments & other assets	42.a		
Specific provision		735,235,892	1,750,235,571
General provision		505,554,055	205,000,000
Provision for off-shore banking unit		(4,712,963)	1,000,000
Provision for off-balance sheet exposures		59,810,890	-
Provision for diminution in value of investments		51,923,927	68,164,349
Provision for other assets		24,120,508	26,181,570
Total provision		**1,371,932,309**	**2,050,581,490**
Profit/(Loss) before taxes		**2,469,905,305**	**1,801,246,569**
Provision for taxation			
Current tax	43.a	717,569,284	966,255,904
Deferred tax	43.b	169,805,699	(222,150,537)
		887,374,983	**744,105,367**
Net profit after taxation		**1,582,530,322**	**1,057,141,202**
Net profit after tax attributable to:			
Equity holders of the Bank		1,582,530,314	1,057,141,126
Non-controlling interest		8	76
Retained earnings brought forward from previous year		**2,817,321,961**	**2,739,798,432**
Add/(less): Adjustment due to issuance of shares of subsidiaries	23.1	968	-
Add: Net profit after tax (attributable to equity holders of the Bank)		1,582,530,314	1,057,141,126
Profit available for appropriation		**4,399,853,243**	**3,796,939,558**
Appropriations:			
Statutory reserve		416,726,963	322,992,707
General reserve		-	-
Dividend		604,094,900	656,624,890
		1,020,821,863	**979,617,597**
Retained surplus		**3,379,031,381**	**2,817,321,961**
Earnings Per Share (EPS) [Previous year's figure restated]	50.a	2.81	1.87

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

06 April 2017
Dhaka

M. J. Abedin & Co.
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Cash Flow Statement

for the year ended 31 December 2016

Amount in BDT

	Particulars	Note	2016	2015
A.	**Cash flows from operating activities**			
	Interest received		14,469,282,654	14,766,733,413
	Interest payments		(8,307,226,698)	(8,978,636,056)
	Dividend received		75,411,582	161,080,469
	Fees and commission received		1,581,266,572	1,512,245,117
	Recoveries of loans and advances previously written-off		433,046,280	91,978,387
	Cash payments to employees		(2,317,928,573)	(2,295,434,213)
	Cash payments to suppliers		(349,128,233)	(254,380,826)
	Income taxes paid		(1,054,531,613)	(1,046,898,362)
	Receipts from other operating activities	**44.a**	607,880,367	528,027,210
	Payments for other operating activities	**45.a**	(1,825,282,694)	(1,643,694,431)
	Operating cash flows before changing in operating assets and liabilities		**3,312,789,644**	**2,841,020,709**
	Increase/(decrease) in operating assets and liabilities			
	Statutory deposits		-	-
	Loans and advances to other banks		-	-
	Loans and advances to customers		(15,040,588,693)	(21,486,378,938)
	Other assets	**47.a**	(1,419,164,464)	(123,339,773)
	Deposits from other banks		(783,680,000)	306,602,000
	Deposits from customers		14,274,274,321	16,717,220,821
	Trading liabilities		-	-
	Other liabilities	**48.a**	351,055,164	168,405,714
			(2,618,103,672)	**(4,417,490,177)**
	Net cash flows from/(used in) operating activities		**694,685,972**	**(1,576,469,468)**
B.	**Cash flows from investing activities**			
	Net proceeds/(payments) from sale/(purchase) of Government securities		2,809,897,359	(6,154,867,151)
	Net proceeds/(payments) from sale/(purchase) of securities		451,192,822	611,567,060
	Purchase of property, plant & equipment		(622,660,050)	(739,401,777)
	Proceeds from sale of property, plant & equipment		6,287,392	2,817,834
	Net cash used in investing activities		**2,644,717,522**	**(6,279,884,033)**
C.	**Cash flows from financing activities**			
	Borrowing from other banks, financial institutions and agents		(1,331,720,180)	1,568,863,417
	Receipts from issue of sub-ordinated bond		3,500,000,000	-
	Dividend paid in cash		-	-
	Payment against lease obligation		(5,394,235)	(6,642,120)
	Net cash flows from financing activities		**2,162,885,586**	**1,562,221,297**
D.	**Net increase/(decrease) in cash (A+B+C)**		**5,502,289,080**	**(6,294,132,204)**
E.	Effects of exchange rate changes on cash and cash equivalents		(19,118,618)	(5,215,931)
F.	**Opening balance of cash and cash equivalents**		**17,608,744,275**	**23,908,092,411**
G.	**Closing balance of cash and cash equivalents (D+E+F)**	**46.a**	**23,091,914,737**	**17,608,744,275**
	Closing cash and cash equivalents			
	Cash in hand		2,018,405,559	1,648,726,967
	Balance with Bangladesh Bank and its agents bank		12,061,014,307	10,235,213,906
	Balance with other banks and financial institutions		9,008,977,771	5,717,048,302
	Money at call and on short notice		-	-
	Prize bonds		3,517,100	7,755,100
			23,091,914,737	**17,608,744,275**

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 2016

Amount in BDT

Particulars	Paid up capital	Statutory reserve	General reserve	Revaluation reserve against securities	Revaluation reserve against fixed assets	Foreign currency translation reserve	Surplus in profit and loss account	Non-controlling interest	Total
Balance as at 1 January 2016	5,034,124,170	4,232,499,880	155,071,397	41,391,939	115,314,704	(25,350,388)	2,817,321,961	7,521	12,370,381,184
Impact of changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance as at 1 January 2016	**5,034,124,170**	**4,232,499,880**	**155,071,397**	**41,391,939**	**115,314,704**	**(25,350,388)**	**2,817,321,961**	**7,521**	**12,370,381,184**
Surplus/(deficit) on account of revaluation of investments	-	-	-	(28,004,515)	-	-	-	-	(28,004,515)
Effect of foreign currency translation	-	-	-	-	-	(2,508,174)	-	-	(2,508,174)
Adjustment due to issuance of shares of subsidiaries	-	-	-	-	-	-	968	(968)	-
Net gains and losses not recognized in the profit and loss account	**5,034,124,170**	**4,232,499,880**	**155,071,397**	**13,387,424**	**115,314,704**	**(27,858,562)**	**2,817,322,929**	**6,553**	**12,339,868,495**
Net profit for the year	-	-	-	-	-	-	1,582,530,314	8	1,582,530,322
Dividend issued/paid during the year	604,094,900	-	-	-	-	-	(604,094,900)	-	-
Transfer from provision to general reserve	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	416,726,963	-	-	-	-	(416,726,963)	-	-
Balance as at 31 December 2016	**5,638,219,070**	**4,649,226,843**	**155,071,397**	**13,387,424**	**115,314,704**	**(27,858,562)**	**3,379,031,381**	**6,561**	**13,922,398,818**
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	-	-	-	-	-	-	-	-	-
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**
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)
Net gains and losses not recognized in the profit and loss account	**4,377,499,280**	**3,909,507,173**	**55,771,397**	**41,391,939**	**115,314,704**	**(25,350,388)**	**2,739,798,432**	**7,445**	**11,213,939,982**
Net profit for the year	-	-	-	-	-	-	1,057,141,126	76	1,057,141,202
Dividend issued/paid during the year	656,624,890	-	-	-	-	-	(656,624,890)	-	-
Transfer from provision to general reserve	-	-	99,300,000	-	-	-	-	-	99,300,000
Transfer to statutory reserve	-	322,992,707	-	-	-	-	(322,992,707)	-	-
Balance as at 31 December 2015	**5,034,124,170**	**4,232,499,880**	**155,071,397**	**41,391,939**	**115,314,704**	**(25,350,388)**	**2,817,321,961**	**7,521**	**12,370,381,184**

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Balance Sheet

as at 31 December 2016

Amount in BDT

Particulars	Note	31 December 2016	31 December 2015
PROPERTY AND ASSETS			
Cash	**3**	**14,067,154,663**	**11,861,355,635**
Cash in hand (including foreign currency)	3.1	2,006,140,356	1,626,141,729
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	12,061,014,307	10,235,213,906
Balance with other banks and financial institutions	**4**	**9,008,977,771**	**5,710,545,217**
In Bangladesh	4.1	7,592,399,021	3,827,088,363
Outside Bangladesh	4.2	1,416,578,750	1,883,456,854
Money at call and on short notice	**5**	**-**	**-**
Investments	**6**	**25,204,524,182**	**28,497,856,878**
Government securities	6.1	20,754,752,878	23,596,892,752
Other investments	6.2	4,449,771,304	4,900,964,126
Loans and advances	**7**	**137,118,111,549**	**123,268,667,873**
Loans, cash credit, overdrafts etc.	7.1	127,998,226,184	114,236,126,152
Bills purchased and discounted	8	9,119,885,365	9,032,541,721
Fixed assets including premises, furniture and fixtures	**9**	**3,487,927,670**	**3,230,366,926**
Other assets	**10**	**7,790,544,123**	**5,391,684,061**
Non-banking assets	**11**	**373,474,800**	**373,474,800**
Total assets		**197,050,714,758**	**178,333,951,390**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial Institutions and agents	**12**	**5,827,168,923**	**7,200,813,714**
Subordinated debt	**13**	**3,500,000,000**	**-**
Deposits and other accounts	**14**	**160,155,006,094**	**146,819,705,532**
Current deposit and other accounts	14.1	20,062,650,490	17,411,524,226
Bills payable	14.2	2,075,645,107	1,473,570,630
Savings bank deposits	14.3	27,886,177,596	24,496,108,248
Fixed deposits	14.4	110,130,532,901	103,438,502,428
Other liabilities	**15**	**14,728,215,189**	**12,659,218,849**
Total liabilities		**184,210,390,206**	**166,679,738,095**
Capital/Shareholders' equity			
Paid up capital	16.2	5,638,219,070	5,034,124,170
Statutory reserve	**17**	4,649,226,843	4,232,499,880
General reserve	**18**	155,071,397	155,071,397
Revaluation reserve against securities	**19**	13,387,424	41,391,939
Revaluation reserve against fixed assets	**20**	115,314,704	115,314,704
Surplus in profit and loss account	**21**	2,269,105,114	2,075,811,205
Total shareholders' equity		**12,840,324,552**	**11,654,213,295**
Total liabilities and shareholders' equity		**197,050,714,758**	**178,333,951,390**

Particulars	Note	31 December 2016	31 December 2015
OFF BALANCE SHEET ITEMS			
Contingent liabilities	**24**	**52,602,485,841**	**47,779,027,775**
Acceptances and endorsements	24.1	15,524,365,117	14,210,761,791
Letters of guarantee	24.2	9,742,638,146	9,706,631,662
Irrevocable letters of credit	24.3	17,535,059,809	14,800,324,793
Bills for collection	24.4	9,800,422,769	9,061,309,529
Other contingent liabilities		-	-
Other commitments		**-**	**-**
Documentary credit and short term trade -related transactions		-	-
Forward assets purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-Balance Sheet exposures including contingent liabilities		**52,602,485,841**	**47,779,027,775**

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

06 April 2017
Dhaka

M. J. Abedin & Co.
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Profit and Loss Account

for the year ended 31 December 2016

Amount in Taka

Particulars	Note	2016	2015
Interest income	26	12,483,139,013	12,652,962,100
Interest paid on deposits, borrowings, etc.	27	8,107,920,087	8,906,750,094
Net Interest income		**4,375,218,926**	**3,746,212,006**
Investment income	28	2,099,538,356	2,375,204,608
Commission, exchange and brokerage	29	1,477,982,991	1,457,382,171
Other operating income	30	589,842,652	458,223,649
		4,167,363,999	**4,290,810,428**
Total operating income		**8,542,582,925**	**8,037,022,434**
Salaries and allowances	31	2,350,705,780	2,206,053,060
Rent, taxes, insurance, electricity, etc.	32	740,418,186	667,026,255
Legal expenses	33	5,383,491	8,137,039
Postage, stamp, telecommunication, etc.	34	118,415,297	112,775,184
Stationery, printing, advertisement, etc.	35	273,559,280	173,200,697
Managing Director's salary	36	15,120,000	13,852,500
Directors' fees	37	1,352,000	1,018,000
Auditors' fees	38	1,597,222	1,100,000
Charges on loan loss	39	281,172,341	69,825,108
Depreciation and repair of bank's assets	40	554,114,506	437,966,130
Other expenses	41	780,727,918	700,362,744
Total operating expenses		**5,122,566,021**	**4,391,316,717**
Profit/(Loss) before provision		**3,420,016,904**	**3,645,705,717**
Provision for loans, investments and other assets	42		
Specific provision		699,685,673	1,734,560,613
General provision		505,554,055	205,000,000
Provision for off-Shore Banking unit		(4,712,963)	1,000,000
Provision for off-balance sheet exposure		59,810,890	-
Provision for diminution in value of investments		51,923,927	64,000,000
Other provisions		24,120,508	26,181,570
Total Provision		**1,336,382,090**	**2,030,742,183**
Profit/(Loss) before taxes		**2,083,634,814**	**1,614,963,534**
Provision for taxation	43		
Current tax		700,000,000	950,000,000
Deferred tax expense/(income)		169,519,042	(222,017,492)
		869,519,042	**727,982,508**
Net profit after taxation		**1,214,115,772**	**886,981,027**
Retained earnings brought forward from previous year		2,075,811,205	2,168,447,775
		3,289,926,977	**3,055,428,802**
Appropriations:			
Statutory reserve		416,726,963	322,992,707
General reserve		-	-
Dividend		604,094,900	656,624,890
		1,020,821,863	**979,617,597**
Retained surplus		**2,269,105,114**	**2,075,811,205**
Earnings Per Share (EPS) [Previous year's figure restated]	50	**2.15**	**1.57**

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

06 April 2017
Dhaka

M. J. Abedin & Co.
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Cash Flow Statement

for the year ended 31 December 2016

Amount in BDT

	Particulars	Note	2016	2015
A.	**Cash flows from operating activities**			
	Interest received		14,400,168,594	14,699,453,987
	Interest payments		(8,268,319,988)	(8,939,654,706)
	Dividend received		67,961,786	160,873,844
	Fees and commission received		1,501,859,330	1,414,233,170
	Recoveries of loans and advances previously written-off		433,046,280	91,978,387
	Cash payments to employees		(2,294,825,780)	(2,269,905,560)
	Cash payments to suppliers		(349,128,233)	(254,380,826)
	Income taxes paid		(1,026,016,855)	(1,039,855,190)
	Receipts from other operating activities	44	604,585,928	525,930,547
	Payments for other operating activities	45	(1,780,400,175)	(1,596,477,608)
	Operating cash flows before changing in operating assets and liabilities		**3,288,930,887**	**2,792,196,046**
	Increase/(decrease) in operating assets and liabilities			
	Statutory deposits		-	-
	Loans and advances to other banks		-	-
	Loans and advances to customers		(14,594,692,885)	(21,309,444,589)
	Other assets	47	(1,442,558,536)	(136,413,996)
	Deposits from other banks		(783,680,000)	306,602,000
	Deposits from customers		14,325,164,751	16,805,962,889
	Trading liabilities		-	-
	Other liabilities	48	(35,588,429)	(181,510,000)
			(2,531,355,099)	**(4,514,803,697)**
	Net cash flows from/(used in) operating activities		**757,575,788**	**(1,722,607,651)**
B.	**Cash flows from investing activities**			
	Net proceeds/(payments) from sale/(purchase) of Government securities		2,809,897,359	(6,154,867,151)
	Net proceeds/(payments) from sale/(purchase) of securities		451,192,822	726,997,463
	Purchase of property, plant & equipment		(622,044,414)	(738,592,061)
	Proceeds from sale of property, plant & equipment		6,287,392	2,817,834
	Net cash used in investing activities		**2,645,333,158**	**(6,163,643,914)**
C.	**Cash flows from financing activities**			
	Borrowing from other banks, financial institution and agents		(1,373,644,791)	1,579,368,597
	Receipts from issue of sub-ordinated bond		3,500,000,000	-
	Dividend paid in cash		-	-
	Payment against lease obligation		(5,394,235)	(6,642,120)
	Net cash flow from financing activities		**2,120,960,975**	**1,572,726,477**
D.	**Net increase/(decrease) in cash (A+B+C)**		**5,523,869,920**	**(6,313,525,088)**
E.	Effects of exchange rate changes on cash and cash equivalents		(23,876,339)	(4,316,627)
F.	**Opening balance of cash and cash equivalents**		**17,579,655,952**	**23,897,497,667**
G.	**Closing balance of cash and cash equivalents (D+E+F)**	46	**23,079,649,534**	**17,579,655,952**
	Closing cash and cash equivalents			
	Cash in hand		2,006,140,356	1,626,141,729
	Balance with Bangladesh Bank and its agents bank		12,061,014,307	10,235,213,906
	Balance with other banks and financial institutions		9,008,977,771	5,710,545,217
	Money at call and on short notice		-	-
	Prize bonds		3,517,100	7,755,100
			23,079,649,534	**17,579,655,952**

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 2016

Amount in BDT

Particulars	Paid up capital	Statutory reserve	General reserve	Revaluation reserve against securities	Revaluation reserve against fixed assets	Surplus in profit and loss account	Total
Balance as at 1 January 2016	5,034,124,170	4,232,499,880	155,071,397	41,391,939	115,314,704	2,075,811,205	**11,654,213,295**
Impact of changes in accounting policy	-	-	-	-	-	-	**-**
Restated balance as at 1 January 2016	**5,034,124,170**	**4,232,499,880**	**155,071,397**	**41,391,939**	**115,314,704**	**2,075,811,205**	**11,654,213,295**
Surplus/deficit on account of revaluation of investments	-	-	-	(28,004,515)	-	-	**(28,004,515)**
Effect of foreign currency translation	-	-	-	-	-	-	**-**
Net gains and losses not recognized in the income statement	**5,034,124,170**	**4,232,499,880**	**155,071,397**	**13,387,424**	**115,314,704**	**2,075,811,205**	**11,626,208,780**
Net profit for the year	-	-	-	-	-	1,214,115,772	**1,214,115,772**
Dividend issued/paid during the year	604,094,900	-	-	-	-	(604,094,900)	**-**
Transfer from provision to general reserve	-	-	-	-	-	-	**-**
Transfer to statutory reserve	-	416,726,963	-	-	-	(416,726,963)	**-**
Balance as at 31 December 2016	**5,638,219,070**	**4,649,226,843**	**155,071,397**	**13,387,424**	**115,314,704**	**2,269,105,114**	**12,840,324,552**
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	-	-	-	-	-		**-**
Restated 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**
Surplus/deficit on account of revaluation of investments	-	-	-	39,816,400	-	-	**39,816,400**
Effect of foreign currency translation	-	-	-	-	-	-	**-**
Net gains and losses not recognized in the income statement	**4,377,499,280**	**3,909,507,173**	**55,771,397**	**41,391,939**	**115,314,704**	**2,168,447,775**	**10,667,932,268**
Net profit for the year	-	-	-	-	-	886,981,027	**886,981,027**
Dividend issued/paid during the year	656,624,890	-	-	-	-	(656,624,890)	**-**
Transfer from provision to general reserve	-	-	99,300,000	-	-	-	**99,300,000**
Transfer to statutory reserve	-	322,992,707	-	-	-	(322,992,707)	**-**
Balance as at 31 December 2015	**5,034,124,170**	**4,232,499,880**	**155,071,397**	**41,391,939**	**115,314,704**	**2,075,811,205**	**11,654,213,295**

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Liquidity Statement

Maturity Analysis of Assets and Liabilities
as at 31 December 2016

Amount in BDT

Particulars	Maturity Period					
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
Assets						
Cash in hand (including Bangladesh Bank)	3,757,254,663	148,100,000	148,100,000	-	10,013,700,000	**14,067,154,663**
Balance with other banks and financial institutions	6,258,977,771	2,750,000,000	-	-	-	**9,008,977,771**
Money at call and on short notice	-	-	-	-	-	**-**
Investment	6,525,023,376	208,208,137	3,868,610,078	6,790,108,908	7,812,573,683	**25,204,524,182**
Loans and advances	27,503,208,169	21,437,379,562	43,441,797,045	29,248,892,257	15,486,834,516	**137,118,111,549**
Fixed assets including premises, furniture and fixture		348,792,767	523,189,151	1,395,171,068	1,220,774,685	**3,487,927,670**
Other assets	1,153,854,225	2,386,305,285	1,153,854,225	867,669,998	2,228,860,390	**7,790,544,123**
Non-banking assets	-	-	-	373,474,800	-	**373,474,800**
Total assets	**45,198,318,204**	**27,278,785,751**	**49,135,550,498**	**38,675,317,031**	**36,762,743,274**	**197,050,714,758**
Liabilities						**-**
Subordinated debt	-	-	-	1,400,000,000	2,100,000,000	**3,500,000,000**
Borrowing from other banks, financial institutions and agents	827,612,893	2,576,550,529	2,054,666,454	368,339,047	-	**5,827,168,923**
Deposits and other accounts	26,014,999,405	36,938,821,998	29,015,481,948	56,114,004,635	12,071,698,108	**160,155,006,094**
Other liabilities	958,181,497	260,176,544	2,271,820,505	1,404,754,580	9,833,282,062	**14,728,215,189**
Total liabilities	**27,800,793,795**	**39,775,549,071**	**33,341,968,907**	**59,287,098,262**	**24,004,980,170**	**184,210,390,206**
Net liquidity	**17,397,524,409**	**(12,496,763,320)**	**15,793,581,591**	**(20,611,781,231)**	**12,757,763,103**	**12,840,324,552**

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 IFIC Tower, 61, Purana Paltan, 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 134 branches and 60 own ATM booths with 72 ATMs as on 31 December 2016. The Bank has an Off-shore Banking Unit (OBU) located at Dhaka and also two subsidiary companies (note-1.4) namely IFIC Securities Limited and IFIC Money Transfer (UK) Limited (hereinafter together referred to as "the Group"). Moreover, the Bank has investment in two joint venture/associate companies (note-1.5) in abroad namely Nepal Bangladesh Bank Limited, Nepal and Oman International Exchange LLC, Oman. The Bank has also investment in another company in abroad namely NIB Bank Limited, Pakistan (note-1.6).

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 as amended and directives as received from Bangladesh Bank time to time, through its branches 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 10 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-J***.

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 IFIC Tower, 61, Purana Paltan, Dhaka -1000. The total paid up capital of IFIC Securities Limited is Tk. 2,200 million divided into 220 million shares of Tk. 10 each; out of which IFIC Bank Limited holds 219,999,400 shares (99.99%). It acquired membership of Dhaka Stock Exchange Limited for brokerage transaction vide Bangladesh Securities 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-K***.

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-L.***

1.5 Joint Ventures/Associates of the Bank

1.5.1 Nepal Bangladesh Bank Limited

Nepal Bangladesh Bank Limited 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. Nepal Bangladesh Bank 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. of Nepal which is listed with Nepal Stock Exchange Limited. The Bank's total holding is 16,412,913 number of shares out of 40,117,586 number of shares of the Bank. The face value of the share is NRS 100 each.

1.5.2 Oman International Exchange (OIE) LLC

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

1.6 Investment in NIB Bank Ltd, Pakistan

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

Since late 1990s, the State Bank of Pakistan (SBP) revised the Minimum Capital Requirement (MCR) for banks in Pakistan time to time. To meet the MCR the IFIC Bank, Pakistan branches merged with local leasing company NDLC in 2003 and renamed the same as NDLC-IFIC Bank Limited. NDLC-IFIC Bank Limited subsequently renamed as NIB Bank Ltd. 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 10,302,851,164 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 2016 have been prepared on a going concern basis in accordance with the "First Schedule" (section 38) of the Bank Companies Act 1991, as amended by the BRPD Circular no. 14 dated 25 June 2003, rules & regulations issued by Bangladesh Bank time to time, the Companies Act 1994, Financial Reporting Act 2015, the Bangladesh Securities and Exchange Rules 1987, listing regulations of Dhaka and Chittagong Stock Exchanges', International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh as Bangladesh Financial Reporting Standards (BFRSs) except in the circumstances where local regulations differ, and with other applicable laws and regulations applicable in Bangladesh.

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

i) **Investment in shares and securities**

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

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

ii) Revaluation gains/losses on Government securities

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

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

iii) Provision on loans and advances/investments

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

Bangladesh Bank: As per BRPD circular No.14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012, BRPD circular no 16 dated 18 November 2014 and BRPD circular No. 05 dated 29 May 2013 a general provision at 0.25% to 5% under different categories of unclassified/standard loans has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad and loss loans 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 categories, 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 following revaluation model as per BAS-16, "Property Plant and Equipment".

2.1.3 Reporting period

These consolidated and separate financial statements cover 1 year from 1 January to 31 December which has been followed consistently over the period. The reporting period of the subsidiaries namely IFIC Securities Limited and IFIC Money Transfer (UK) Limited and one of the joint ventures/ associates Oman International Exchange LLC is in line with that of the parent i.e. IFIC Bank Limited. The reporting period of Nepal Bangladesh Bank Limited is as per Nepalese Calendar Year which generally ends around 15/16 July of each year. Due to that reason the operating results of Nepal Bangladesh Bank Ltd have been adjusted proportionately in line with the reporting period of its parent i.e. IFIC Bank Limited during calculation of share of post-acquisition profit from associates/ joint ventures in its consolidated financial statement.

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 06 April 2017.

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. The financial statement and information of the subsidiaries and joint venture/associates whose functional currency is different than that of IFIC Bank Limited has been translated in the presentation currency i.e. BDT as per BAS 21 "The Effects of Changes in Foreign Exchange Rates" where applicable.

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 include 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 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 year ended 31 December 2016. Since the reporting period of one of the joint ventures/associates Nepal Bangladesh Bank is different from that of the parent so necessary adjustments have been made to the financial results of Nepal Bangladesh Bank 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
Sub-ordinated debt	Maturity / repayment terms
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

2.2 Significant accounting policies

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

2.2.1 Materiality and aggregation

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

2.2.2 Foreign currency

2.2.2.1 Foreign currency transactions

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

2.2.2.2 Foreign operations

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

2.2.3 Offsetting

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

2.2.4 Assets and basis of their measurement

2.2.4.1 Cash and cash equivalents

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

2.2.4.2 Investment

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

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

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

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

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

Value of investments has been enumerated as follows :

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

iii) Investment in quoted shares/securities

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

iv) Investment in unquoted shares/securities

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

v) Investment in subsidiary

Investment in subsidiary is accounted for under the cost method of accounting in the Bank's separate 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) in the consolidated financial statements as per BAS 28 Investment in Associates and Joint Venture. The consolidated financial statements include the IFIC's share of the profit and loss of equity accounted investees, after adjustments to align the accounting policies with those of the IFIC Bank Limited, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. This is consistent with BFRS 11: Joint Arrangements and BFRS 12: Disclosure of Interests in other Entities. However investment in associates and joint ventures are recognized at cost in the separate financial statements as per BAS 27 Separate Financial Statements. Provision have been calculated and maintained in full if cost is higher than lower of NAV and Market Value (if applicable) at the reporting date as per Bangladesh Bank Letter No. DOS(SR)1153/161/11/2017-1348 dated 23 March 2017. The details of the investment in associates and joint ventures and calculation of provision as per the Bangladesh Bank letter is provided at Annexure-B.

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 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:	
i) Unclassified loans and advances	
Short term agricultural and micro-credits whether irregular or regular	2.50%
Small and medium enterprise (SME)	0.25%
Consumer Finance for housing finance and loans for professionals to set up business under Consumer Financing	2.00%
Loans to Brokerage House, Merchant Banks, Stock Dealers, etc.	2.00%
Consumer Finance other than housing finance and loans for professionals to set up business under Consumer Financing including credit cards	5.00%
All other unclassified loans and advances	1.00%
ii) Special Mention Account	Same rate applicable as per above particulars (0.25%-5.00%). Additional 1% for restructured large loan
iii) Off Balance Sheet Exposure	1.00%
Specific Provision on classified loans & advances:	
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 except Land. The bank has changed the depreciation calculation method from reducing balance to straight line method in 2016 and reviewed and fixed the useful of the fixed assets under different categories as follows:

Particulars	Useful Life (Years)
Building	40
Wooden Furniture	10
Steel Furniture	15
Office Equipment	5
Computer	5
Electrical & Gas Equipment	8
Leasehold improvement	10
Vehicles	5
Soft furnishing	3

ii) To start implementing the new method as well as useful life the Bank initially compared and calculated whether the assets purchased prior to 2016 has any remaining useful life based on the above useful life for respective category from the date of their actual purchase. If the useful life already expired prior to the year 2016 then their written down value fully depreciated in the year 2016. For assets that didn't expire till December 2015 are depreciated among the remaining useful life. Due to the above changes in the method of depreciation and fixing of specific useful life for different categories of fixed assets, the Bank has reviewed the effect of this change and found that in current year the effect was not material for assets that were already in existence prior to the year 2016 mostly due to the fact that the expired assets had very small written down value. In addition to that the total effect has also counter balanced by the depreciation calculated under the straight line method for assets purchased in 2016 since these assets were depreciated based new method and considering the above useful life from the date of their actual addition instead of earlier method where full depreciation would have been charged irrespective of date of addition as fixed assets during the year. Had those assets still been depreciated under the old method i.e. reducing balance method then the depreciation in early years of the useful life of the asset would have been a little more than that of the later years.

iii) Land is initially recognized at cost and subsequently carried at revalued amount following revaluation model as per BAS 16 Property, plant and equipment. The Bank regularly reviews if the fair value of Land is materially different from its carrying amount or book value and if it is observed that there is material differences between carrying amount and fair value then complete revaluation by professional valuer is carried out and any changes in fair value over cost is adjusted in revaluation reserve account in equity.

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

v) Assets that take some time to get it ready for use such as construction of building or implementation of new system etc. are initially kept as capital work in progress and once ready/ available for use then it is transferred to concerned category of fixed assets and calculation of depreciation starts accordingly.

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 straight line 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 over its useful which is usually 10 years or among the period of license of the concerned software.

2.2.4.7 Impairment of assets

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

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

2.2.4.8 Leasing

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

i) The Bank as lessor

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

ii) The Bank as lessee

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

2.2.5 Liabilities, provisions and basis of their measurement

2.2.5.1 Borrowings from other banks, financial institutions and agents

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

2.2.5.2 Deposits and other accounts

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

2.2.5.3 Provision for taxation

i) Current tax

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

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 6 (six) members of the Bank. Employees are entitled to gratuity benefit after completion of minimum 10 (ten) years of service.

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

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

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

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

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

iii) **Investment income**
Income on investments is recognized on accrual basis. Capital gain/loss is recognized at the time of realization.

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

2.2.5.9 Interest paid on deposits and borrowings
In terms of the provisions of the BAS 1: *Presentation of the Financial Statements* interest expenses are recognized on accrual basis.

2.2.5.10 Interest on subordinated debt
Interest on subordinated debt is recognized on accrual basis and paid as per the respective terms of interest payment.

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

2.2.6 General

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

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

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

2.2.6.4 Non controlling interest

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

2.2.6.5 Reconciliation of books of account

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

2.2.6.6 Earnings per share (EPS)

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

i) Basic earnings per share

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

ii) Weighted average number of ordinary shares outstanding

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

iii) Diluted earnings per share

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

2.2.6.7 Related party transactions

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

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

2.2.6.8 Events after the reporting period

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

2.2.6.9 Subordinated debt

During the year 2016, the Bank with prior consent of Bangladesh Securities and Exchange Commission (vide letter no. BSEC/CI/DS-32/2015/644 dated 28 December 2015) and Bangladesh Bank (vide letter no. BRPD(BFIS)661/18B(P)/2016-938 dated 08 February 2016 and BRPD(BFIS)661/18B(P)/2016-2475 dated 17 April 2016) issued 07 (seven) years Tier-II Non-Convertible Coupon Bearing Subordinated Bonds to several banks. The issued instrument is un-secured, non-convertible in nature and will be redeemed at the end of 3rd, 4th, 5th, 6th and 7th year of maturity at 20% of bond value respectively.

The rate of interest of the Bond is Reference Rate + 4.8% Margin, where Reference Rate is the latest 182 days Bangladesh Govt. T-Bill rate. Coupon floor rate is 7.0% and coupon ceiling rate is 11.0%. Coupon to be paid semi-annually. First coupon payment was made on 29 November 2016 after 6 months of the first drawdown date i.e. 29 May 2016. This subordinated bond has been rated by CRAB as AA3 (Hyb) in Long Term category with 'Stable' outlook valid up to 28 June 2017 which is judged to be of very high quality, subject to very low credit risk.

2.2.6.10 Risk management

The Risk of the Bank is defined as the probability of losses, financial or otherwise. The Risk Management of the Bank covers core risk areas of banking viz. credit risk, foreign exchange risk , asset liability management risk, money laundering risk, internal control & compliance risk and information & communication technology risk. Other risks like operational risk, liquidity risk, interest rate risk, equity price risk, market risk are also managed on a regular basis. The prime objective of the risk management is that the Bank takes better calculative business risks at the same time keeping

safe the Bank's capital, its financial resources and profitability from various business risks through its own measures and through implementing Bangladesh Bank's guidelines and following some of the best practices which is as under:

i) Credit risk

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

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

ii) Asset liability management risk

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

iii) Money laundering risk

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

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

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

iv) Internal control and compliance risk

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

Being an integral part of daily activities of the Bank, Internal Control & Compliance Division consist three units namely; Compliance, Monitoring and Audit & Inspection. These units are

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

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

v) Fraud risk

Fraud is a concept that is generally understood but whose characteristics are often not recognized in due course. The incidence of fraud may occur due to rapid changes in technological environment in the banking sector or intentional behavioral aspect of the human being. Human fraudulent acts may be committed by outsiders or insider such as employees who are aware of the internal operational process of the Bank. To take the advantage of the operational process and weakness of the internal control system of the work place, employees may commit fraudulent activities within the Bank. To prevent the fraud and forgeries, the Bank has adopted broad range of measures to monitor and mitigate the fraud risk which involves three steps, fraud prevention, fraud detection and fraud investigation. Bank considers the best practice to prevent frauds and forgeries rather than to detect or investigate. To prevent the external fraud, Bank regularly arrange training program for its executives and staffs working at branch and head office level. Internal Control and Compliance unit of the Bank also works very extensively to ensure the effectiveness of the internal control system throughout the Bank. Internal Control Unit (ICU) of each branch and division monitors the transactions process to prevent and detect both internal and external frauds. During the period from 1 January to 31 December 2016 no fraud and forgeries has been identified.

vi) Foreign exchange risk

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

vii) Information and communication technology (ICT) risk

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

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

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

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

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

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

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

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

2.2.6.12 Credit rating of the bank

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

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

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) as of 31 December 2016. 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

Name of the BFRS	BFRS No.	Status
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
Regulatory Deferral Accounts	14	N/A
Name of the BAS	**BAS No.**	**Status**
Presentation of Financial Statements	1	Complied
Inventories	2	Complied
Statement of Cash Flows	7	Complied
Accounting Policies, Changes in Accounting estimates & Errors	8	Complied
Events after the Reporting Period	10	Complied
Construction Contracts	11	N/A
Income Taxes	12	Complied
Property, Plant and Equipment	16	Complied
Leases	17	Complied
Revenue	18	Complied
Employee Benefits	19	Complied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The effects of changes in Foreign Exchange Rates	21	Complied
Borrowing Costs	23	Complied
Related Party Disclosure	24	Complied
Accounting and Reporting by Retirement Benefits Plans	26	N/A
Separate Financial Statements	27	Complied
Investment in Associates and Joint Ventures	28	Complied
Financial Instruments: Presentation	32	Complied*
Earnings per share	33	Complied
Interim Financial Reporting	34	Complied
Impairment of Assets	36	Complied
Provisions, Contingent Liabilities and Contingent Assets	37	Complied
Intangible Assets	38	Complied
Financial Instruments: Recognition and Measurement	39	Complied*
Investment Property	40	N/A
Agriculture	41	N/A

Note: N/A - Not Applicable

* 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.

The following BFRSs were issued but not effective as at 31 December 2016

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

In addition to this a new standard as "IFRS 16 Leases" have been published by IASB but the same is yet to be adopted in Bangladesh as BFRS by ICAB. Hence old accounting standard in this respect has been followed in the preparation of these financial statements.

Amount in BDT

		Note	31 December 2016	31 December 2015
3	**Cash**			
	Cash in hand (including foreign currency)	3.1	2,006,140,356	1,626,141,729
	Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	12,061,014,307	10,235,213,906
			14,067,154,663	**11,861,355,635**
3.1	**Cash in hand (including foreign currency)**			
	Local currency in hand		1,852,141,398	1,487,148,722
	Foreign currencies in hand		22,916,697	21,543,772
	Cash with ATM		131,082,261	117,449,235
			2,006,140,356	**1,626,141,729**
3.2	**Balance with Bangladesh Bank and its agents bank**			
	Bangladesh Bank			
	Local currency		10,132,261,714	8,953,855,327
	Foreign currency		1,480,549,588	884,451,807
			11,612,811,302	**9,838,307,134**
	Sonali Bank as agent of Bangladesh Bank		448,203,005	396,906,772
			12,061,014,307	**10,235,213,906**

3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

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.

3.3.1 Cash Reserve Requirement (CRR)

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 2016 was based on weekly average balance of October 2016]. CRR maintained by the Bank as per statutory requirement is shown below:

Average time and demand liabilities	155,514,904,000	139,513,656,200
Required reserve	9,330,894,240	8,370,819,372
Actual reserve maintained*	10,206,217,000	8,978,550,000
Surplus	**875,322,760**	**607,730,628**

* As per Bangladesh Bank statement.

3.3.2 Statutory Liquidity Ratio (SLR)

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 2016 was based on weekly average balance of October 2016]. SLR maintained by the Bank as per statutory requirement is shown below:

Average time and demand liabilities	155,514,904,000	139,513,656,200
Required reserve	20,216,937,520	18,136,775,306
Actual reserve maintained	23,303,327,379	25,612,186,153
Surplus	**3,086,389,859**	**7,475,410,847**

		Note	31 December 2016	31 December 2015
	Actual reserve maintained for SLR			
	Cash in hand	3.1	2,006,140,356	1,626,141,729
	Balance with Bangladesh Bank in excess of CRR		97,748,240	-
	Balance with Sonali Bank as agent	3.2	448,203,005	396,906,772
	Government securities (HFT)	6.3	7,456,069,889	10,199,931,664
	Government securities (HTM)	6.3	13,295,165,889	13,384,205,988
	Other approved securities	6.1.3	-	5,000,000
			23,303,327,379	**25,612,186,153**
3.a	**Consolidated cash in hand**			
	IFIC Bank Limited	3.1	2,006,140,356	1,626,141,729
	IFIC Securities Limited		238,310	30,095
	IFIC Money Transfer (UK) Limited		12,026,893	22,555,143
			2,018,405,559	**1,648,726,967**
3.b	**Balance with Bangladesh Bank and its agents bank**			
	IFIC Bank Limited	3.2	12,061,014,307	10,235,213,906
	IFIC Securities Limited		-	-
	IFIC Money Transfer (UK) Limited		-	-
			12,061,014,307	10,235,213,906
			14,079,419,866	**11,883,940,873**
4	**Balance with other banks and financial institutions**			
	In Bangladesh	4.1	7,592,399,021	3,827,088,363
	Outside Bangladesh	4.2	1,416,578,750	1,883,456,854
			9,008,977,771	**5,710,545,217**
4.1	**In Bangladesh**			
	In current deposit account with			
	Agrani Bank Ltd.		39,028,153	50,030,513
	Sonali Bank Ltd.		36,599,776	19,040,228
	Islami Bank Bangladesh Ltd.		100,000	-
			75,727,929	**69,070,741**
	In special notice deposit account with			
	Trust Bank Ltd		45,507,166	28,775,384
	Standard Chartered Bank		14,864,880	27,773,811
			60,372,046	**56,549,195**
	In beneficiary owner (BO) account with			
	IFIC Securities Ltd.		6,269,312	1,438,193
	Latif Securities		29,734	30,234
			6,299,046	**1,468,427**

		Note	31 December 2016	31 December 2015
	In fixed deposit account with banks and NBFIs			
	Peoples Leasing & Financial Services Ltd.		150,000,000	150,000,000
	Industrial and Infrastructure Development Finance Company Ltd.		100,000,000	150,000,000
	Mercantile Bank Ltd.		700,000,000	-
	Investment Corporation of Bangladesh(ICB)		5,000,000,000	3,000,000,000
	Bangladesh Finance and Investment Co. Ltd		-	400,000,000
	National Bank Ltd.		500,000,000	-
	BRAC Bank Ltd.		1,000,000,000	-
			7,450,000,000	**3,700,000,000**
			7,592,399,021	**3,827,088,363**
4.2	**Outside Bangladesh (NOSTRO Accounts)**			
	Current account			
	J.P. Morgan Chase Bank, New York		253,742,400	183,250,044
	Citi Bank N.A. New York		94,272,584	183,315,158
	HSBC Bank , New York		-	502,360,634
	Standard Chartered Bank, London		16,674,782	12,443,300
	Masreq Bank PSC, New York		122,631,818	289,213,990
	Mashreq Bank, PSC, Mumbai, India		28,456,000	29,058,358
	Standard Chartered Bank, New York		254,723,738	57,683,398
	Wells Fargo Bank, New York		85,750,083	158,144,711
	Sonali Bank, (UK) Limited		129,527	13,735,464
	Standard Chartered Bank, Kolkata		34,279,470	46,497,271
	AB Bank Ltd., Mumbai		48,441,886	81,889,537
	NIB Bank Ltd, Karachi, Pakistan		22,077,783	31,333,264
	National Trust Bank Ltd., Colombo		1,950,261	166,393
	Nepal Bangladesh Bank Ltd., Kathmandu, Nepal		12,828,810	11,687,054
	Sonali Bank, Kolkata		13,422,260	15,780,281
	State Bank of India, Kolkata		-	4,835,459
	Bank of Bhutan, Phuentosoling		320,763	84,439
	ICIC Bank Ltd.,Kalkata		35,906,064	62,877,204
	Commerz Bank AG, Frankfurt		168,651,125	67,913,524
	Habib American Bank, New York		68,574,097	68,429,084
	J.P. Morgan Chase Bank, Sydney		3,649,464	4,011,554
	Habib Bank AG , Zurich		281,393	388,242
	Commerz Bank AG,Frankfurt		80,580,806	30,390,907
	J.P. Morgan Chase Bank AG, Frankfurt		2,181,444	5,731,476
	Sonali Bank UK London		9,765	782,575
	Standard Chartered Bank,London		62,113,969	9,292,099
	Sonali Bank(UK)Limited		172,461	6,210,353
	Bank of Tokyo- Mitsubishi,Tokyo		1,847,164	143,907
	AB Bank Ltd.,Mumbai		828,479	5,807,175
	Habib Bank UK, London		2,080,354	-
			1,416,578,750	**1,883,456,854**

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

		Note	31 December 2016	31 December 2015
4.3	**Maturity grouping of balance with other banks and FIs**			
	Receivable on demand		1,552,678,725	2,010,545,217
	Upto 1 month		4,706,299,046	2,000,000,000
	More than 1 month but not more than 3 months		2,750,000,000	1,150,000,000
	More than 3 months but not more than 6 months		-	550,000,000
	More than 6 months but not more than 1 year		-	-
	More than 1 year but not more than 5 years		-	-
	More than 5 years		-	-
			9,008,977,771	**5,710,545,217**
4.a	**Consolidated balance with other banks and financial institutions**			
4.a(i)	**In Bangladesh**			
	IFIC Bank Limited	4.1	7,592,399,021	3,827,088,363
	IFIC Securities Limited		86,488,370	6,434,716
	IFIC Money Transfer (UK) Limited		-	-
			7,678,887,391	**3,833,523,079**
	Less: Inter -company transaction		86,488,370	6,434,715
			7,592,399,021	**3,827,088,364**
4.a(ii)	**Outside Bangladesh**			
	IFIC Bank Limited	4.2	1,416,578,750	1,883,456,854
	IFIC Securities Limited		-	-
	IFIC Money Transfer (UK) Limited		-	6,503,084
			1,416,578,750	**1,889,959,938**
	Less: Inter -company transaction		-	-
			1,416,578,750	**1,889,959,938**
			9,008,977,771	**5,717,048,302**
5	**Money at call and on short notice**			
			-	-
6	**Investments**			
	Government Securities	6.1	20,754,752,878	23,596,892,752
	Other Investments	6.2	4,449,771,304	4,900,964,126
			25,204,524,182	**28,497,856,878**
6.1	**Government securities**			
	Treasury bills	6.1.1	7,456,069,889	10,204,931,663
	Treasury bonds	6.1.2	13,295,165,889	13,379,205,989
	Prize bond		3,517,100	7,755,100
	Debentures	6.1.3	-	5,000,000
			20,754,752,878	**23,596,892,752**
6.1.1	**Treasury bills**			
	91 days treasury bills		4,672,588,368	4,307,601,783
	182 days treasury bills		1,798,183,630	3,514,563,540
	364 days treasury bills		985,297,891	2,382,766,340
			7,456,069,889	**10,204,931,663**

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		Note	31 December 2016	31 December 2015
6.1.2	**Treasury bonds**			
	2 years Treasury bond		1,167,069,006	1,073,474,828
	5 years Treasury bond		1,617,976,286	1,291,919,220
	10 years Treasury bond		6,089,743,240	6,567,976,734
	15 years Treasury bond		2,961,973,520	2,980,402,075
	20 years Treasury bond		1,458,403,837	1,465,433,132
			13,295,165,889	**13,379,205,989**
6.1.3	**Debentures**			
	House Building Finance Corporation		-	5,000,000
			-	**5,000,000**
6.2	**Other investments**			
	Unquoted shares			
	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
			68,807,220	**68,807,220**
	Quoted shares			
	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.		56,270,614	83,187,944
	Khulna Power Company Ltd.		-	4,467,884
	Summit Power Ltd.		108,786,696	108,786,696
	Summit Alliance Port Ltd.		28,198,825	27,546,745
	British American Tobacco Bangladesh Co. Ltd. (BATBC)		80,528,642	91,555,568
	Eastland Insurance Company Ltd.		8,941,428	8,941,428
	TITAS Gas Transmission and Distribution Ltd.		465,701,734	465,701,734
	Beximco Ltd.		1,032,063,098	1,264,121,634
	Malek Spinning Mills Company Ltd.		7,681	7,681
	Unique Hotel and Resorts Ltd.		21,029,385	21,029,385
	The City Bank Ltd.		194,197,477	194,197,477
	MJL Bangladesh Ltd.		-	45,291,198
	Fareast Life Insurance Ltd.		136,631,812	136,631,812
	Beximco Pharmaceuticals Ltd.		-	137,938,967
	Northern General Insurance Company Ltd.		10,951,563	10,951,563
	Reliance Insurance Ltd.		11,674,463	11,674,463
			2,469,405,906	**2,926,454,667**
	Mutual funds			
	IFIC Bank 1st Mutual Fund		250,000,000	250,000,000
	ICB Employee 1st Mutual Fund		17,986,473	17,986,473
			267,986,473	**267,986,473**
	Foreign Investment			
	Investment in associates:			
	Nepal Bangladesh Bank Ltd. *		1,291,386,223	1,286,433,768
	Oman International Exchange LLC *		17,889,167	17,843,275

	Note	31 December 2016	31 December 2015
		1,309,275,390	**1,304,277,043**
Other foreign investment			
NIB Bank Ltd., Pakistan *		334,296,315	333,438,723
		1,643,571,705	**1,637,715,766**
		4,449,771,304	**4,900,964,126**

[* These investments are made in foreign currency and hence it is revalued in each reporting period at closing exchange rates and any profit or loss due to changes in exchange rates are recognized in profit and loss accordingly.]

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

6.3 Government securities classified according to Bangladesh Bank Circular

Held for trading (HFT)	7,456,069,889	10,199,931,664
Held to maturity (HTM)	13,295,165,889	13,384,205,988
Other securities	3,517,100	12,755,100
	20,754,752,878	**23,596,892,752**

6.4 Maturity grouping of investments

On demand	3,517,100	7,755,100
Up to 1 month	6,521,506,276	2,107,865,071
Over 1 month but not more than 3 months	208,208,137	5,104,777,625
Over 3 months but not more than 6 months	1,698,409,762	1,830,018,863
Over 6 moths but not more than 1 years	2,170,200,316	1,913,870,143
Over 1 year but not more than 5 years	6,790,108,908	9,753,794,807
Over 5 years	7,812,573,683	7,779,775,269
	25,204,524,182	**28,497,856,878**

6.5 Disclosure regarding outstanding Repo and Reverse Repo

Sl.	Counterparty Name	Agreement date	Reversal date	Amount
-	-	-	-	-
Total				

Disclosure regarding outstanding Reverse Repo

Sl.	Counterparty Name	Agreement date	Reversal date	Amount
-	-	-	-	-
Total				-

Disclosure regarding Overall transaction of Repo and Reverse Repo

Counterparty Name	Minimum outstanding in Y2016	Maximum outstanding in Y2016	Daily average outstanding in Y2016
Securities sold under Repo			
With Bangladesh Bank	-	-	-
With other Banks and FIs	399,000,000	1,568,000,000	35,100,000
Securities purchased under Reverse Repo			
From Bangladesh Bank	-	-	-
From other Banks and FIs	153,800,000	1,221,400,000	84,300,000

6.a Consolidated investments

Government Securities			
IFIC Bank Limited	6.1	20,754,752,878	23,596,892,752
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-

		Note	31 December 2016	31 December 2015
			20,754,752,878	**23,596,892,752**
6.b	**Consolidated other investments**			
	IFIC Bank Limited	6.2	4,449,771,304	4,900,964,126
	IFIC Securities Limited		181,042,559	89,321,750
	IFIC Money Transfer (UK) Limited		-	-
	Less:			
	Book value of investment in joint venture/associate-NBBL		(1,291,386,223)	(1,286,433,768)
	Book value of investment in joint venture/associate -OIE LLC		(17,889,167)	(17,843,275)
	Add:			
	Investment in NBBL under equity method	41.b(i)	2,147,122,580	1,744,628,767
	Investment in OIE LLC under equity method	41.b(ii)	56,046,962	86,223,917
			5,524,708,015	**5,516,861,518**
			26,279,460,893	**29,113,754,270**
7	**Loans and advances**			
	Loans, cash credit, overdraft etc.	7.1	127,998,226,184	114,236,126,152
	Bill purchased and discounted	8	9,119,885,365	9,032,541,721
			137,118,111,549	**123,268,667,873**
7.1	**Loans, cash credit, overdraft etc.**			
	Inside Bangladesh			
	Term loan industrial		12,333,703,299	11,011,276,371
	Term loan consumer finance		636,390,971	590,143,861
	Agricultural loan		3,006,803,426	2,002,885,416
	Term loan women entrepreneur		11,309,924	8,416,725
	Term loan-others		27,807,286,029	27,005,371,690
	House building loans		14,951,644,865	5,539,524,968
	Staff loan		1,858,818,100	1,957,587,284
	Transport loan		402,695,352	801,367,255
	Loan general		2,401,964,880	2,637,343,293
	Demand loan		3,877,619,292	2,711,519,557
	Overdrafts		26,839,671,440	25,220,065,470
	Cash credit		27,235,145,835	27,282,256,826
	Credit card finance		248,056,244	252,438,131
	Loan against imported merchandise(LIM)		70,710,364	71,170,218
	Loan against trust receipt (LTR)		4,753,716,891	5,877,060,897
	Lease Finance	7.16	661,639,981	524,324,497
			127,097,176,893	**113,492,752,459**
	Outside Bangladesh		-	-
			127,097,176,893	**113,492,752,459**
	Off-shore banking unit		901,049,291	743,373,693
			127,998,226,184	**114,236,126,152**

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		Note	31 December 2016	31 December 2015
7.2	**Residual maturity grouping of Loans, cash credit, overdraft etc.**			
	Receivable			
	On demand		17,200,313,375	3,830,157,011
	Up to 1 month		6,711,824,959	23,172,649,927
	Over 1 month but not more than 3 months		19,167,679,490	20,546,137,290
	Over 3 moths but not more than 1 years		40,182,681,587	32,541,033,969
	Over 1 year but not more than 5 years		29,248,892,257	24,801,136,923
	Over 5 years		15,486,834,516	9,345,011,032
			127,998,226,184	**114,236,126,152**
7.3	**Loans and advances under broad categories**			
	In Bangladesh			
	Loans		73,923,408,909	61,733,803,856
	Cash credit		27,235,145,835	27,282,256,826
	Overdrafts		26,839,671,440	25,220,065,470
			127,998,226,184	**114,236,126,152**
	Bill purchased and discounted	8	9,119,885,365	9,032,541,721
			137,118,111,549	**123,268,667,873**
	Outside Bangladesh		-	-
			137,118,111,549	**123,268,667,873**
7.4	**Loans and advances on the basis of significant concentration**			
	Loans and advances to Directors, executives and others			
	Loans and advances to directors and their allied concerns		-	-
	Loans and advances to Managing Director, Senior Executives and Staffs		1,858,818,100	1,957,587,284
	Advances to customers' groups		135,259,293,449	121,311,080,589
			137,118,111,549	**123,268,667,873**
7.5	**Loans and advances allowed to each customer exceeding 10% of Bank's total capital**			
	Number of customers		26	29
	Outstanding - Funded		47,180,600,000	43,743,300,000
	Outstanding - Non-funded		17,257,200,000	16,419,900,000
	Amount classified		-	-

Amount of loans and advances (comprising funded and non funded facilities) to each customer exceeding BDT 1,692.77 million which is computed as 10% of the Bank's capital (as defined under Bank Companies Act 1991 as amended) of BDT 16,927.66 million as at 31 December 2016. As at 31 December 2015, 10% of Bank's total capital was BDT 1,181.31 million.

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

7.6	**Industry wise position of loans and advances including bills purchased and discounted**		
	Agriculture Industries	3,006,803,426	2,002,885,416
	Jute Industries	2,177,571,726	1,296,298,222
	Textile Industries	5,852,215,119	8,118,842,232
	Garments Industries	19,811,098,814	18,336,362,179
	Chemical and Chemical Products	222,144,269	372,239,262
	Cement Industries	153,876,760	367,851,556
	Bricks & Ceramic	988,423,251	887,340,215

		Note	31 December 2016	31 December 2015
	Food Products & Processing		4,995,132,406	1,228,055,714
	Engineering & Metal		3,470,605,332	5,593,862,778
	Drugs & Pharmaceuticals		731,973,543	934,861,390
	Hospital & Clinics		139,144,277	125,355,045
	Paper & Paper Products Industries		518,183,348	296,104,544
	Other Small Industries		5,093,500,000	11,498,323,363
	IT Sector		2,846,175,215	3,242,999,001
	Other Service Industries		13,440,500,000	4,890,000,000
	Trade & Commerce		24,579,900,000	26,272,748,741
	IFIC Securities Ltd.		-	1,295,383,172
	Transport		471,725,998	895,567,615
	Construction Firms/Companies		4,527,265,356	4,546,534,800
	Housing Societies/Companies		9,218,362,247	9,908,212,895
	Cold Storage		75,695,741	89,280,741
	Non-Banking Financial Institutions		-	700,045,944
	Consumer Finance		18,732,800,000	6,238,511,093
	Energy		6,861,220,917	4,972,747,360
	Telecommunication		6,509,698,926	5,525,088,366
	Others		2,694,094,878	3,633,166,227
			137,118,111,549	**123,268,667,873**
7.7	**Sector wise position of loans and advances including bills purchased and discounted**			
	Government sector		-	-
	Other public sector		-	591,971,117
	Private sector		137,118,111,549	122,676,696,756
	Co-operative sector		-	-
			137,118,111,549	**123,268,667,873**
7.8	**Geographical location-wise loans and advances including bills purchased and discounted**			
	Inside Bangladesh			
	Dhaka division		107,767,257,095	95,187,256,664
	Chittagong division		14,489,000,151	16,068,894,624
	Sylhet division		1,189,600,750	883,817,564
	Rajshahi division		6,495,230,894	5,369,258,853
	Khulna division		3,597,882,692	2,930,916,862
	Barisal division		772,909,575	463,872,866
	Rangpur division		2,806,230,392	2,364,650,440
			137,118,111,549	**123,268,667,873**
	Outside Bangladesh		-	-
			137,118,111,549	**123,268,667,873**
7.9	**Business segment-wise concentration of loans and advances as per CL**			
	Corporate		86,839,155,707	88,764,434,503
	SME		28,067,807,778	20,741,562,729
	Short term agri credit		3,455,899,073	2,213,281,743
	Consumer (including staff)		5,920,416,396	5,413,427,738
	Others		12,834,832,595	6,135,961,160
			137,118,111,549	**123,268,667,873**

		Note	31 December 2016	31 December 2015
7.10	**Loans and advances including bills purchased and discounted as per CL**			
	Inside Bangladesh			
	Continuous loan			
	Consumer finance		2,738,419,963	2,278,438,642
	Small and medium enterprise		21,892,111,930	17,525,982,325
	Loans to BHs/MBs/SDs		276,174,603	2,207,827,731
	Other continuous loans		27,775,315,651	29,307,054,916
			52,682,022,147	**51,319,303,614**
	Demand loans			
	Consumer finance		541,756,803	483,833,803
	Small and medium enterprise		2,533,393,610	1,600,480,409
	Loans to BHs/MBs/SDs		-	-
	Other continuous loans		20,076,574,116	20,462,459,126
			23,151,724,529	**22,546,773,338**
	Short term loan			
	Short term agri credit		3,455,899,073	2,213,281,743
	Term loan			
	Consumer finance (including staff, other than HF)		2,640,239,630	2,651,155,293
	Small and medium enterprise		3,642,302,238	1,615,099,995
	Housing finance (HF)		12,550,047,581	3,925,919,657
	Loans for professionals		1,948,736	2,213,772
	Loans to BHs/MBs/SDs		6,661,675	-
	Other fixed term loan		38,987,265,940	38,994,920,461
			57,828,465,800	**47,189,309,178**
	Outside Bangladesh		-	-
			137,118,111,549	**123,268,667,873**
7.11	**Security/collateral-wise concentration of loans and advances including bills purchased and discounted**			
	Collateral of movable/immovable assets		86,057,158,678	65,256,639,311
	Local banks and financial institutions' guarantee		3,980,742,065	-
	Government guarantee		-	-
	Foreign bank guarantee		-	-
	Export documents		2,388,335,564	3,850,631,263
	Fixed deposit receipts		8,331,397,013	8,811,513,496
	Government bonds		-	-
	Personal guarantee		6,664,571,443	12,067,127,042
	Other securities		29,695,906,786	33,282,756,761
			137,118,111,549	**123,268,667,873**
7.12	**Particulars of loans and advances**			
i)	Loans considered good in respect of which the Bank is fully secured.		126,224,755,305	108,090,979,501
ii)	Loans considered good for which the Bank holds no other security than the debtors' personal guarantee.		248,056,244	10,170,470,841
iii)	Loans considered good being secured by personal security of one or more persons in addition to the personal security of the debtors.		10,645,300,000	5,007,217,531
iv)	Loans adversely classified; provision not maintained there against.		-	-
			137,118,111,549	**123,268,667,873**

		Note	31 December 2016	31 December 2015
v)	Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons.		1,858,818,100	1,957,587,284
vi)	Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members;		-	1,295,368,172
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		1,996,593,922	2,073,804,566
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
ix)	Due from banking companies		-	-
x)	a) Classified loans for which interest has not been charged:			
	Increase/(decrease) in specific provision		(196,204,799)	523,923,354
	Amount of loan written off		2,108,806,541	1,224,042,403
	Amount recovered against the loans previously written off		444,881,280	102,050,000
	b) Amount of provision kept against loans classified as bad/loss as at the Balance Sheet date		2,079,745,076	2,275,949,875
	c) Amount of interest creditable to the interest suspense account		2,591,920,936	1,962,382,331
xi)	Cumulative amount of written off loan:			
	Opening balance		8,805,293,785	7,681,387,382
	Amount written off during the year		2,108,806,541	1,224,042,403
	Interest charged		1,462,000	1,914,000
	Recovery from written-off during the year*		(444,881,280)	(102,050,000)
			10,470,681,046	**8,805,293,785**

* Recovery from written-off loans during the year include waiver of Tk. 11,835,000 [Y2015: Tk. 10,071,613].

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

Opening balance	13,628,593,146	12,404,550,743
During the year	2,108,806,541	1,224,042,403
	15,737,399,687	**13,628,593,146**

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.

7.14 Classification of loans and advances

Unclassified		
Standard	120,511,796,179	105,456,769,377
Special mention account	9,355,372,486	9,849,846,666
	129,867,168,665	**115,306,616,044**
Classified		
Substandard	1,750,246,665	1,208,861,621
Doubtful	466,870,669	1,282,352,831
Bad/Loss	5,033,825,550	5,470,837,378
	7,250,942,884	**7,962,051,830**
	137,118,111,549	**123,268,667,873**

		Note	31 December 2016	31 December 2015
7.15	**Movements of classified loans and advances**			
	Opening balance		7,962,051,830	5,061,133,652
	Additions during the year		5,443,874,000	8,190,736,565
	Reduction during the year		(6,154,982,945)	(5,289,818,388)
			7,250,942,884	**7,962,051,830**
7.16	**Net lease receivable**			
	Gross lease receivable within 1 year		125,504,543	153,006,637
	Gross lease receivable 1 - 5 years		710,157,776	566,032,601
	Total lease rental receivable		**835,662,319**	**719,039,238**
	Less: Unearned income		174,022,338	194,714,741
	Net lease receivable		**661,639,981**	**524,324,497**
	The net lease receivable is shown under the head of loans, cash credit, overdraft etc.			
7.a	**Consolidated loans and advance**			
	Loans, cash credits, overdrafts etc.			
	IFIC Bank Limited	7.1	127,998,226,184	114,236,126,152
	IFIC Securities Limited		4,140,646,771	3,694,754,938
	IFIC Money Transfer (UK) Limited		-	-
			132,138,872,955	117,930,881,090
	Less: Inter-company transactions		-	1,295,383,173
			132,138,872,955	**116,635,497,917**
8	**Bills purchased and discounted**			
	Payable in Bangladesh		8,481,801,746	8,546,663,593
	Payable outside Bangladesh		638,083,619	485,878,128
			9,119,885,365	**9,032,541,721**
8.1	**Bill purchased and discounted**			
	Payable in Bangladesh			
	Local bills/documents			
	Inland documentary bill purchase (IDBP)		1,507,874,841	1,390,912,895
	Payment against documents-cash		355,707,464	355,359,394
	Payment against documents-EDF		4,861,696,637	4,778,404,158
	Payment against documents-forced (Inland)		507,654,967	164,320,231
	Payment against documents-forced (Foreign)		513,142,225	382,748,266
	Payment against documents-Others		198,071,221	321,636,140
			7,944,147,355	**7,393,381,084**
	Off-shore banking unit		537,654,391	1,153,282,509
			8,481,801,746	**8,546,663,593**
	Payable outside Bangladesh			
	Foreign bills/documents			
	Foreign documentary bill purchase (FDBP)		638,083,619	485,878,128
			638,083,619	**485,878,128**
			9,119,885,365	**9,032,541,721**

		Note	31 December 2016	31 December 2015
8.2	**Residual maturity grouping of bill purchased and discounted**			
	Receivable			
	On demand		1,959,941,110	1,424,916,039
	Up to 1 month		1,631,128,725	2,370,666,051
	Over 1 month but not more than 3 months		2,269,700,072	2,979,636,791
	Over 3 moths but not more than 6 months		3,259,115,458	2,234,989,719
	Over 6 months		-	22,333,121
			9,119,885,365	**9,032,541,721**
8.a	**Consolidated bills purchased and discounted**			
	IFIC Bank Limited	8	9,119,885,365	9,032,541,721
	IFIC Securities Limited		-	-
	IFIC Money Transfer (UK) Limited		-	-
			9,119,885,365	**9,032,541,721**
9	**Fixed assets including premises, furniture and fixtures**			
	Cost/revalued:			
	Land		475,118,759	475,118,759
	Buildings and premises		1,891,680,528	1,337,951,477
	Wooden furniture		248,371,766	118,694,149
	Steel furniture		62,300,831	59,242,462
	Computer equipment		715,903,279	668,481,187
	Office equipment		204,176,631	196,964,697
	Electrical & gas equipment		703,698,482	394,944,685
	Leasehold improvement		254,466,084	237,653,741
	Vehicles		111,849,395	115,673,145
	Leased vehicles		47,600,000	47,600,000
	Soft furnishing		11,369,205	12,653,637
	Software		513,048,657	293,931,990
			5,239,583,617	**3,958,909,929**
	Capital work in progress		130,257,471	846,594,774
			5,369,841,088	**4,805,504,702**
	Less: Accumulated depreciation		1,881,913,418	1,575,137,777
	Written down value		**3,487,927,670**	**3,230,366,926**
	For details of fixed assets please see “Annexure-D”			
9.a	**Consolidated fixed assets including premises, furniture and fixtures**			
	IFIC Bank Limited	9	3,487,927,670	3,230,366,926
	IFIC Securities Limited		5,438,105	6,071,123
	IFIC Money Transfer (UK) Limited		5,414,854	8,442,974
			3,498,780,629	**3,244,881,023**

		Note	31 December 2016	31 December 2015
10	**Other assets**			
	Stationery and stamps		23,519,851	23,880,960
	Suspense account	10.1	675,407,588	472,775,672
	Advance, deposit and prepayments	10.2	3,147,253,310	2,217,402,880
	Accrued interest on investment & other income receivable	10.3	948,599,040	848,795,327
	Investment in subsidiaries	10.4	2,228,860,390	834,879,920
	Revaluation account FDBP		1,791,292	1,792,520
	Deferred tax assets	10.5	671,783,431	841,302,473
	Accounts receivable others		1,786,238	5,123,046
			7,699,001,140	**5,245,952,798**
	Off-shore banking unit		91,542,983	145,731,263
			7,790,544,123	**5,391,684,061**
10.1	**Suspense account**			
	Sundry debtors		120,220,848	134,948,472
	Advance against bills, new branches		15,970,230	32,501,733
	Advance against TA / DA		932,640	1,095,990
	Law charges		157,187,734	130,206,562
	Sanchayapatra paid		366,370,584	131,687,663
	Wage earners development bond paid		13,180,454	6,992,551
	Investment bond		914,721	-
	CIB charge recovery		254,154	92,904
	Moneygram services		-	34,685,105
	Others		376,223	564,692
			675,407,588	**472,775,672**
10.2	**Advance, deposit and prepayments**			
	Advance rent		270,305,144	317,008,488
	Advance income tax	10.2.1	2,604,728,491	1,578,711,636
	Security deposit including demand note		11,846,191	6,277,571
	Advance against car purchase		192,224,594	228,842,260
	Advance against insurance premium		385,310	501,307
	Protested bills		22,478,394	22,121,026
	Cash remittance		24,500,000	12,500,000
	Others		20,785,186	51,440,592
			3,147,253,310	**2,217,402,880**
10.2.1	**Reconciliation of advance income tax**			
	Opening balance		1,578,711,636	538,856,446
	Add: Payment made during the year		1,026,016,855	1,039,855,190
	Less: Adjustment made during the year		-	-
	Closing balance		**2,604,728,491**	**1,578,711,636**
10.3	**Accrued interest on investment & other income receivable**			
	Treasury bonds		440,909,952	444,497,079
	Debentures and bonds		-	3,210,562
	Receivables from Government		41,272,375	41,272,375
	Interest accrued on loans and advances		324,134,083	88,330,394
	Investment on FDR		43,158,333	73,700,526
	Others		99,124,297	197,784,391
			948,599,040	**848,795,327**

		Note	31 December 2016	31 December 2015
10.4	**Investment in subsidiaries**			
	IFIC Securities Limited		2,199,994,000	799,994,000
	IFIC Money Transfer (UK) Limited		28,866,390	34,885,920
			2,228,860,390	**834,879,920**
10.5	**Deferred tax assets**			
	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		862,970,743	1,041,964,428
	Deferred tax liabilities		(191,187,312)	(200,661,955)
	Deferred tax assets/(liabilities)		**671,783,431**	**841,302,473**
	i) Deferred tax on provision for loans and advances classified as doubtful and bad & loss			
	Carrying amount		2,157,426,858	2,604,911,071
	Tax base		-	-
	Deductible/(taxable) temporary difference		2,157,426,858	2,604,911,071
	Tax rate		40.00%	40.00%
	Closing deferred tax assets/(liabilities)		**862,970,743**	**1,041,964,428**
	Opening deferred tax assets/(liabilities)		1,041,964,428	816,242,841
	Deferred tax (expense)/income (A)		**(178,993,685)**	**225,721,587**
	ii) Deferred tax on fixed assets			
	Carrying amount		2,846,285,277	2,383,772,155
	Tax base		2,368,316,998	1,882,117,267
	Deductible/(Taxable) temporary difference		**477,968,279**	**501,654,888**
	Tax rate		40.00%	40.00%
	Closing deferred tax assets/(liabilities)		**(191,187,312)**	**(200,661,955)**
	Opening deferred tax assets/(liabilities)		(200,661,955)	(196,957,860)
	Deferred tax (expense)/income (B)		**9,474,643**	**(3,704,095)**
	Deferred tax (expense)/income (A+B)		**(169,519,042)**	**222,017,492**
10.6	**Income generating other assets**			
	Investment in subsidiary-IFIC Securities Limited	10.4	2,199,994,000	799,994,000
	Investment in subsidiary-IFIC Money Transfer UK	10.4	28,866,390	34,885,920
			2,228,860,390	**834,879,920**
10.7	**Non-Income generating other assets**			
	Stationery and stamps		23,519,851	23,880,960
	Sundry debtors		120,220,848	134,948,472
	Advance against bills, new branches		15,970,230	32,501,733
	Advance against TA / DA		932,640	1,095,990
	Law charges		157,187,734	130,206,562
	Advance against insurance premium		385,310	501,307
	Advance against rent		270,305,144	317,008,488
	Advance income tax		2,604,728,491	1,578,711,636
	Sanchaya patra paid		366,370,584	131,687,663

		Note	31 December 2016	31 December 2015
	Wage earners development bond paid		13,180,454	6,992,551
	Security deposit including demand note		11,846,191	6,277,571
	Advance against car purchase		192,224,594	228,842,260
	Protested bills		22,478,394	22,121,026
	Accrued interest and other interest receivable		948,599,040	848,795,327
	CIB charges		254,154	92,904
	Deferred tax assets	10.5	671,783,431	841,302,473
	Cash remittance		24,500,000	12,500,000
	Revaluation account FDBP		1,791,292	1,792,520
	Moneygram		-	34,685,105
	Accounts receivable others		1,786,238	5,123,046
	Others		21,161,409	52,005,284
			5,470,140,750	**4,411,072,878**
	Off-shore banking unit		91,542,983	145,731,263
			5,561,683,733	**4,556,804,141**
10.a	**Consolidated other assets**			
	IFIC Bank Limited	10	7,790,544,123	5,391,684,061
	Less: Investment in IFIC Securities Limited	10.4	2,199,994,000	799,994,000
	Less: Investment in IFIC Money Transfer (UK) Limited	10.4	28,866,390	34,885,920
			5,561,683,733	**4,556,804,141**
	IFIC Securities Limited		189,954,390	178,781,383
	IFIC Money Transfer (UK) Limited		553,272	668,647
			5,752,191,395	**4,736,254,172**

11 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 Tk. 373,474,800 as non-banking assets in the year 2013.

12 Borrowing from other banks, financial institutions and agents

In Bangladesh	5,276,253,523	6,651,311,614
Outside Bangladesh	550,915,400	549,502,100
	5,827,168,923	**7,200,813,714**

12.1	**In and outside Bangladesh**		
	Short term borrowing		
	Basic Bank Limited	-	1,000,000,000
	National Bank Limited	-	700,000,000
	Prime Bank Limited	-	200,000,000
		-	**1,900,000,000**
	Obligation under lease finance	**32,937,677**	**37,973,238**
		32,937,677	**1,937,973,238**

		Note	31 December 2016	31 December 2015
	Refinance from Bangladesh Bank			
	Export Development Fund (EDF)		4,494,212,546	4,314,222,031
	Small and Medium Enterprise		749,103,300	399,116,344
			5,243,315,846	**4,713,338,376**
	In Bangladesh		**5,276,253,523**	**6,651,311,614**
	Outside Bangladesh		550,915,400	549,502,100
			5,827,168,923	**7,200,813,714**
12.2	**Secured and unsecured borrowing from other banks,** financial institutions and agents			
	Secured borrowing		-	-
	Unsecured borrowing		5,827,168,923	7,200,813,714
			5,827,168,923	**7,200,813,714**
12.3	**Maturity grouping of borrowing from other banks, financial institutions and agents**			
	Payable			
	On demand		22,395,111	1,056,000
	Up to 1 month		805,217,782	2,047,338,639
	Over 1 month but not more than 3 months		2,576,550,529	1,690,598,876
	Over 3 moths but not more than 1 year		2,054,666,454	3,127,612,836
	Over 1 year but not more than 5 years		368,339,047	292,283,553
	Over 5 years		-	41,923,810
			5,827,168,923	**7,200,813,714**
12.a	**Consolidated borrowing from other banks, financial institutions and agents**			
	In Bangladesh			
	IFIC Bank Limited		5,276,253,523	6,651,311,614
	IFIC Securities Limited		334,565,573	1,588,024,135
	IFIC Money Transfer (UK) Limited		-	-
			5,610,819,096	**8,239,335,749**
	Less: Inter -company transactions		-	1,295,383,173
			5,610,819,096	**6,943,952,576**
	Outside Bangladesh			
	IFIC Bank Limited		550,915,400	549,502,100
	IFIC Securities Limited		-	-
	IFIC Money Transfer (UK) Limited		-	-
			550,915,400	**549,502,100**
			6,161,734,496	**7,493,454,676**

13 Subordinated debt

Institution wise subscription, redemption and outstanding amount of the Principal of the Bond are as follows:

Subscribers	Subscribed Amount	Redemption of Principal	Outstanding 31 December 2016	Outstanding 31 December 2015
Sonali Bank Limited	1,000,000,000	-	1,000,000,000	-
Janata Bank Limited	1,000,000,000	-	1,000,000,000	-
Rupali Bank Limited	1,000,000,000	-	1,000,000,000	-
Agrani Bank Limited	500,000,000	-	500,000,000	-
	3,500,000,000	**-**	**3,500,000,000**	**-**

		Note	31 December 2016	31 December 2015
	The details of the interest paid during the year are as follows:			
	Subscribers		**2016**	**2015**
	Sonali Bank Limited		40,750,000	-
	Janata Bank Limited		40,750,000	-
	Rupali Bank Limited		40,750,000	-
	Agrani Bank Limited		20,375,000	-
			142,625,000	**-**
	The above interest was paid on 29 November 2016 as first semi-annual coupon payment at the rate of 8.15% p.a.			
14	**Deposits and other accounts**			
	Current deposit and other accounts	14.1	20,062,650,490	17,411,524,226
	Bills payable	14.2	2,075,645,107	1,473,570,630
	Savings bank deposits	14.3	27,886,177,596	24,496,108,248
	Fixed deposits	14.4	110,130,532,901	103,438,502,428
			160,155,006,094	**146,819,705,532**
14.1	**Current deposit and other accounts**			
	Current accounts		11,975,731,643	9,527,215,111
	Foreign currency deposit		697,452,479	1,002,570,119
	Resident foreign currency deposit		41,585,730	43,727,497
	Exporters foreign currency account		5,154,508,496	5,227,213,326
	Margin on letters of credit		1,460,771,373	968,836,637
	Margin on letters of guarantee		338,047,232	330,148,676
	Investors' account credit balance		549,350	548,938
	Q-cash, prepaid, cheque card		2,975,276	2,142,834
	Sundry deposit	4.1.1	391,028,911	309,121,088
			20,062,650,490	**17,411,524,226**
14.1.1	**Sundry deposit**			
	Sundry creditor		139,645,741	106,294,161
	Lease deposit		26,023,913	24,743,476
	Risk fund-lease, CCS & others		582,172	794,970
	Clearing adjustment		49,022,752	36,109,852
	Visa credit card		44,505,663	25,645,521
	Sundry deposit BFF		25,912,400	25,912,400
	FDD issued but not presented		12,739,055	12,609,186
	IBC lodgment		62,595	62,595
	Other sundry deposits		92,534,620	76,948,927
			391,028,911	**309,121,088**
14.2	**Bills payable**			
	Payment order		2,067,975,012	1,463,128,293
	Demand draft		5,745,117	6,060,994
	Security deposit receipt		1,924,978	4,381,343
			2,075,645,107	**1,473,570,630**

AMAR STOCK

		Note	31 December 2016	31 December 2015
14.3	**Savings bank deposit**			
	Savings account		18,017,628,404	15,480,526,093
	Super savings plus		8,340,057,011	7,826,272,790
	Payroll savings		317,333,284	242,117,559
	Sanchita-female savings		1,083,828,762	873,761,715
	Student savings - duronto		127,081,696	73,289,202
	Interest payable on savings deposit		248,439	140,889
			27,886,177,596	**24,496,108,248**
14.4	**Fixed deposit**			
	Special notice deposit (SND)		22,878,541,220	14,805,642,037
	Term deposit	14.4.1	80,782,826,989	83,399,500,647
	Recurring deposit	14.4.2	6,427,198,162	5,194,783,032
	Non resident foreign currency deposit (NFCD)		8,455,327	8,392,777
	Export retention quota (ERQ)		33,511,203	30,183,935
			110,130,532,901	**103,438,502,428**
14.4.1	**Term deposit**			
	Fixed deposits		62,879,550,900	66,324,177,224
	Double return deposit scheme		9,943,130,477	8,529,344,839
	Millionaire dream plan		457,540,080	413,610,746
	Three years deposit plus		4,200,000	4,200,000
	Monthly income scheme		6,113,136,155	6,514,807,077
	Monthly income scheme - Arjon		144,822,295	141,322,295
	Interest payable on term deposit		1,240,447,082	1,472,038,466
			80,782,826,989	**83,399,500,647**
14.4.2	**Recurring deposit**			
	Pension savings scheme (PSS)		5,668,282,309	4,697,420,872
	Pension savings scheme - Joma		12,103,335	5,949,762
	Flexi DPS - Freedom		471,326,321	243,459,937
	School savings plan		41,097,344	38,863,253
	Interest payable on recurring deposit		234,388,853	209,089,208
			6,427,198,162	**5,194,783,032**
14.5	**Deposit and other accounts of the banks**			
	Deposit form banks		382,920,000	1,166,600,000
	Deposit from customers		159,772,086,094	145,653,105,532
			160,155,006,094	**146,819,705,532**
14.6	**Payable on demand and time deposit**			
	Demand deposits			
	Current deposits		12,751,805,681	10,606,388,434
	Savings deposits		2,509,755,984	2,204,649,742
	Security deposits		1,924,978	4,381,343
	Sundry deposit		2,189,847,516	1,608,106,401
	Bills payable		2,073,720,129	1,469,189,287
			19,527,054,288	**15,892,715,208**

		Note	31 December 2016	31 December 2015
	Time deposits			
	Savings deposits		25,376,421,612	22,291,458,506
	Fixed deposits		85,800,968,516	88,493,784,456
	Special notice deposits		22,878,541,220	14,805,642,037
	Deposits under schemes		6,572,020,458	5,336,105,325
			140,627,951,807	**130,926,990,324**
			160,155,006,094	**146,819,705,532**
14.7	**Sector-wise concentration of deposits and other accounts**			
	Government deposits		4,370,619,000	3,803,794,000
	Other public sector		23,972,431,000	20,461,403,000
	Deposit for banks		382,920,000	1,166,600,000
	Foreign currency deposits		697,452,479	1,002,570,119
	Private sectors		130,731,583,615	120,385,338,413
			160,155,006,094	**146,819,705,532**
14.8	**Unclaimed deposits**			
	Current deposits		559,386	639,715
	Savings deposits		9,884,707	1,921,764
	Special notice deposits		791,814	366,079
	Pay order		4,511,142	358,300
	Demand Draft		477,421	10,000
	Security deposit receipt		220,763	-
	Sundry Creditors		-	16,000
			16,445,233	**3,311,858**
14.9	**Residual maturity grouping of deposits and other accounts**			
	Maturity grouping of deposit from banks			
	Payable			
	On demand		382,920,000	1,166,600,000
	Up to 1 month		-	-
	Over 1 month but not more than 3 months		-	-
	Over 3 moths but not more than 1 year		-	-
	Over 1 year but not more than 5 years		-	-
	Over 5 years		-	-
			382,920,000	**1,166,600,000**
	Maturity grouping of deposit from customers excluding bills payable			
	Payable			
	On demand		2,071,698,108	5,991,155,032
	Up to 1 month		22,937,667,765	15,460,588,373
	Over 1 month but not more than 3 months		36,523,712,977	27,450,939,281
	Over 3 moths but not more than 1 year		28,807,877,436	33,969,252,071
	Over 1 year but not more than 5 years		55,283,786,593	42,578,867,104
	Over 5 years		12,071,698,108	18,728,733,041
			157,696,440,987	**144,179,534,902**

		Note	31 December 2016	31 December 2015
14.10	**Maturity grouping of bills payable**			
	Payable			
	On demand		103,802,255	-
	Up to 1 month		518,911,277	442,021,187
	Over 1 month but not more than 3 months		415,109,021	294,714,126
	Over 3 moths but not more than 1 year		207,604,512	147,407,065
	Over 1 year but not more than 5 years		415,109,021	294,714,126
	Over 5 years		415,109,021	294,714,126
			2,075,645,107	**1,473,570,630**
14.a	**Consolidated deposits and other accounts**			
	Current deposits and other accounts			
	IFIC Bank Limited	14.1	20,062,650,490	17,411,524,226
	IFIC Securities Limited		64,103,712	34,940,487
	IFIC Money Transfer (UK) Limited		-	-
			20,126,754,202	**17,446,464,713**
	Less: Inter -company transactions		86,488,370	6,434,715
			20,040,265,832	**17,440,029,998**
	Bills payable			
	IFIC Bank Limited	**14.2**	2,075,645,107	1,473,570,630
	IFIC Securities Limited		-	-
	IFIC Money Transfer (UK) Limited		-	-
			2,075,645,107	**1,473,570,630**
	Savings bank deposit			
	IFIC Bank Limited	**14.3**	27,886,177,596	24,496,108,248
	IFIC Securities Limited		-	-
	IFIC Money Transfer (UK) Limited		-	-
			27,886,177,596	**24,496,108,248**
	Fixed deposits			
	IFIC Bank Limited	**14.4**	110,130,532,901	103,438,502,428
	IFIC Securities Limited		-	-
	IFIC Money Transfer (UK) Limited		-	-
			110,130,532,901	**103,438,502,428**
			160,132,621,436	**146,848,211,304**
15	**Other liabilities**			
	Specific provision for classified loans and advance	15.1	2,354,935,029	2,699,917,003
	General provision for unclassified loans and advances	15.2	1,783,141,092	1,282,300,000
	Provision for off balance sheet	15.3	538,530,890	478,720,000
	Provision for diminution in value of investments	15.4	445,923,927	394,000,000
	Provision for nostro account	15.5	9,881,061	9,862,000
	Provision for other assets	15.6	320,517,670	296,416,223
	Provision for taxation	15.7	4,398,795,584	3,698,795,584
	Interest suspense accounts	15.8	4,195,820,550	3,217,989,895
	Interest payable on borrowing from Banks & FI's		48,970,537	8,580,484
	Accrued expenses		21,673,765	29,894,147

	Note	31 December 2016	31 December 2015
Withholding Tax payable to government (*)		104,629,547	133,947,130
Withholding VAT payable to government (*)		34,127,139	27,942,952
Excise duty payable to government (*)		121,419,858	129,230,430
Dividend payable		2,814,447	2,814,447
Payable to good borrowers		41,870,000	10,000,000
Bonus payable	15.9	201,000,000	130,000,000
Revaluation of investment abroad		30,946,297	28,184,837
Exporter's cash assistance		-	10,300
Oman International Exchange (LLC)		676,659	8,295,427
Sale proceeds of PSP & TC		515,971	1,999,232
Local commission on export		14,047,766	8,536,132
Recovery on court cases		4,346,521	4,391,447
Others		53,630,879	57,391,179
		14,728,215,189	**12,659,218,849**

* Subsequently deposited to government exchequer.

15.1 Specific provision for classified loans and advances

Provision held at the beginning of the year	2,699,917,003	1,966,388,319
Less: Fully provided debts written off	(1,477,713,927)	(993,710,315)
Add: Recoveries of amounts previously written off	433,046,280	91,978,387
Add: Specific provision for the year	699,685,673	1,734,560,613
Less: Provision transferred to general reserve*(note-18)	-	(99,300,000)
Add: Net charge to profit and loss account	-	-
	2,354,935,029	**2,699,917,003**

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

15.1.1 Specific provision required for classified loans and advances

Status of loans and advances	Base for provision	Rate(%)	Required provision at 31 December 2016	Required provision at 31 December 2015
Sub-standard	981,624,090	20%	196,324,818	92,470,898
Sub-standard- Short term agri. credit	23,667,060	5%	1,183,353	482,816
Doubtful	155,195,735	50%	77,597,868	328,947,540
Doubtful- Short term agri. credit	1,678,270	5%	83,914	13,656
Bad/loss	2,079,745,076	100%	2,079,745,076	2,275,949,875
	3,241,910,232		**2,354,935,029**	**2,697,864,785**
Specific provision maintained (note-15.1)			2,354,935,029	2,699,917,003
Excess/(short)			**-**	**2,052,218**

15.2 General provision for un-classified loans & advances

Provision held at the beginning of the year	1,263,200,000	1,058,200,000
Provision made during the year	505,554,055	205,000,000
	1,768,754,055	**1,263,200,000**
Off-shore Banking Unit (OBU)		
Provision held at the beginning of the year	19,100,000	18,100,000
Provision made during the year	(4,712,963)	1,000,000
	14,387,037	**19,100,000**
	1,783,141,092	**1,282,300,000**

	Note	31 December 2016	31 December 2015

15.2.1 General provision required for un-classified loans and advances

Status	Base for provision	Rate (%)	Required provision at 31 December 2016	Required provision at 31 December 2015
General provision-for unclassified				
Standard				
Small and medium enterprise	23,876,191,093	0.25%	59,690,478	44,195,422
House building loan and loan for professional	12,201,978,616	2.00%	244,039,572	75,542,421
Loans to BHs/MBs/SDs share etc	282,836,278	2.00%	5,656,726	44,156,555
Consumer finance	3,912,535,460	5.00%	195,626,773	165,933,769
Short term agri. and micro-credit	3,418,734,063	2.50%	85,468,352	54,948,158
Staff loan	1,858,818,098	0.00%	-	-
Other unclassified loan	73,521,998,889	1.00%	735,219,992	724,228,066
	119,073,092,497		**1,325,701,893**	**1,109,004,391**
Special Mention Account (SMA)				
Small and medium enterprise	323,038,758	0.25%	807,597	827,578
House building loan and loan for professional	214,846,976	2.00%	4,296,940	1,824,870
Consumer finance	35,306,003	5.00%	1,765,300	1,641,774
Other unclassified loan*	8,782,180,750	1.00%	132,917,451	149,593,558
	9,355,372,487		**139,787,288**	**153,887,780**
Off-shore banking unit				
Un-classified loans	1,438,703,682	1.00%	14,387,037	18,966,562
	1,438,703,682		**14,387,037**	**18,966,562**
			1,479,876,218	**1,281,858,733**
General provision maintained (note-15.2)			1,783,141,092	1,282,300,000
Excess/(short)			**303,264,874**	**441,267**

* Excess 1% provision maintained for restructured loan as per disclosure in the Annexure-I.

15.2.2 As per BRPD Circular No.-04 dated 29 January 2015, 5 (five) loan accounts of 3 (three) clients were restructured. Out of these 2 (two) loan accounts of 1 (one) client namely Jamuna Builders Ltd. were subsequently repaid in full during the year 2016. The details of the restructured loans are disclosed in Annexure - I.

15.3 Provision for off-balance sheet

Provision held at the beginning of the year	478,720,000	478,720,000
Provision made during the year	59,810,890	-
	538,530,890	**478,720,000**

15.3.1 Provision required for off-balance sheet exposure

Status	Base for provision	Rate (%)	Required provision at 31 December 2016	Required provision at 31 December 2015
Acceptances and endorsements	15,524,365,117	1.00%	155,243,651	142,107,618
Letters of guarantee*	9,742,638,146	1.00%	109,932,413	97,066,317
Irrevocable letters of credit	17,535,059,809	1.00%	175,350,598	148,003,248
Bills for collection	9,800,422,769	1.00%	98,004,228	90,613,095
Required provision	**52,602,485,841**		**538,530,890**	**477,790,278**
Provision maintained (note-15.3)			538,530,890	478,720,000
Excess/(short)			**-**	**929,722**

* Additional provision of BDT 12,506,032 maintained for letter of guarantee.

		Note	31 December 2016	31 December 2015
15.4	**Provision for diminution in value of investments**			
	Provision held at the beginning of the year		394,000,000	330,000,000
	Provision made during the year		51,923,927	64,000,000
			445,923,927	**394,000,000**
15.5	**Provision for nostro account**			
	Provision held at the beginning of the year		9,862,000	9,862,000
	Provision made during the year		19,061	-
			9,881,061	**9,862,000**
15.6	**Provision for other assets**			
	Provision held at the beginning of the year		296,416,223	271,234,653
	Less: written off during the year		-	(1,000,000)
	Provision made during the year		24,101,447	26,181,570
			320,517,670	**296,416,223**

15.6.1 Particulars of required provision for other assets

Status	Base for provision	Rate (%)	Required provision at 31 December 2016	Required provision at 31 December 2015
Other assets for 6-12 months	26,533,604	50%	13,266,802	15,409,460
Other assets for more than 12 months	276,480,940	100%	276,480,940	258,120,678
Protested bills	22,478,394	100%	22,478,394	21,891,696
Required provision			**312,226,136**	**295,421,834**
Provision maintained (note-15.6)			320,517,670	296,416,223
Excess/(Short)			**8,291,534**	**994,389**

15.7	**Provision for taxation**			
	Balance at 1 January		3,698,795,584	2,748,795,584
	Provision made during the year		700,000,000	950,000,000
			4,398,795,584	**3,698,795,584**
	Adjustment made during the year		-	-
			4,398,795,584	**3,698,795,584**

The provision for corporate tax has been made as per Income Tax Ordinance 1984 and the Bank has made adequate current tax provision in the books of accounts.

Assessments for the years up to 2002 and 2005, 2009, 2011 and 2012 have been completed by the Tax Authority and there is no tax liability remained outstanding against those years.

The assessment for the years 2003, 2004, 2006, 2007 and 2008 were pending with the Honorable High Court and the Bank referred those years to Alternative Dispute Resolution (ADR). In ADR, the Bank and Tax Authority come into agreement to resolve those disputes and finally the Bank signed the Agreement with Tax Authority and ADR on 28 March 2017.

The assessment of 2010 are currently held with the Honorable High Court. The Bank is also planning to file an appeal before the Honorable High Court for the year 2013 and the assessment of 2014 is pending before the first appeal. The assessment for the year 2015 has yet to be completed by the Tax Authority.

However, full tax provisions have been made in the financial statement for the respective years based on the latest assessment orders made by the Tax Authority.

		Note	31 December 2016	31 December 2015

15.7.1

Reconciliation of effective tax (Bank only)	% in Y2016	% in Y2015	31 December 2016	31 December 2015
Profit before income tax charged for current year			2,083,634,814	1,614,963,534
Income tax as per applicable tax rate	40.00%	40.00%	833,453,926	645,985,414
Factor affecting the tax charge for current year				
Non deducible expense/(Tax Savings)	5.98%	33.10%	124,557,814	534,546,313
Tax savings from reduced tax rate from dividend	-0.65%	-1.99%	(13,592,357)	(32,174,769)
Tax savings from reduced tax rate from capital gain	-0.21%	-0.46%	(4,419,383)	(7,366,169)
Adjustment for previous years	-11.52%	-11.83%	(240,000,000)	(190,990,789)
Change in recognized deductible temporary differences	8.14%	-13.75%	169,519,042	(222,017,492)
Total income tax expenses	**41.73%**	**45.08%**	**869,519,042**	**727,982,508**

15.8	**Interest suspense account**			
	Balance at the beginning of the year		3,217,989,895	2,673,329,603
	Add: Amount transferred to interest suspense account during the year		2,591,920,936	1,962,382,331
	Less: Amount transferred to interest income account during the year		(1,264,170,008)	(1,257,215,059)
	Less: Amount written-off during the year		(349,920,273)	(160,506,979)
			4,195,820,550	**3,217,989,895**
15.9	**Bonus payable**			
	Opening balance		130,000,000	180,000,000
	Less: Paid during the year		(104,284,362)	(179,976,607)
	Less: Transfer to income during the year		(24,715,638)	(23,393)
	Add: Provision made during the year		200,000,000	130,000,000
	Closing balance		**201,000,000**	**130,000,000**
15.a	**Consolidated other liabilities**			
	IFIC Bank Limited	15	14,728,215,189	12,659,218,849
	IFIC Securities Limited		1,799,497,091	1,349,656,259
	IFIC Money Transfer (UK) Limited		6,596,644	16,470,806
			16,534,308,924	**14,025,345,914**

16 Share Capital

16.1	**Authorized Capital**		
	2,000,000,000 ordinary shares of Taka 10 each	20,000,000,000	20,000,000,000
16.2	**Issued, subscribed and fully paid up capital**		
	8,000,000 ordinary shares of Taka 10 each issued for cash	80,000,000	80,000,000
	4,400,000 ordinary shares of Taka 10 each issued as right share*	44,000,000	44,000,000
	551,421,907 [Up to year 2015: 491,012,417] ordinary shares of Taka 10 each issued for bonus share	5,514,219,070	4,910,124,170
		5,638,219,070	**5,034,124,170**

*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) in 1989 which was completed in the month of January 1990.

		Note	31 December 2016	31 December 2015
16.3	**Issued, subscribed and fully paid up Capital-Shareholders' Category**			
	379,178,365 [Year 2015: 338,552,111] ordinary shares of Taka 10 each fully paid held by the Sponsors, Directors, Institutions, Foreign investors & General Public.		3,791,783,650	3,385,521,110
	184,643,542 [Year 2015: 164,860,306] ordinary shares of Tk. 10 each fully paid held by the Government of the People's Republic of Bangladesh.		1,846,435,420	1,648,603,060
			5,638,219,070	**5,034,124,170**

16.4 Solo 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. Capital to Risk-weighted Asset Ratio (CRAR) is calculated as follows:

	Note		
Common Equity Tier 1 (going-concern capital)			
Paid-up capital	16.2	5,638,219,070	5,034,124,170
Statutory reserve	17	4,649,226,843	4,232,499,880
General reserve	18	155,071,397	155,071,397
Retained earnings	21	2,269,105,114	2,075,811,205
		12,711,622,424	**11,497,506,652**
Regulatory Adjustments:			
Goodwill and all other Intangible Assets		282,349,995	-
Deduction from Tier-1 Capital (95% of deferred tax assets)		819,822,206	989,866,207
Total Common Equity Tier 1 Capital		**11,609,450,223**	**10,507,640,445**
Tier-2 (Gone-Concern Capital)			
General provision		1,783,141,092	1,258,726,128
Subordinated debt that meet the qualifying criteria for Tier 2		3,500,000,000	-
Revaluation Reserves as on 31 December 2014 (50% of Fixed Assets and 10% of Equity Securities)		58,445,121	58,445,121
Regulatory Adjustments:			
Revaluation reserve (40% for 2016 and 20% for 2015 of Tk. 58,445,121)		23,378,048	11,689,024
Total Tier-2 Capital		**5,318,208,165**	**1,305,482,225**
Total Regulatory Capital (A)		**16,927,658,388**	**11,813,122,670**
Total assets including off-balance sheet items		249,653,200,599	226,112,979,165
Total risk-weighted Assets		150,522,746,675	117,314,424,992
Required capital @10.625% [Y2015: 10.00%] (B)		15,993,041,834	11,731,442,499
Total capital surplus C=(A-B)		**934,616,554**	**81,680,171**
Capital to Risk-weighted Asset Ratio (CRAR):			
Common Equity Tier 1 to RWA		7.71%	8.96%
Tier - 2 Capital to RWA		3.53%	1.11%
Capital to Risk-weighted Asset Ratio (CRAR)		11.25%	10.07%

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

	Note	31 December 2016	31 December 2015
16.4.a	**Consolidated Capital Adequacy Ratio (BASEL III)**		
	As per section 13(2) of the Bank Companies Act, 1991(amended upto 2013), BRPD circular no. 18 dated 21 December 2014, Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III) was issued and effective from 1 January 2015. The Capital to Risk-weighted Asset Ratio (CRAR) is calculated as follows:		
	Common Equity Tier 1 (going-concern capital)		
	Paid-up capital		5,638,219,070	5,034,124,170
	Statutory reserve	16	4,649,226,843	4,232,499,880
	General reserve	17	155,071,397	155,071,397
	Retained earnings	22	3,379,031,381	2,817,321,961
			13,821,548,691	**12,239,017,408**
	Regulatory Adjustments:			
	Goodwill and all other Intangible Assets		282,349,995	-
	Deduction from Tier-1 Capital		819,822,206	989,866,207
	Total Common Equity Tier 1 Capital		**12,719,376,490**	**11,249,151,201**
	Tier-2 (Gone-Concern Capital)			
	General provision		1,783,141,092	1,282,300,000
	Subordinated debt that meet the qualifying criteria for Tier 2		3,500,000,000	-
	Revaluation Reserves as on 31 December 2014 (50% of Fixed Assets and 10% of Equity Securities)		58,445,121	58,445,121
	Regulatory Adjustments:			
	Revaluation reserve (40% for 2016 and 20% for 2015 of Tk. 58,445,121)		23,378,048	11,689,024
	Total Tier-2 Capital		**5,318,208,165**	**1,329,056,097**
	Total Regulatory Capital (A)		**18,037,584,655**	**12,578,207,298**
	Total assets including off-balance sheet items		252,853,549,515	228,516,420,853
	Total risk-weighted Assets		153,749,512,093	122,818,380,420
	Required capital @10.625% [Y2015: 10.00%] (B)		16,335,885,660	12,281,838,042
	Total capital surplus C=(A-B)		**1,701,698,995**	**296,369,256**
	Capital to Risk-weighted Asset Ratio (CRAR):			
	Common Equity Tier 1 to RWA		8.27%	9.16%
	Tier – 2 Capital to RWA		3.46%	1.08%
	Capital to Risk-weighted Asset Ratio (CRAR)		11.73%	10.24%

16.5 Shareholding by category

Category	31 December 2016			31 December 2015		
	No. of Share	%	Taka	No. of Share	%	Taka
Sponsors	36,559,051	6.48	365,590,510	32,642,018	6.48	326,420,180
Directors	11,279,614	2.00	112,796,140	10,071,085	2.00	100,710,850
Government	184,643,542	32.75	1,846,435,420	164,860,306	32.75	1,648,603,060
Institutions	137,249,426	24.34	1,372,494,260	107,931,225	21.44	1,079,312,250
Foreign investors	3,969,289	0.70	39,692,890	2,148,621	0.43	21,486,210
General investors	190,120,985	33.73	1,901,209,850	185,759,162	36.90	1,857,591,620
Total	**563,821,907**	**100**	**5,638,219,070**	**503,412,417**	**100**	**5,034,124,170**

* Mr. Salman F Rahman is a Sponsor as well as a Director of the Bank but his shares are shown against Directors' Category.

** The Government is representing in the Board of the Bank by nominating 03(three) Directors and as such, Sponsors & Directors are at present holding (6.48% + 2.00% + 32.75%) a total of 41.23% shares of the Bank.

	Note	31 December 2016	31 December 2015

16.6 Distribution of paid up capital

Holding of share	31 December 2016			31 December 2015		
	No. of holder	Total shares	%	No. of holder	Total shares	%
1 to 500 shares	19,518	2,318,753	0.41	23,850	2,821,887	0.56
501 to 5,000 shares	9,341	15,844,947	2.81	9,761	16,465,643	3.27
5,001 to 10,000 shares	1,225	8,706,672	1.55	1,056	7,588,449	1.51
10,001 to 20,000 shares	668	9,365,861	1.66	595	8,389,377	1.67
20,001 to 30,000 shares	221	5,496,075	0.98	190	4,709,901	0.93
30,001 to 40,000 shares	111	3,899,539	0.69	94	3,303,763	0.66
40,001 to 50,000 shares	73	3,385,001	0.60	58	2,654,417	0.53
50,001 to 100,000 shares	159	12,031,720	2.13	126	8,958,052	1.78
100,001 to 1,000,000 shares	193	56,885,309	10.09	159	49,389,929	9.81
More than 1,000,000 shares	60	445,888,030	79.08	60	399,130,999	79.28
Total	**31,569**	**563,821,907**	**100**	**35,949**	**503,412,417**	**100**

16.7 Shareholding of Directors as at 31 December 2016

Sl.	Name of the Directors	Status	Holding %	Closing Position	Opening Position
1	Mr. Salman F Rahman	Chairman	2.00	11,279,614	10,071,085
2	Mr. Monirul Islam	Independent Director	Nil	Nil	Nil
3	Mr. Anwaruzzaman Chowdhury	Independent Director	Nil	Nil	Nil
4	Mr. Jalal Ahmed *	Govt. nominated Director			
5	Mr. A. R. M. Nazmus Sakib *	Govt. nominated Director	32.75	184,643,542	164,860,306
6	Ms. Quamrun Naher Ahmed*	Govt. nominated Director			
7	Mr. M Shah Alam Sarwar	Managing Director	Nil	Nil	Nil

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

17 Statutory reserve

Opening balance on 1 January	4,232,499,880	3,909,507,173
Transferred from profit during the year	416,726,963	322,992,707
	4,649,226,843	**4,232,499,880**

18 General reserve

Opening balance on 1 January	155,071,397	55,771,397
Transferred from provision during the year*(note -15.1)	-	99,300,000
	155,071,397	**155,071,397**

* As per BRPD Circular No.-04 dated 29 January 2015, surplus provision against restructured large loan transferred from specific provision.

19 Revaluation reserve against securities

HTM securities	19.1	3,500,060	2,074,232
HFT securities	19.2	9,887,364	39,317,708
		13,387,424	**41,391,939**

19.1 Revaluation reserve HTM securities

Opening balance on 1 January	2,074,232	1,444,649
Gain/(loss) from revaluation on investments	1,425,828	629,583
	3,500,060	**2,074,232**

		Note	31 December 2016	31 December 2015
19.2	**Revaluation reserve HFT securities**			
	Opening balance on 1 January		39,317,708	130,890
	Gain/(loss) from revaluation on investments		(29,430,344)	39,186,817
			9,887,364	**39,317,708**
19.a	**Consolidated revaluation reserve against securities**			
	IFIC Bank Limited	19	13,387,424	41,391,939
	IFIC Securities Limited		-	-
	IFIC Money Transfer (UK) Limited		-	-
			13,387,424	**41,391,939**
20	**Revaluation reserve against fixed assets**			
	Opening balance on 1 January		115,314,704	115,314,704
	Addition during the year		-	-
	Depreciation charged during the year		-	-
			115,314,704	**115,314,704**
	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.			
20.a	**Consolidated foreign currency translation reserve**			
	IFIC Money Transfer (UK) Ltd.		4,757,721	1,851,880
	Investment in joint venture/associate (NBBL)		(32,787,395)	(27,327,489)
	Investment in joint venture/associate (OIE LLC)		171,112	125,220
			(27,858,562)	**(25,350,388)**
21	**Surplus in profit and loss account**			
	Opening balance on 1 January		2,075,811,205	2,168,447,775
	Net profit after tax for the year		1,214,115,772	886,981,027
	Appropriation made to statutory reserve during the year		(416,726,963)	(322,992,707)
	Issue of bonus shares		(604,094,900)	(656,624,890)
			2,269,105,114	**2,075,811,205**
22	**Consolidated surplus in profit and loss account**			
	IFIC Bank Limited	21	2,269,105,114	2,075,811,205
	IFIC Securities Limited		205,641,568	202,771,604
	IFIC Money Transfer (UK) Limited		(22,225,736)	(15,038,758)
	Share of profit of investment in joint venture/associate (NBBL)		885,890,399	477,936,681
	Share of profit of investment in joint venture/associate (OIE LLC)		38,157,796	68,380,642
	Exchange (gain)/loss on investment in joint venture/ associate (NBBL)		2,633,352	7,585,807
	Exchange (gain)/loss on investment in joint venture/ associate(OIE LLC)		(171,112)	(125,220)
			3,379,031,381	**2,817,321,961**
23	**Non-controlling interest (NCI)**			
	IFIC Securities Limited		6,561	7,521
	IFIC Money Transfer (UK) Limited		-	-
			6,561	**7,521**

		Note	31 December 2016	31 December 2015
23.1	**NCI of IFIC Securities Limited**			
	Opening balance		7,521	7,445
	Add: Share of profit during the year		8	76
	Add/(Less): Adjustment due to issuance of share during the year to parent		(968)	-
	Closing balance		**6,561**	**7,521**
24	**Contingent liabilities**			
	Acceptances and endorsements	24.1	15,524,365,117	14,210,761,791
	Letters of guarantee	24.2	9,742,638,146	9,706,631,662
	Irrevocable Letters of credit	24.3	17,535,059,809	14,800,324,793
	Bills for collection	24.4	9,800,422,769	9,061,309,529
	Other contingent liabilities		-	-
			52,602,485,841	**47,779,027,775**
24.1	**Acceptances and endorsements**			
	Back to back bills (local currency)		223,028,630	210,646,535
	Back to back bills (foreign currency)		15,301,336,487	14,000,115,256
			15,524,365,117	**14,210,761,791**
24.2	Letters of guarantee			
	Letters of guarantee (local currency)		9,525,648,442	9,119,223,597
	Letters of guarantee (foreign currency)		216,989,704	587,408,065
			9,742,638,146	**9,706,631,662**
	Money for which the bank is contingently liable in respect of guarantee issued favoring:			
	Directors		-	-
	Government		3,982,736,975	3,901,312,619
	Banks and other financial institutions		2,221,858,468	2,955,636,627
	Others		3,538,042,703	2,849,682,417
			9,742,638,146	**9,706,631,662**
24.3	**Irrevocable letters of credit**			
	Letter of credit (LC) - cash sight		9,692,176,389	6,976,088,529
	Letter of credit (LC) - back to back		7,275,304,861	7,180,355,410
	Letter of credit (LC) - cash usance		567,578,559	643,880,854
			17,535,059,809	**14,800,324,793**
24.4	**Bills for collection**			
	Inland bills collection		96,849,084	53,332,862
	Foreign bills collection		2,396,826	21,366
	Inland documentary bills for collection		4,195,862,382	3,876,020,605
	Foreign documentary bills for collection		5,505,314,477	5,131,934,696
			9,800,422,769	**9,061,309,529**

		Note	2016	2015
25	**Income statement**			
	Income			
	Interest, discount and similar income	25.1	14,499,972,307	14,842,734,967
	Dividend income	25.2	67,961,786	160,873,844
	Capital gain Income	25.3	14,731,276	24,553,897
	Fees, commission and brokerage	29.1	745,264,554	721,463,734
	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	732,718,437	735,918,437
	Income from non-banking assets		-	-
	Other operating income		589,854,652	458,227,649
	Profit less losses on interest rate change		-	-
			16,650,503,012	**16,943,772,528**
	Expenses			
	Interest, fee and commission	27	8,107,920,087	8,906,750,094
	Losses on loan and advances	39	281,172,341	69,825,108
	Administrative expenses	31-34, 36-38	3,232,991,976	3,009,962,038
	Other operating expenses	35,40,41	1,254,141,830	1,045,832,314
	Depreciation on banking assets		354,259,874	265,697,257
			13,230,486,108	**13,298,066,811**
			3,420,016,904	**3,645,705,717**
25.1	**Interest, discount and similar income**			
	Interest income	26	12,483,139,013	12,652,962,100
	Interest on treasury bills and bonds	28.1	1,606,687,944	1,600,733,055
	Interest on debentures		201,938	529,333
	Interest on other bonds		-	20,443,579
	Interest on fixed deposit		403,857,644	529,069,499
	Income on reverse repo		6,085,768	38,997,401
			14,499,972,307	**14,842,734,967**
25.2	**Dividend income**			
	Dividend income - local		62,871,141	67,436,739
	Dividend income - foreign		5,090,645	93,437,105
			67,961,786	**160,873,844**
25.3	**Capital Gain income**			
	Gain from sale of shares of listed companies		14,731,276	24,553,897
			14,731,276	**24,553,897**

		Note	2016	2015
26	**Interest income**			
	Term loan-industrial		1,287,132,422	816,574,435
	Term loan-consumer finance		6,883,959	9,879,498
	Term loan-others		2,378,163,278	2,521,766,804
	House building loan		1,047,956,899	352,334,679
	Staff house building loan		79,738,990	77,009,477
	Staff loan against PF		824,136	6,536,812
	Transport loan		98,362,288	113,190,239
	Agricultural Loan		151,602,933	137,507,359
	Loan general		144,188,233	284,517,701
	Secured overdraft		2,509,724,089	2,761,991,698
	Over draft-staff salary		9,525,646	10,266,773
	Over draft-garments		84,651,311	77,253,377
	Cash credit		2,999,461,832	3,363,462,376
	Lease finance		78,014,065	94,969,693
	Inland documentary bill purchased (IDBP)		162,570,946	198,235,613
	Foreign documentary bill purchased (FDBP)		7,439,247	14,213,441
	Payment against document (cash)		37,876,462	46,001,263
	Payment against document (forced)		51,039,407	101,789,417
	Payment against document (EDF)		84,337,964	107,332,239
	Payment against document (inland)		30,176,728	35,319,154
	Payment against document (others)		70,254,879	36,488,541
	Loan against imported merchandise		9,608,460	13,491,885
	Loan against trust receipt (LTR)		659,066,537	865,342,018
	Export cash credit		9,535,916	5,273,719
	Credit card		35,186,492	34,783,318
	Money at call on short notice		18,441,111	64,255,692
	Balance held outside Bangladesh		80,517,912	89,697,306
	Balance held inside Bangladesh		4,809,893	1,580,813
	Demand loan		305,043,924	373,666,993
	Others		28,052,713	29,854,796
			12,470,188,672	**12,644,587,129**
	Off-shore banking unit		12,950,341	8,374,971
			12,483,139,013	**12,652,962,100**
26.a	**Consolidated interest income**			
	IFIC Bank Limited	26	12,483,139,013	12,652,962,100
	IFIC Securities Limited		184,936,377	221,311,218
	IFIC Money Transfer (UK) Limited		-	-
			12,668,075,390	**12,874,273,318**
	Less: Inter -company interest income		115,822,317	154,031,792
			12,552,253,073	**12,720,241,526**

		Note	2016	2015
27	**Interest paid on deposits, borrowings etc.**			
	Interest paid on deposits			
	Current deposit		14,700,134	-
	Saving bank deposit		961,011,355	1,059,554,556
	Special notice deposit		638,028,039	663,140,880
	Fixed deposit		4,120,199,597	4,902,310,839
	Non resident FC deposit		212,898	206,836
	Resident FC deposit		41,862	37,531
	Pension savings scheme		513,629,504	431,685,902
	Monthly income scheme		1,605,794,183	1,701,775,908
	Foreign currency deposit		301,095	226,319
			7,853,918,667	**8,758,938,771**
	Interest paid on borrowings			
	Call deposit		13,127,194	24,756,167
	Local banks accounts		22,263,889	65,378,655
	Foreign banks accounts		11,164,038	21,972,382
	Repurchase agreement (repo)		2,507,516	16,461,645
	Bangladesh Bank SME refinance		28,621,261	10,026,490
	Payment against lease obligation		5,394,235	6,642,120
	Interest on subordinated bond		167,940,068	-
	Discount paid		2,947,988	2,573,864
	Others		35,231	-
			254,001,420	**147,811,323**
			8,107,920,087	**8,906,750,094**
27.a	**Consolidated interest paid on deposits, borrowings etc.**			
	IFIC Bank Limited	27	8,107,920,087	8,906,750,094
	IFIC Securities Limited		154,729,027	193,013,142
	IFIC Money Transfer (UK) Limited		-	-
			8,262,649,114	**9,099,763,236**
	Less: Inter -company interest paid		115,822,317	154,031,792
			8,146,826,797	**8,945,731,444**
28	**Investment income**			
	Interest income			
	Treasury bills and bonds	28.1	1,606,687,944	1,600,733,055
	Debentures		201,938	529,333
	Other bonds		-	20,443,579
	Term placement		403,857,644	529,069,499
	Reverse repo		6,085,768	38,997,401
			2,016,833,294	**2,189,772,867**

		Note	2016	2015
	Non interest income			
	Gain from sale of shares of listed companies		14,731,276	24,553,897
	Dividend income - local		62,871,141	67,436,739
	Prize bond		12,000	4,000
	Dividend income - Foreign		5,090,645	93,437,105
			82,705,062	**185,431,741**
			2,099,538,356	**2,375,204,608**
28.1	**Treasury bonds**			
	Interest on treasury bonds		1,623,834,003	1,736,428,820
	Less: Holding period interest on HTM securities		17,146,059	135,695,765
			1,606,687,944	**1,600,733,055**
28.a	**Consolidated investment income**			
	IFIC Bank Limited	28	2,099,538,356	2,375,204,608
	IFIC Securities Limited		9,132,386	205,577
	IFIC Money Transfer (UK) Limited		-	-
	Less:			
	Adjustments for investment in joint venture/associate(NBBL)		-	(93,437,105)
	Adjustments for investment in joint venture/associate(OIE LLC)		(5,090,645)	-
			2,103,580,097	**2,281,973,080**
29	**Commission, exchange and brokerage**			
	Commission	29.1	745,264,554	721,463,734
	Exchange gain/(loss)	29.2	732,718,437	735,918,437
			1,477,982,991	**1,457,382,171**
29.1	**Commission**			
	Bills purchased (Inland)		630,740	771,359
	Bills purchased (Foreign)		3,784,139	3,081,740
	Remittances (inland)		17,733,334	20,546,594
	Remittances (foreign)		6,473,191	5,230,829
	Letter of guarantee (LG)-local		109,119,227	95,591,195
	Letter of guarantee (LG)-foreign		767,932	2,860,621
	Letter of credit (back to back)		115,693,127	123,266,595
	Letter of credit (cash)		148,810,388	137,002,965
	Letter of credit (others)		7,196,725	9,011,586
	Wage earners development bond		1,636,250	1,192,213
	Local documentary bills collection (LDBC)		14,162,968	11,710,373
	Inward foreign documentary bills collection (IFDBC)		187,718,499	179,728,670
	Foreign documentary bills collection (FDBC)		7,097,869	10,676,048
	Foreign bills collection (FBC)		127,300	134,600
	Online Charge		30,516,986	35,675,496
	Add confirmation		13,193,748	9,862,407
	Sanchaypatra		3,066,126	7,447,416
	Foreign correspondent charges		52,989,857	43,149,001
	Commission others		24,546,148	24,524,026
			745,264,554	**721,463,734**

		Note	2016	2015
29.2	**Exchange gain/(loss)**			
	Rebate from foreign correspondent		70,816,158	64,765,282
	Exchange gain from revaluation of FC		661,902,279	671,153,155
			732,718,437	**735,918,437**
29.a	**Consolidated commission, exchange and brokerage**			
	IFIC Bank Limited	29	1,477,982,991	1,457,382,171
	IFIC Securities Limited		52,220,552	53,819,485
	IFIC Money Transfer (UK) Limited		27,186,690	44,192,462
	Exchange (gain)/loss for investment in joint venture/ associate(NBBL)		(4,952,455)	7,585,807
	Exchange (gain)/loss for investment in joint venture/ associate(OIE LLC)		(45,892)	(125,220)
			1,552,391,886	**1,562,854,705**
30	**Other operating income**			
	Locker rent		10,887,897	8,551,415
	Godown rent		1,849,050	1,474,200
	Other rents		8,383,920	4,620,540
	Postage charges recovery		26,584,298	26,064,956
	Telex charge recovery		20,831,418	21,231,413
	SWIFT charges recovery		54,376,909	23,478,362
	Godown insurance recovery		564,000	450,000
	Stationery expenses recovery		7,977,246	7,365,866
	Miscellaneous earning		165,976,383	118,125,291
	Loan processing fees		143,545,451	124,527,572
	Visa card fees and commission		31,921,125	38,625,719
	Service charge on accounts		84,772,419	74,395,048
	Other fees, commission & charges		31,790,437	9,313,267
			589,460,553	**458,223,649**
	Off-shore banking unit		382,099	-
			589,842,652	**458,223,649**
30.a	**Consolidated other operating income**			
	IFIC Bank Limited	30	589,842,652	458,223,649
	IFIC Securities Limited		1,611,849	2,421,236
	IFIC Money Transfer (UK) Limited		-	-
			591,454,501	**460,644,885**

		Note	2016	2015
31	**Salaries and allowances**			
	Basic salary		1,035,434,344	1,010,038,712
	House rent allowance		441,731,552	444,511,850
	Conveyance allowance		32,105,831	32,875,490
	Medical allowances		88,622,770	89,620,533
	Entertainment allowance		66,677,941	68,586,863
	Other allowances		25,588,418	27,476,173
	Leave encashment		5,928,995	6,721,849
	Festival bonus		180,746,207	176,662,314
	Performance bonus		200,000,000	130,000,000
	Provident fund- Bank's contribution		101,369,722	99,559,276
	Contribution to gratuity fund		172,500,000	120,000,000
			2,350,705,780	**2,206,053,060**

Number of employees for the year 2016 who were paid remuneration less than Tk. 36,000 was nil (year 2015: nil). Total number of employees employed in the Bank at the end of the year 2016 were 2,536 (year 2015: 2,489).

31.a	**Consolidated salaries and allowances**			
	IFIC Bank Limited	31	2,350,705,780	2,206,053,060
	IFIC Securities Limited		14,966,552	16,375,167
	IFIC Money Transfer (UK) Limited		8,136,241	9,153,486
			2,373,808,573	**2,231,581,713**
32	**Rent, taxes, insurance, electricity etc.**			
	Rent paid		471,962,811	423,757,040
	Rates, taxes and utilities		61,646,468	58,703,110
	Insurance premium		128,739,380	116,117,588
	Electricity & water		78,069,527	68,448,517
			740,418,186	**667,026,255**
32.a	**Consolidated rent, taxes, insurance, electricity etc.**			
	IFIC Bank Limited	32	740,418,186	667,026,255
	IFIC Securities Limited		8,941,515	8,867,092
	IFIC Money Transfer (UK) Limited		6,659,504	6,878,146
			756,019,205	**682,771,493**
33	**Legal expenses**			
	Legal expenses		3,001,491	6,017,039
	Retainers fees		2,382,000	2,120,000
			5,383,491	**8,137,039**
33.a	**Consolidated legal expenses**			
	IFIC Bank Limited	33	5,383,491	8,137,039
	IFIC Securities Limited		465,393	237,188
	IFIC Money Transfer (UK) Limited		3,404,375	1,651,850
			9,253,259	**10,026,077**

AMAR STOCK

		Note	2016	2015
34	**Postage, stamp, telecommunication etc.**			
	Postage expenses		27,586,848	25,674,091
	Telephone - office		11,790,132	11,309,153
	Telephone - residence		23,359,813	24,025,105
	Communication facilities (Reuter, VSAT, Radio etc.)		55,678,504	51,766,835
			118,415,297	**112,775,184**
34.a	**Consolidated postage, stamp, telecommunication etc.**			
	IFIC Bank Limited	34	118,415,297	112,775,184
	IFIC Securities Limited		2,566	1,141
	IFIC Money Transfer (UK) Limited		171,817	137,456
			118,589,680	**112,913,781**
35	**Stationery, printing, advertisement etc.**			
	Printing stationery		20,097,722	23,463,530
	Security stationery		12,879,654	10,074,269
	Petty stationery		19,149,525	19,311,093
	Computer stationery		11,587,234	12,664,178
	Advertisement and publicity		209,845,145	107,687,627
			273,559,280	**173,200,697**
35.a	**Consolidated stationery, printing, advertisement etc.**			
	IFIC Bank Limited	35	273,559,280	173,200,697
	IFIC Securities Limited		177,338	156,587
	IFIC Money Transfer (UK) Limited		186,372	734,526
			273,922,990	**174,091,810**
36	**Managing Director's salary**			
	Basic salary		11,700,000	9,775,000
	House rent allowance		300,000	850,000
	House maintenance allowance		-	375,000
	Provident fund- Bank's contribution		1,170,000	977,500
	Entertainment allowances		-	275,000
	Festival bonus		1,950,000	1,600,000
			15,120,000	**13,852,500**
	In addition to the above Managing Director was paid performance bonus of Tk. 1 million in both years.			
37	**Directors' fees**			
	Meeting attendance fees		1,352,000	1,018,000
			1,352,000	**1,018,000**

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.

		Note	2016	2015
37.a	**Consolidated Directors' fees**			
	IFIC Bank Limited	37	1,352,000	1,018,000
	IFIC Securities Limited		143,750	86,250
	IFIC Money Transfer (UK) Limited		-	-
			1,495,750	**1,104,250**
38	**Auditors' fees**			
	Statutory annual audit fees		1,022,222	700,000
	Interim audit fees		575,000	400,000
			1,597,222	**1,100,000**
38.a	**Consolidated Auditors' fees**			
	IFIC Bank Limited	38	1,597,222	1,100,000
	IFIC Securities Limited		275,000	262,500
	IFIC Money Transfer (UK) Limited		379,705.00	428,434
			2,251,927	**1,790,934**
39	**Charges on loan loss**		**281,172,341**	**69,825,108**
40	**Depreciation and repair of bank's assets**			
	Depreciation			
	Buildings and premises		41,135,455	29,362,166
	Wooden furniture		21,798,384	11,390,252
	Steel furniture		4,497,813	2,835,755
	Computer equipment		109,151,004	89,809,162
	Office equipment		34,182,638	15,012,602
	Electrical & gas equipment		62,213,139	36,670,812
	Leasehold improvement		28,375,229	25,535,978
	Vehicles		18,757,045	10,800,375
	Leased vehicles		5,035,562	4,110,132
	Soft furnishing		1,111,382	1,069,072
	Software		28,002,223	39,100,951
			354,259,874	**265,697,257**
	Repairs and maintenance			
	Property maintenance and repairs		130,305,584	100,991,792
	Vehicles maintenance and repairs		69,549,048	71,277,081
			199,854,632	**172,268,873**
			554,114,506	**437,966,130**
40.a	**Consolidated depreciation and repair of bank's assets**			
	IFIC Bank Limited	40	554,114,506	437,966,130
	IFIC Securities Limited		1,229,647	1,405,566
	IFIC Money Transfer (UK) Limited		2,055,682	2,811,596
			557,399,835	**442,183,292**

		Note	2016	2015
41	**Other expenses**			
	Entertainment		30,250,108	30,563,825
	Petrol, oil and lubricants		99,610,607	91,305,468
	Subscription and donation		10,725,086	25,002,315
	Training and internship		25,796,531	25,535,152
	Books, newspapers and magazines, etc.		1,568,167	1,474,197
	Uniforms and liveries		1,822,500	2,036,291
	Annual General Meeting		9,694,905	12,907,375
	Business development		22,916,496	18,130,403
	Crockeries		1,096,395	1,098,396
	Corporate Social Responsibility (CSR)		62,432,520	38,007,244
	Loss on sales of fixed assets	41.1	3,936,407	2,193,050
	Brokerage		107,950	1,193,518
	Traveling expenses		163,064,746	152,328,605
	Security services		73,562,098	57,959,392
	Bank charges and commission		10,942,219	9,179,767
	Recovery and sales agent		8,540,450	8,382,208
	Casual and contractual service		141,411,373	125,945,613
	Payment to good borrowers		31,870,000	10,000,000
	Consultancy fee		1,947,390	644,796
	Visa card expense		6,182,180	7,026,919
	Risk charges		13,434,469	12,256,141
	Bond & Rights Share issue		22,068,322	-
	Amortization loss HTM securities		13,385,171	47,932,147
	Revaluation loss on HFT Securities		8,957,215	-
	Miscellaneous		15,404,613	19,259,922
			780,727,918	**700,362,744**
41.a	**Consolidated other expenses**			
	IFIC Bank Limited	41	780,727,918	700,362,744
	IFIC Securities Limited		10,695,212	11,349,266
	IFIC Money Transfer (UK) Limited		13,379,972	16,426,387
			804,803,102	**728,138,397**
41.1	**Gain/ (loss) on sales of fixed assets**			
	Cost of fixed assets sold			
	Wooden furniture		10,580,223	3,228,445
	Steel furniture		787,091	814,647
	Computer equipment		6,218,073	12,615,927
	Office equipment		3,392,927	3,732,033
	Electrical & gas equipment		20,748,275	12,509,775
	Improve & leasehold premises		10,325,715	2,227,245
	Vehicles		3,823,750	-
	Soft furnishing		1,831,975	86,847
	Software		-	621,250
			57,708,028	**35,836,169**

		Note	2016	2015
	Less : Accumulated depreciation			
	Wooden furniture		8,270,911	2,492,013
	Steel furniture		610,600	619,385
	Computer equipment		5,707,239	11,925,517
	Office equipment		3,218,065	3,500,296
	Electrical & gas equipment		16,745,814	9,798,521
	Leasehold improvement		7,512,249	1,823,490
	Vehicles		3,757,443	-
	Soft furnishing		1,661,908	79,878
	Software		-	586,185
			47,484,230	**30,825,285**
	Written down value		**10,223,798**	**5,010,884**
	Sale proceeds of above fixed assets		6,287,392	2,817,834
	Gain / (loss) on sales of fixed assets		**(3,936,407)**	**(2,193,050)**
41.b	**Details of investment in joint ventures/associates - under equity method**			
i)	**Nepal Bangladesh Bank Ltd.**			
	Opening balance		1,744,628,768	1,629,195,376
	Add:			
	New investment made during the year		-	-
	Share of post acquisition profit during the year		407,953,718	234,124,782
	Less:			
	Cash dividend received		-	(93,437,105)
	Effect of changes in foreign currency exchange rate		(5,459,906)	(25,254,286)
	Closing balance		2,147,122,580	1,744,628,768
	Book value of investment in joint venture/associate-NBBL		1,291,386,223	1,286,433,768
	Cumulative share of post acquisition profit		**855,736,357**	**458,195,000**
ii)	**Oman International Exchange LLC (OIE LLC)**			
	Opening balance		86,223,917	80,098,817
	Add:			
	New investment made during the year		-	-
	Share of post acquisition profit during the year		(25,132,202)	5,999,881
	Effect of changes in foreign currency exchange rate		45,892	125,220
	Less:			
	Cash dividend received		(5,090,645)	-
	Effect of changes in foreign currency exchange rate		-	-
	Closing balance		**56,046,962**	**86,223,917**
iii)	**Share of post acquisition profit during the year**			
	Nepal Bangladesh Bank Ltd.		407,953,718	234,124,782
	Oman International Exchange LLC (OIE LLC)		(25,132,202)	5,999,881
			382,821,516	**240,124,663**
iv)	**Investment in joint ventures/associates-under equity method**			
	A. Book value of investment			
	Nepal Bangladesh Bank Ltd.		1,291,386,223	1,286,433,768
	Oman International Exchange LLC (OIE LLC)		17,889,167	17,843,275
			1,309,275,390	**1,304,277,043**

		Note	2016	2015
	B. Cumulative share of post acquisition profit			
	Nepal Bangladesh Bank Ltd.		855,736,357	458,195,000
	Oman International Exchange LLC (OIE LLC)		38,157,795	68,380,642
			893,894,152	**526,575,642**
	Total (A+B)		**2,203,169,542**	**1,830,852,685**
42	**Provision for loans, investments and other assets**			
	Specific provision		699,685,673	1,734,560,613
	General provision		505,554,055	205,000,000
	Provision for off-shore banking unit		(4,712,963)	1,000,000
	Provision for off-balance sheet exposure		59,810,890	-
	Provision for diminution in value of investments		51,923,927	64,000,000
	Other provisions	42.1	24,120,508	26,181,570
			1,336,382,090	**2,030,742,183**
42.1	**Other provisions**			
	Provision for other assets		24,101,447	26,181,570
	Provision for nostro account		19,061	-
			24,120,508	**26,181,570**
42.a	**Consolidated provision for loans, investments and other assets**			
	IFIC Bank Limited	42	1,336,382,090	2,030,742,183
	IFIC Securities Limited		35,550,219	19,839,307
	IFIC Money Transfer (UK) Limited		-	-
			1,371,932,309	**2,050,581,490**
43	**Provision for taxation**			
	Current tax		700,000,000	950,000,000
	Deferred tax expense/(income)	43.1	169,519,042	(222,017,492)
			869,519,042	**727,982,508**
43.1	**Deferred tax expense/(income)**			
	Deferred tax on provision for loans and advances (DF & BL)	10.5	178,993,685	(225,721,587)
	Deferred tax on fixed assets	10.5	(9,474,643)	3,704,095
			169,519,042	**(222,017,492)**
43.a	**Consolidated provision for current tax**			
	IFIC Bank Limited	43	700,000,000	950,000,000
	IFIC Securities Limited		17,569,284	16,255,904
	IFIC Money Transfer (UK) Limited		-	-
			717,569,284	**966,255,904**
43.b	**Consolidated deferred tax**			
	IFIC Bank Limited	43.1	169,519,042	(222,017,492)
	IFIC Securities Limited		286,657	(133,045)
	IFIC Money Transfer (UK) Limited		-	-
			169,805,699	**(222,150,537)**

		Note	2016	2015
44	**Receipts from other operating activities**			
	Rent received		21,120,867	14,646,155
	Other receipts		568,733,785	486,730,495
	Capital gain	25.3	14,731,276	24,553,897
			604,585,928	**525,930,547**
44.a	**Consolidated cash received from other operating activities**			
	IFIC Bank Limited	44	604,585,928	525,930,547
	IFIC Securities Limited		3,294,439	2,096,663
	IFIC Money Transfer (UK) Limited		-	-
			607,880,367	**528,027,210**
45	**Cash paid for other operating activities**			
	Postage, stamp, telecommunication etc.		118,415,297	112,775,184
	Rent paid		471,962,811	423,757,040
	Rates, taxes & utilities		61,646,468	58,703,110
	Insurance premium		128,739,380	116,117,588
	Electricity & water		78,069,527	68,448,517
	Traveling expenses		163,064,746	152,328,605
	Auditors' fees		1,597,222	1,100,000
	Directors' fees		1,352,000	1,018,000
	Legal expenses		5,383,491	8,137,039
	Repairs and maintenance		199,854,632	172,268,873
	Other expenses		550,314,601	481,823,652
			1,780,400,175	**1,596,477,608**
45.a	**Consolidated cash paid for other operating activities**			
	IFIC Bank Limited	45	1,780,400,175	1,596,477,608
	IFIC Securities Limited		20,700,774	20,960,024
	IFIC Money Transfer (UK) Limited		24,181,745	26,256,799
			1,825,282,694	**1,643,694,431**
46	**Cash and cash equivalents**			
	Cash in hand		2,006,140,356	1,626,141,729
	Balance with Bangladesh Bank and its agent Bank (s)		12,061,014,307	10,235,213,906
	Balance with other banks and financial Institutions		9,008,977,771	5,710,545,217
	Money at call and on short notice		-	-
	Prize Bonds		3,517,100	7,755,100
			23,079,649,534	**17,579,655,952**
46.a	**Consolidated cash and cash equivalents**			
	IFIC Bank Limited	46	23,079,649,534	17,579,655,952
	IFIC Securities Limited		238,310	30,096
	IFIC Money Transfer (UK) Limited		12,026,893	29,058,227
			23,091,914,737	**17,608,744,275**

AMARSTOCK

		Note	2016	2015
47	**(Increase)/decrease of other assets**			
	Stationery and stamps		23,519,851	23,880,960
	Suspense account		675,407,588	472,775,672
	Advance, deposit and prepayments		542,524,819	638,691,244
	Investment in subsidiaries		2,228,860,390	834,879,920
	Revaluation account FDBP		1,791,292	1,792,520
	Accounts receivable others		1,786,238	5,123,046
	Off-shore banking unit		91,542,983	145,731,263
	Closing other assets		**3,565,433,161**	**2,122,874,625**
	Opening other assets		**2,122,874,625**	**1,986,460,629**
			(1,442,558,536)	**(136,413,996)**
47.a	**(Increase)/decrease of consolidated other assets**			
	IFIC Bank Limited	47	(1,442,558,536)	(136,413,996)
	IFIC Securities Limited		17,259,167	11,548,750
	IFIC Money Transfer (UK) Limited		6,134,905	1,525,473
			(1,419,164,464)	**(123,339,773)**
48	**Increase/(decrease) of other liabilities**			
	Withholding Tax payable to government		104,629,547	133,947,130
	Withholding VAT payable to government		34,127,139	27,942,952
	Excise duty payable to government		121,419,858	129,230,430
	Dividend payable		2,814,447	2,814,447
	Revaluation of investment abroad		30,946,297	28,184,837
	Oman International Exchange (LLC)		676,659	8,295,427
	Sale proceeds of PSP & TC		515,971	1,999,232
	Local commission on export		14,047,766	8,536,132
	Recovery on Court Cases		4,346,521	4,391,447
	Others		53,630,879	57,401,479
	Closing other liabilities		**367,155,084**	**402,743,513**
	Opening other liabilities		**402,743,513**	**584,253,513**
			(35,588,429)	**(181,510,000)**
48.a	**Consolidated increase/(decrease) of other liabilities**			
	IFIC Bank Limited	48	(35,588,429)	(181,510,000)
	IFIC Securities Limited		396,517,754	338,727,184
	IFIC Money Transfer (UK) Limited		(9,874,162)	11,188,531
			351,055,164	**168,405,714**

49 Gratuity

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.

		Note	2016	2015
50	**Earnings Per Share (EPS)***			
	Net profit after tax		1,214,115,772	886,981,027
	Number of ordinary shares outstanding		563,821,907	563,821,907
	Earnings Per Share(EPS)		**2.15**	**1.57**
	* Previous year's figure has been restated.			
50.a	**Consolidated Earnings Per Share (EPS)***			
	Net profit after tax attributable to equity holders of the Bank		1,582,530,314	1,057,141,126
	Number of ordinary shares outstanding		563,821,907	563,821,907
	Consolidated Earnings Per Share (EPS)		**2.81**	**1.87**
	* Previous year's figure has been restated.			
51	**Net Operating Cash Flow per Share**			
	Net cash flows from operating activities		757,575,788	(1,722,607,651)
	Number of ordinary shares outstanding		563,821,907	503,412,417
	Net Operating Cash Flow per Share		**1.34**	**(3.42)**
51.a	**Consolidated Net Operating Cash Flow per Share**			
	Consolidated net cash flows from operating activities		694,685,972	(1,576,469,468)
	Number of ordinary shares outstanding		563,821,907	503,412,417
	Consolidated Net Operating Cash Flow per Share		**1.23**	**(3.13)**
52	**Net Asset Value (NAV) per Share**			
	Net assets value at the end of the year		12,840,324,552	11,654,213,295
	Number of ordinary shares outstanding		563,821,907	503,412,417
	Net Asset Value (NAV) per Share		**22.77**	**23.15**
52.a	**Consolidated Net Asset Value (NAV) per Share**			
	Net assets value at the end of the year attributable to equity holders of the Bank		13,922,392,257	12,370,373,663
	Number of ordinary shares outstanding		563,821,907	503,412,417
	Consolidated Net Asset Value (NAV) per Share		**24.69**	**24.57**

53 Events after the reporting period

A) Dividend:
Subsequent to the balance sheet date, the Board of Directors in its 699th Meeting held on 06 April 2017 recommended 12% stock dividend for the year ended 31 December 2016 which will be placed for approval of the shareholders in the forthcoming 40th Annual General Meeting of the Bank.

B) Rights Issue:
Subsequent to the balance sheet date, Bangladesh Securities & Exchange Commission (BSEC) vide their letter no. BSEC/CI/RI-110/2016/133 dated 15 March 2017 approved Rights Issue of the Bank for 563,821,907 no of ordinary shares of BDT10.00 each at an issue price of BDT10.00 at par totaling BDT 5,638,219,070 at a ratio of 1R:1 i.e. one rights share for one existing share. The record date of the Rights Issue is 17 April 2017 and subscription opening and closing dates are 31 May 2017 and 29 June 2017 respectively.

Annexure-A

BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS-OUTSIDE BANGLADESH (NOSTRO ACCOUNT)

as at 31 December 2016

Name of the Bank and Financial Institutions	Account type	Currency type	31 December 2016			31 December 2015		
			FC amount	Conversion rate	Equivalent BDT	FC amount	Conversion rate	Equivalent BDT
J.P. Morgan Chase Bank, New York	CD	USD	3,224,082.68	78.7022	253,742,400	2,334,386.54	78.5003	183,250,044
Citi Bank N.A. New York	CD	USD	1,197,839.25	78.7022	94,272,584	2,335,216.02	78.5003	183,315,158
HSBC Bank , New York	CD	-	-	-	-	6,399,474.06	78.5003	502,360,634
Standard Chartered Bank, London	CD	USD	211,871.86	78.7022	16,674,782	158,512.77	78.5003	12,443,300
Masreq Bank PSC, New York	CD	USD	1,558,175.22	78.7022	122,631,818	3,684,240.57	78.5003	289,213,990
Mashreq Bank, PSC, Mumbai, India	CD	USD	361,565.49	78.7022	28,456,000	370,168.75	78.5003	29,058,358
Standard Chartered Bank, New York	CD	USD	3,236,551.69	78.7022	254,723,738	734,817.55	78.5003	57,683,398
Wells Fargo Bank, New York	CD	USD	1,089,551.28	78.7022	85,750,083	2,014,574.61	78.5003	158,144,711
Sonali Bank, (UK) Limited	CD	USD	1,645.78	78.7022	129,527	174,973.40	78.5003	13,735,464
Standard Chartered Bank, Kolkata	CD	USD	435,559.23	78.7022	34,279,470	592,319.66	78.5003	46,497,271
AB Bank Ltd., Mumbai	CD	USD	615,508.66	78.7022	48,441,886	1,043,174.83	78.5003	81,889,537
NIB Bank Ltd, Karachi, Pakistan	CD	USD	280,523.07	78.7022	22,077,783	399,148.33	78.5003	31,333,264
National Trust Bank Ltd., Colombo	CD	USD	24,780.26	78.7022	1,950,261	2,119.65	78.5003	166,393
Nepal Bangladesh Bank Ltd., Kathmandu, Nepal	CD	USD	163,004.46	78.7022	12,828,810	148,879.10	78.5003	11,687,054
Sonali Bank, Kolkata	CD	USD	170,544.92	78.7022	13,422,260	201,021.92	78.5003	15,780,281
State Bank of India, Kolkata	CD	-	-	-	-	61,597.97	78.5003	4,835,459
Bank of Bhutan, Phuentosoling	CD	USD	4,075.65	78.7022	320,763	1,075.65	78.5003	84,439
ICIC Bank Ltd.,Kalkata	CD	USD	456,226.94	78.7022	35,906,064	800,980.43	78.5003	62,877,204
Commerz Bank AG, Frankfurt	CD	USD	2,142,902.30	78.7022	168,651,125	865,137.13	78.5003	67,913,524
Habib American Bank, New York	CD	USD	871,311.06	78.7022	68,574,097	871,704.75	78.5003	68,429,084
J.P. Morgan Chase Bank, Sydney	CD	AUD	64,609.90	56.4846	3,649,464	70,113.80	57.2149	4,011,554
Habib Bank AG , Zurich	CD	CHF	3,676.96	76.5288	281,393	4,882.43	79.5181	388,242
Commerz Bank AG,Frankfurt	CD	EUR	983,402.72	81.9408	80,580,806	354,138.27	85.8165	30,390,907
J.P. Morgan Chase Bank AG, Frankfurt	CD	EUR	26,622.19	81.9408	2,181,444	66,787.57	85.8165	5,731,476
Sonali Bank UK London	CD	EUR	119.17	81.9408	9,765	9,119.17	85.8165	782,575
Standard Chartered Bank,London	CD	GBP	645,532.42	96.2213	62,113,969	79,907.01	116.2864	9,292,099
Sonali Bank(UK)Limited	CD	GBP	1,792.34	96.2213	172,461	53,405.67	116.2864	6,210,353
Bank Of Tokyo- Mitsubishi,Tokyo	CD	JPY	2,752,032.00	0.6712	1,847,164	220,885.00	0.6515	143,907
AB Bank Ltd.,Mumbai	CD	EUR	10,110.70	81.9408	828,479	67,669.68	85.8165	5,807,175
Habib Bank UK, London	CD	GBP	21,620.51	96.2213	2,080,354	-	-	-
			20,555,238.71		**1,416,578,750**	**24,120,432.29**		**1,883,456,854**

Annexure-B

DETAILS OF INVESTMENT IN SHARES

as at 31 December 2016

Amount in BDT

Name of the Company	Face value	No. of share	Cost/share	Cost price	NAV or Mkt price/share	Total value	Gain/(loss)
Unquoted shares							
Karma Sangsthan Bank	100	200,000	100.00	20,000,000	114.23	22,845,336	2,845,336
Central Depository Bangladesh Ltd.	10	2,284,722	10.00	22,847,220	29.36	67,079,438	44,232,218
EnergyPack Power Co. Ltd.	10	619,500	41.90	25,960,000	22.79	14,118,405	(11,841,595)
		3,104,222		**68,807,220**		**104,043,179**	**35,235,959**
Quoted shares							
National Housing Finance & Investment Ltd.	10	4,808,100	8.11	39,010,000	54.00	259,637,400	220,627,400
Power Grid Company Ltd.	10	3,984,250	69.13	275,412,488	54.00	215,149,500	(60,262,988)
Delta Life Insurance Company Ltd.	10	1,676,255	33.57	56,270,614	100.60	168,631,253	112,360,639
Summit Power Ltd.	10	2,332,265	46.64	108,786,696	37.00	86,293,805	(22,492,891)
Summit Alliance Port Ltd.	10	282,572	99.79	28,198,825	51.50	14,552,458	(13,646,367)
British American Tobacco Bangladesh Co. Ltd. (BATBC)	10	128,020	629.03	80,528,642	2,483.00	317,873,660	237,345,018
Eastland Insurance Company Ltd.	10	195,523	45.73	8,941,428	23.90	4,673,000	(4,268,428)
TITAS Gas Transmission and Distribution Ltd.	10	6,079,872	76.60	465,701,734	49.40	300,345,677	(165,356,057)
Beximco Ltd.	10	20,695,375	49.87	1,032,063,098	26.00	538,079,750	(493,983,348)
Malek Spinning Mills Company Ltd.	10	350	21.95	7,681	17.50	6,125	(1,556)
Unique Hotel and Resorts Ltd.	10	200,000	105.15	21,029,385	53.90	10,780,000	(10,249,385)
The City Bank Ltd.	10	5,520,349	35.18	194,197,477	27.20	150,153,493	(44,043,984)
Fareast Life Insurance Ltd.	10	910,071	150.13	136,631,812	67.70	61,611,807	(75,020,005)
Northern General Insurance Company Ltd.	10	271,798	40.29	10,951,563	20.30	5,517,499	(5,434,064)
Reliance insurance Ltd.	10	215,811	54.10	11,674,463	50.00	10,790,550	(883,913)
		47,300,611		**2,469,405,906**		**2,144,095,977**	**(325,309,929)**
Mutual funds							
IFIC Bank 1st Mutual Fund	10	33,676,959	7.42	250,000,000	9.24	311,158,263	61,158,263
ICB Employee 1st Mutual Fund	10	1,339,500	13.43	17,986,473	7.03	9,416,015	(8,570,458)
		35,016,459		**267,986,473**		**320,574,278**	**52,587,805**
Foreign Investment							
Investment in associate/joint venture							
Nepal Bangladesh Bank Ltd.		16,412,913	78.68	1,291,386,223	525.10	8,618,420,616	7,327,034,393
Oman International Exchange LLC		2,948	6,068.24	17,889,167	19,404.89	57,205,618	39,316,451
		16,415,861		**1,309,275,390**		**8,675,626,235**	**7,366,350,845**

Other foreign investment						
NIB Bank Ltd, Pakistan	24,578,800	13.60	334,296,315	1.37	33,690,481	(300,605,834)
	40,994,661		**1,643,571,705**		**8,709,316,715**	**7,065,745,010**
Total other investment			**4,449,771,304**		**11,278,030,149**	**6,828,258,845**

Required provision for investment in shares

Particulars	**Cost price**		**Total value**	**Req. Provison**
Unquoted shares [1]	68,807,220		104,043,179	(11,841,595)
Quoted	2,469,405,906		2,144,095,977	(325,309,929)
Mutual funds [2]	267,986,473		320,574,278	(8,570,458)
Sub-total	**2,806,199,599**		**2,568,713,434**	**(345,721,982)**
Investment in associate/joint venture [3]	1,309,275,390		8,675,626,235	-
Other foreign investment-NIB Bank Ltd. [4]	334,296,315		33,690,481	(100,201,945)
Grand Total	**4,115,474,989**		**11,244,339,669**	**(445,923,927)**

[1] Provision is kept against any unrealized loss for investment in unquoted shares and no unrealized gain is used to net off against the such unrealized loss.

[2] Provision calculation for Investment in Mutual Funds

Name of the Company	**No. of share**	**Cost/ Share**	**NAV/share**	**NAV x 85%**	**MV/share**	**Higher of C & D**	**(NAVx85%) - CP**	**Required Provision**
	A	**B**		**C**	**D**	**E**	**F=(E-B)**	**G=(A x F)**
IFIC Bank 1st MF	33,676,959	7.42	10.87	9.24	5.40	9.24	-	-
ICB EP 1st MF	1,339,500	13.43	8.27	7.03	6.50	7.03	(6.40)	(8,570,458)
Total provision required								**(8,570,458)**

Note: No Provision is required if Cost price is less than 85% of NAV or MV.

When provision is required higher of the 85% of NAV/MV is compared to Cost Price.

BB Circular Reference: DOS Circular-3 Dated: 12 Mar 2015 and Circular-10 Dated: 28 June 2015.

[3] Provision calculation for investment in associate/joint venture

Name of the Company	**No. of share**	**Cost/Share**	**NAV/share**	**Market Value (MV)/share**	**Lower of NAV & MV**	**Required Provision**
Nepal Bangladesh Bank Ltd. (Quoted)	16,412,913	78.68	119.45	525.10	119.45	-
Oman International Exchange LLC (Unquoted)	2,948	6,068.24	19,404.89	N/A	19,404.89	-
Total provision required						**-**

Provision against investment in associate/joint venture have been calculated as per instructions of Bangladesh Bank vide letter no DOS(SR)/1153/161/11/2017-1348 dated 23 March 2017. As per Bangladesh Bank instruction provision is to be maintained if cost is higher than lower of NAV and market value (if applicable).

[4] As per Bangladesh Bank letter no-DOS(ASR)1153/161/11/2016-4995 dated 13 November 2016 one third provision has been maintained in the year 2016. Remaining provision will be maintained equally in the year 2017 and 2018.

FINANCIAL STATEMENTS

Annexure-C

LOANS AND ADVANCES ALLOWED TO EACH CUSTOMER EXCEEDING 10% OF BANK'S TOTAL CAPITAL

as at 31 December 2016

Million BDT

Sl.	Name of the Group	Name of Clients	Outstanding as on 31 December 2016			Amount classified
			Funded	Non-funded	Total	
1	Soiltech Group	Soiltech International Ltd.	1,460.10	129.60	1,589.70	-
		Wahidunnabi	44.10	-	44.10	-
		Ace-Swee Hong Joint Venture	129.60	-	129.60	-
		Soiltech International & IJM	55.30	-	55.30	-
		Sub Total:	**1,689.10**	**129.60**	**1,818.70**	**-**
2	Newage Group	New Age Fashionwear Ltd.	39.20	26.30	65.50	-
		Newage Garments Ltd.	420.80	244.60	665.40	-
		Newage Apparels Ltd.	220.40	790.70	1,011.10	-
		Keilock Newage BD. Ltd.	99.40	314.60	414.00	-
		Sub Total:	**779.80**	**1,376.20**	**2,156.00**	**-**
3	Dekko	Dekko Knitwear Ltd.	656.30	123.80	780.10	-
		Epyllion Knitex Ltd.	1104.10	268.40	1,372.50	-
		Bajpakhi Limited	2.40	0.00	2.40	-
		Sub Total:	**1,762.80**	**392.20**	**2,155.00**	**-**
4	Islam Garments	Islam Garments Ltd.	692.90	2,226.80	2,919.70	-
		Islam Knit Designs Ltd.	33.80	576.30	610.10	
		Sub Total:	**726.70**	**2,803.10**	**3,529.80**	**-**
5	Wisdom	Wisdom Attires Ltd.	2,137.30	220.20	2,357.50	-
		Sub Total:	**2,137.30**	**220.20**	**2,357.50**	**-**
6		Banglalion Communication Ltd.	2,109.30	-	2,109.30	-
		Sub Total:	**2,109.30**	**-**	**2,109.30**	**-**
7	Knit Concern	Knit Concern Ltd.	330.80	1,195.60	1,526.40	-
		K.C. Apparels Ltd.	137.60	349.40	487.00	-
		Pack Concern Ltd.	39.80	13.60	53.40	-
		K.C. Lingerie Ltd.	-	109.90	109.90	
		Zas Concern Ltd.	-	3.30	3.30	-
		Sub Total:	**508.20**	**1,671.80**	**2,180.00**	**-**
8	Cassiopea	Cassiopea Apparels Ltd.	512.00	1,179.90	1,691.90	-
		Cassiopea Fashion Ltd.	0.30	11.50	11.80	-
		Elegant Washing Plant Ltd.	-	10.50	10.50	-
		Sub Total:	**512.30**	**1,201.90**	**1,714.20**	**-**
9	Silver Line	Silver Line Composite Textile Mill Ltd.	563.10	689.70	1,252.80	-
		Silver Composite Textile Mills Ltd.	1,755.60	301.20	2,056.80	-
		Sub Total:	**2,318.70**	**990.90**	**3,309.60**	**-**
10	Scholasitca	Scholastica Limited	2,160.80	-	2,160.80	-
		Office & Home Solutions (Pvt) Ltd	42.40	-	42.40	-
		Sub Total:	**2,203.20**	**-**	**2,203.20**	**-**
11	Sikder	Powerpac Mutiara Keraniganj Power Plant Ltd.	1,905.60	-	1,905.60	-
		R & R Holdings	1,792.80	-	1,792.80	-
		Sub Total:	**3,698.40**	**-**	**3,698.40**	**-**

Sl.	Name of the Group	Name of Clients	Outstanding as on 31 December 2016			Amount classified
			Funded	Non-funded	Total	
12	ENA	ENA Properties Ltd.	1,416.60	52.30	1,468.90	-
		ENA DDJ Construction Firm	-	544.50	544.50	-
		Northern Power Solutions Ltd.	1,705.90	122.80	1,828.70	-
		Sub Total:	**3,122.50**	**719.60**	**3,842.10**	**-**
13		Bangladesh Rural Advancement Committee (BRAC)	2,327.10	-	2,327.10	-
		Sub Total:	**2,327.10**	**-**	**2,327.10**	**-**
14		SQ Celsius Ltd.	1,471.60	1,912.70	3,384.30	-
		Sub Total:	**1,471.60**	**1,912.70**	**3,384.30**	**-**
15		Pacific Bangladesh Telecom Ltd.	1,941.30	-	1,941.30	-
		Sub Total:	**1,941.30**	**-**	**1,941.30**	**-**
16		Shepherd Industries Ltd.	234.50	579.30	813.80	-
		Shepherd Textiles BD Ltd.	122.40	828.20	950.60	-
		Sub Total:	**356.90**	**1,407.50**	**1,764.40**	**-**
17		Dohatec Newmedia	561.80	13.40	575.20	-
		Global Voice Telecom Limited	1,691.10	2,604.30	4,295.40	-
		Sub Total:	**2,252.90**	**2,617.70**	**4,870.60**	**-**
18		Nassa Properties Ltd.	2,196.60	-	2,196.60	-
		Sub Total:	**2,196.60**	**-**	**2,196.60**	**-**
19		Buyer Media Limited	1,929.20	13.80	1,943.00	-
		Sub Total:	**1,929.20**	**13.80**	**1,943.00**	**-**
20		Capital Properties Dev. (Pvt.) Ltd.	2.80	-	2.80	-
		Avalon Aviation Limited	355.60	-	355.60	-
		Foster Trading International Ltd.	1,277.50	75.00	1,352.50	-
		Sub Total:	**1,635.90**	**75.00**	**1,710.90**	**-**
21		Prisma Digital Network Ltd.	1,905.20	121.00	2,026.20	-
		Sub Total:	**1,905.20**	**121.00**	**2,026.20**	**-**
22		Rupayan Housing Estate Ltd.	1,795.20	70.20	1,865.40	-
		Sub Total:	**1,795.20**	**70.20**	**1,865.40**	**-**
23		Global LPG Ltd.	2,422.40	1,377.20	3,799.60	-
		Sub Total:	**2,422.40**	**1,377.20**	**3,799.60**	**-**
24		Vestel Cable Tv Networks Ltd.	1,759.10	-	1,759.10	
		Sub Total:	**1,759.10**	**-**	**1,759.10**	
25		Uttara Jute Firbres & Industries	2,046.50	4.90	2,051.40	-
		Sub Total:	**2,046.50**	**4.90**	**2,051.40**	**-**
26		Uttara Traders (Pvt.) Ltd.	784.40	107.70	892.10	-
		Uttara Acrylic Mills Ltd.	208.90	1.30	210.20	-
		Uttara Spinning Mills Ltd.	492.20	42.70	534.90	-
		Uttara Rotors Yarn Mills Ltd.	86.90	-	86.90	-
		Sub Total:	**1,572.40**	**151.70**	**1,724.10**	**-**
		Grand Total:	**47,180.60**	**17,257.20**	**64,437.80**	**-**

Annexure - D

SCHEDULE OF FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURE

as at 31 December 2016

Particulars	Cost					Depreciation/Amortization				Written down value as at 31 December 2016
	Balance as at 1 January 2016	Addition during the period	Transfer from CWIP	Disposal/ transfer during the period	Balance as at 31 December 2016	Balance as at 1 January 2016	Charged during the period	Disposal during the year	Balance as at 31 December 2016	
Land	475,118,759	-		-	475,118,759	-	-	-	-	475,118,759
Buildings and premises	1,337,951,477	-	553,729,051	-	1,891,680,528	192,827,022	41,135,455	-	233,962,477	1,657,718,051
Wooden furniture	118,694,149	5,096,569	135,161,271	10,580,223	248,371,766	73,133,162	21,798,384	8,270,911	86,660,635	161,711,131
Steel furniture	59,242,462	3,785,765	59,695	787,091	62,300,831	33,720,678	4,497,813	610,600	37,607,891	24,692,940
Computer equipment	668,481,187	53,640,165		6,218,073	715,903,279	458,926,481	109,151,004	5,707,239	562,370,246	153,533,033
Office equipment	196,964,697	10,604,860		3,392,926	204,176,631	136,914,295	34,182,638	3,218,066	167,878,867	36,297,764
Electrical & gas equipment	394,944,685	36,138,704	293,363,368	20,748,275	703,698,482	248,261,436	62,213,139	16,745,814	293,728,761	409,969,721
Leasehold improvement	237,653,740	27,138,059		10,325,715	254,466,084	135,509,829	28,375,229	7,512,252	156,372,806	98,093,278
Vehicles	115,673,145	-		3,823,750	111,849,395	72,471,645	18,757,045	3,757,443	87,471,247	24,378,148
Leased vehicles	47,600,000	-		-	47,600,000	9,626,761	5,035,562	-	14,662,323	32,937,677
Soft furnishing	12,653,637	547,543		1,831,975	11,369,205	11,050,029	1,111,382	1,661,908	10,499,503	869,702
Software	293,931,990	35,451,020	183,665,647	-	513,048,657	202,696,439	28,002,223	-	230,698,662	282,349,995
	3,958,909,928	**172,402,685**	**1,165,979,032**	**57,708,028**	**5,239,583,617**	**1,575,137,777**	**354,259,874**	**47,484,233**	**1,881,913,418**	**3,357,670,199**
*Capital work in progress	846,594,774	449,641,729	(1,165,979,032)		130,257,471	-	-	-	-	130,257,471
Total	**4,805,504,702**	**622,044,414**	**-**	**57,708,028**	**5,369,841,088**	**1,575,137,777**	**354,259,874**	**47,484,233**	**1,881,913,418**	**3,487,927,670**

* Capital work in progress represents the amount paid for data warehouse.

Particulars	Cost					Depreciation/Amortization				Written down value as at 31 December 2015
	Balance as at 1 January 2015	Addition during the year	Transfer from CWIP	Disposal during the year	Balance as at 31 December 2015	Balance as at 1 January 2015	Charged during the year	Disposal during the year	Balance as at 31 December 2015	
Land	475,118,759	-		-	475,118,759				-	475,118,759
Buildings and premises	1,337,951,477	-		-	1,337,951,477	163,464,856	29,362,166	-	192,827,022	1,145,124,455
Wooden Furniture	113,437,784	8,484,809		3,228,445	118,694,149	64,234,923	11,390,252	2,492,013	73,133,162	45,560,986
Steel Furniture	56,029,936	4,027,173		814,647	59,242,462	31,504,309	2,835,755	619,385	33,720,678	25,521,783
Computer Equipment	536,742,251	19,561,821	124,793,043	12,615,928	668,481,187	381,042,836	89,809,162	11,925,517	458,926,481	209,554,707
Office Equipment	185,752,840	14,943,890		3,732,033	196,964,697	125,401,989	15,012,602	3,500,296	136,914,295	60,050,403
Electrical & Gas Equipment	356,015,849	51,438,612		12,509,776	394,944,685	221,389,145	36,670,812	9,798,521	248,261,436	146,683,249
Leasehold improvement	215,850,139	24,030,848		2,227,246	237,653,741	111,797,341	25,535,978	1,823,490	135,509,829	102,143,913
Vehicles	99,146,620	16,526,525		-	115,673,145	61,671,269	10,800,375	-	72,471,644	43,201,501
Leased vehicles	47,600,000	-		-	47,600,000	5,516,629	4,110,132		9,626,761	37,973,239
Soft Furnishing	12,271,161	469,323		86,847	12,653,637	10,060,836	1,069,072	79,878	11,050,030	1,603,607
Software	240,470,209	12,039,322	42,043,709	621,250	293,931,990	164,181,673	39,100,951	586,185	202,696,439	91,235,551
	3,676,387,025	**151,522,322**	**166,836,752**	**35,836,170**	**3,958,909,929**	**1,340,265,806**	**265,697,257**	**30,825,286**	**1,575,137,777**	**2,383,772,152**
**Capital work in progress	593,198,539	420,232,987	(166,836,752)	166,836,752	846,594,774	-	-	-	-	846,594,774
Total	**4,269,585,564**	**571,755,309**	**-**	**202,672,922**	**4,805,504,702**	**1,340,265,806**	**265,697,257**	**30,825,286**	**1,575,137,777**	**3,230,366,926**

**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.

Annexure -E

COMPUTATION OF RISK WEIGHTED ASSETS

Solo Basis

as at 31 December 2016

1.0 Risk Weighted Assets for Credit Risk Balance Sheet Exposures **BDT in Million**

Sl.	Exposure Type	Rating	Risk Weight	Exposure	RWA
1	2	3	4	5	6 = (4x5)
a.	Cash		0	2,006.14	-
b.	Claims on Bangladesh Government (other than PSEs) and Bangladesh Bank		0	25,359.70	-
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	657.13	131.43
		2,3	0.50	141.23	70.62
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	1.00	59.62	59.62
	ii) Maturity less than 3 months		0.20	10,296.35	2,059.27
h.	Claims on Corporate (excluding equity exposure)	1	0.20	4,949.74	989.95
		2	0.50	10,452.09	5,226.04
		3,4	1.00	14,036.41	14,036.41
		5,6	1.50	-	-
		Unrated	1.25	20,155.72	25,194.64
h(1)	Claims on SME	SME 1	0.20	97.27	19.45
		SME 2	0.40	148.40	59.36
		SME 3	0.60	1,044.93	626.96
		SME 4	0.80	1,386.34	1,109.07
		SME 5	1.20	-	-
		SME 6	1.50	-	-
		Unrated (small enterprise & <BDT 3m)	0.75	2,495.68	1,871.76
		Unrated (small enterprise having ≥ BDT 3m&Medium enterprise)	1.00	13,879.06	13,879.06

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)
i.	Claims under Credit Risk Mitigation	PSE		-	-
		Banks & NBFIs		-	-
		Corporate		2,620.39	1,201.59
		Retail		725.72	12.53
		SME		951.17	331.99
		Consumer finance		2,068.92	82.58
		Residential property		799.16	27.28
		Commercial real estate		78.22	40.33
j.	Claims categorized as retail portfolio (excluding SME, Consumer Finance and Staff loan) upto 1 crore		0.75	435.95	326.96
k.	Consumer finance		1.00	831.19	831.19
l.	Claims fully secured by residential property		0.50	24,185.46	12,092.73
m.	Claims fully secured by Commercial real estate		1.00	11,751.14	11,751.14
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	4,733.49	7,100.23
	ii) Where specific provisions are no less than 20 percent of the outstanding amount of the past due claim		1.00	3,637.48	3,637.48
	iii) Where specific provisions are more than 50 percent of the outstanding amount of the past due claim		0.50	543.52	271.76
	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	296.00	296.00
	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	-	-
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	3,921.24	4,901.55
q.	Investments in venture capital		1.50	-	-
r.	Investments in premises, plant and equipment and all other fixed assets		1.00	3,487.93	3,487.93
s.	Claims on all fixed assets under operating lease		1.00	616.21	616.21
t.	All other assets			-	-
	i) Claims on GoB & BB		0.00	3,466.46	-
	ii) Staff loan/Investment		0.20	1,858.82	371.76
	iii) Cash items in Process of Collection		0.20	-	-
	iv) Claims on Off-shore Banking Units (OBU)		1.00	1,494.11	1,494.11
	v) Other assets (net off specific provision, if any)		1.00	2,148.18	2,148.18
Sub-Total				**177,836.55**	**116,367.17**

2.0 Risk Weighted Amount for Credit Risk Off-Balance Sheet Exposures **BDT in Million**

Sl. No.	Exposure Type	BB's Rating Grade*	Risk Weight	Exposure	Risk Weighted Asset
1	2	3	4	5	6 = (4x5)
a)	Claims on Bangladesh Government and Bangladesh Bank		0		
b)	Claims on other Sovereigns & Central Banks*				
c)	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank		0		
d)	Claims on Multilateral Development Banks (MDBs):				
	i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB		0		
	ii) Others MDBs	1	0.20		
		2,3	0.50		
		4,5	1.00		
		6	1.50		
		Unrated	0.50		
e)	Claims on Public Sector Entities (other than Government) in Bangladesh	1	0.20		
		2,3	0.50		
		4,5	1.00		
		6	1.50		
		Unrated	0.50		
f)	Claims on Banks & NBFIs				
	i) Maturity over 3 months	1	0.20		
		2,3	0.50		
		4,5	1.00		
		6	1.50		
		Unrated	0.50		
	ii) Maturity less than 3 months		0.20		
g)	Claims on Corporate (excluding equity exposure)	1	0.20	2,056.90	411.38
		2	0.50	4,338.28	2,169.14
		3,4	1.00	2,035.60	2,035.60
		5,6	1.50	-	-
		Unrated	1.25	7,020.23	8,775.29
h)	Claims under retail exposure		0.75	1,488.73	1,116.55
h(1)	Claims under SME Credit Rating-wise exposure	1	0.20	-	-
		2	0.40	5.78	2.31
		3	0.60	27.92	16.75
		4	0.80	-	-
		5	1.20	-	-
		6	1.50	-	-
		Unrated (small enterprise & <BDT 3.00m)	0.75	65.22	48.91
		Unrated (small enterprise having ≥ BDT 3.00m & Medium enterprise)	1.00	2,624.27	2,624.27
i)	Consumer Loan		1.00		

2.0 Risk Weighted Amount for Credit Risk Off-Balance Sheet Exposures BDT in Million

Sl. No.	Exposure Type	BB's Rating Grade*	Risk Weight	Exposure	Risk Weighted Asset
1	2	3	4	5	6 = (4x5)
j)	Claims fully secured by residential property		0.50		
k.)	Claims fully secured by commercial real estate		1.00		
l)	Investments in venture capital		1.50		
m)	All other assets		1.00		
Sub-Total				**19,662.94**	**17,200.22**

3.0 Capital Charge for Market Risk (Balance Sheet Exposures) BDT in Million

Sl. No.	Market Risk	Capital Charge	Risk Weight	Risk Weighted Asset
a	Interest Rate Related Instruments	-	10.00	-
b	Equities	466.93	10.00	4,669.32
c	Foreign Exchange Position	19.85	10.00	198.49
d	Commodities	-	10.00	-
Sub-Total		**486.78**		**4,867.81**

4.0 Capital Charge for Operational Risk (Basic Indicator Approach)

Sl. No.	Operational Risk	Capital Charge	Risk Weight	Risk Weighted Asset
a	Gross Income	1,208.76	10.00	12,087.55
Sub-Total		**1,208.76**	10.00	12,087.55
Grand Total Risk Weighted Assets				**150,522.75**

Annexure -F

RELATED PARTY DISCLOSURES

Name of Directors and their interest in different entities

as at 31 December 2016

Sl No.	Name	Status with the Bank	Status with interested entities	Name of the firms/companies in which they have interest
1	Mr. Salman F Rahman	Chairman	Chairman	GMG Airlines Limited
			Chairman	Abahani Limited
			Vice Chairman	Bangladesh Export Import Co. Ltd.
			Vice Chairman	Beximco Pharmaceuticals Ltd.
			Vice Chairman	Beximco Synthetics Ltd.
			Vice Chairman	Shinepukur Ceramics Ltd.
			Vice Chairman	Independent Television Ltd.
			Vice Chairman	Beximco Holdings Ltd.
			Vice Chairman	Beximco Computers Ltd.
			Vice Chairman	Beximco Engineering Ltd.
			Vice Chairman	Beximco 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	Sonali Ansh Limited
			Vice Chairman	Esses Exporters Ltd.
			Shareholder	Beximco Power Company Ltd.
			Shareholder	Beximco Communications Ltd.
			Shareholder	I & I Services Ltd.
2	Mr. Monirul Islam	Independent Director	Chairman (Nominated by IFIC Bank Ltd.)	IFIC Securities Ltd.
			Director (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Director (Nominated by IFIC Bank Ltd.)	Nepal Bangladesh Bank Ltd., Nepal
			Chairman	Monir Associates Ltd.
			Managing Director	Cosmo Sizing & Weaving Mills Ltd.
			Proprietor	Pano Sourcing
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.
			Alternate Director (Nominated by IFIC Bank Ltd.)	Oman International Exchange LLC
			Chairman	Kipling
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.

Sl No.	Name	Status with the Bank	Status with interested entities	Name of the firms/companies in which they have interest
			Alternate Director (Nominated by IFIC Bank Ltd.)	Oman International Exchange LLC
			Additional Secretary	Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.
			Director	Bangladesh Telecommunication Co. Ltd.
			Director	Bangladesh Services Ltd.
			Director	British American Tobacco Bangladesh Co. Ltd.
			Director	Bangladesh Submarine Cable Co. Ltd.
5	Mr. A. R. M. Nazmus Sakib	Govt. nominated Director	Director (Nominated by IFIC Bank Ltd.)	Oman International Exchange LLC
			Director (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Additional Secretary	Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.
6	Ms. Quamrun Naher Ahmed	Govt. nominated Director	Director (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Additional Secretary	Bank and Financial Institutions Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.
7	Mr. M Shah Alam Sarwar	Managing Director	Director (Nominated by Govt. of Bangladesh)	Grameen Bank
			Director (Nominated by IFIC Bank Ltd.)	Nepal Bangladesh Bank Ltd., Nepal
			Director (Nominated by IFIC Bank Ltd.)	Oman International Exchange LLC
			Director (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Director (Nominated by IFIC Bank Ltd.)	IFIC Securities Ltd.

Related party transactions

i) Significant contracts with the Bank wherein Directors have interest during the year is nil.

ii) Share issued to Directors and Executive without consideration or exercisable at a discount is nil.

iii) The details of the related party transactions are as follows:

1) Name of the Party : IFIC Securities Ltd.

Relationship with the company : Subsidiary **Amount in BDT**

Nature of Transaction	2016	2015
A. Loan to IFIC Securities Ltd.		
Opening balance	**1,295,383,173**	**1,199,748,281**
Debit:		
New loan during the year	69,500,000	499,327,135
Interest charge during the year	36,758,665	116,292,757
Bank charges	60	15,000
Credit:		
Loan Repayment	1,401,641,898	520,000,000
Closing balance	**-**	**1,295,383,173**
B. Capital investment to IFIC Securities Ltd.		
Opening balance	**799,994,000**	**799,994,000**
Debit:		
New investment made during the year	1,400,000,000	-
Credit:		
Closing balance	**2,199,994,000**	**799,994,000**

Nature of Transaction	2016	2015
C. Current & SND Account of IFIC Securities Ltd.		
Opening balance	**5,194,001**	**92,488,733**
Debit:		
Deposit withdrawn during the period	3,082,133,997	2,106,804,084
Interest charged	79,063,652	
Charges & Duty deducted	138,766	32,592
Credit:		
Deposit made during the year	3,243,143,975	2,019,506,217
Interest paid to deposit account	28,370	35,727
Closing balance	**87,029,931**	**5,194,001**
D. BO account balance with IFIC Securities Ltd.		
Opening balance	**1,438,193**	**166,654,182**
Debit:		
Share sale proceed	472,431,119	170,086,511
Credit:		
Withdrawal from BO account	467,600,000	335,302,500
Closing balance	**6,269,312**	**1,438,193**
2) Name of the Party : Oman International Exchange (OIE) LLC		
Relationship with the company : Associate		
Cash Dividend received	5,090,645	-
Management fee received	481,247	781,436
3) Name of the Party : Nepal Bangladesh Bank Ltd.		
Relationship with the company : Associate		
Cash Dividend received	-	93,437,105

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 126,000 (Y2015: BDT 392,800), Bangladesh Export Import Co. Limited for Broadband Internet Service paid BDT 1,375,400 (Y2015: BDT 1,269,600) and Independent Television Ltd. for advertisement paid BDT 20,811,331 (Y2015: Nil) from 1 January to 31 December 2016.

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

Investee Entity	Related Director	Relation with the Bank	Relation with Investee Entity	Investment at Cost (BDT)
Beximco Ltd.	Mr. Salman F Rahman	Chairman	Vice Chairman	1,032,063,098
BATBC	Mr. Jalal Ahmed	Director	Director	80,528,642

Annexure -G

DISCLOSURE ON AUDIT COMMITTEE OF THE BANK

a) Particulars of members of the Audit Committee

Sl No.	Name	Status with the Bank	Status with the Committee	Educational Qualification
1	Mr. Monirul Islam	Independent Director	Chairman	B. A (Hons), M. A.
2	Mr. Anwaruzzaman Chowdhury	Independent Director	Member	MBA
3	Mr. Jalal Ahmed	Director	Member	B. S. S (Hons), M. S. S. in Public Administration

* The Audit Committee of the Board was lastly reconstituted by the Board of Directors of the Bank in its 657th Meeting held on 16 September 2015.

b) Particulars of meetings held by the Audit Committee during the period from 01 January to 31 December 2016

Sl No.	Meeting No.	Meeting held on
1	97th Audit Committee Meeting	12.01.2016
2	98th Audit Committee Meeting	24.02.2016
3	99th Audit Committee Meeting	03.04.2016
4	100th Audit Committee Meeting	27.04.2016
5	101st Audit Committee Meeting	10.05.2016
6	102nd Audit Committee Meeting	19.06.2016
7	103rd Audit Committee Meeting	06.09.2016
8	104th Audit Committee Meeting	26.10.2016
9	105th Audit Committee Meeting	09.11.2016
10	106th Audit Committee Meeting	07.12.2016

Evaluation of the Audit Committee regarding strengthening of Internal Control System

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

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

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

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

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

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

Annexure -H

FINANCIAL HIGHLIGHTS OF THE BANK

as at and for the year ended 31 December 2016

Amount in BDT

Sl.	Particulars	31 December 2016	31 December 2015
1	Paid up capital	5,638,219,070	5,034,124,170
2	Total capital	16,927,658,388	11,813,122,670
3	Capital surplus	934,616,554	81,680,171
4	Total assets	197,050,714,758	178,333,951,390
5	Total deposits	160,155,006,094	146,819,705,532
6	Total loan & advances	137,118,111,549	123,268,667,873
7	Total contingent liabilities & commitments	52,602,485,841	47,779,027,775
8	Credit deposit ratio	85.62%	83.96%
9	Percentage of classified loan against total loans & advances	5.29%	6.46%
10	Profit after tax & provision	1,214,115,772	886,981,027
11	Amount of classified loans	7,250,942,884	7,962,051,830
12	Provision kept against classified loans	2,354,935,029	2,699,917,003
13	Provision surplus/deficit	311,556,408	4,417,597
14	Cost of fund	4.32%	5.32%
15	Interest earning assets	166,860,268,961	151,498,806,527
16	Non-interest earning assets	30,190,445,797	26,835,144,863
17	Return on Investment (ROI)	6.73%	6.48%
18	Return on Assets (ROA)	0.65%	0.53%
19	Income from investment	2,099,538,356	2,375,204,608
20	Earnings per share	2.15	1.57
21	Net income per share	2.15	1.57
22	Net Asset Value (NAV)	12,840,324,552	11,654,213,295
23	Net Asset Value (NAV) per share	22.77	23.15
24	Net Operating Cash Flow Per Share (NOCFPS)	1.34	(3.42)
25	Price earning ratio (Times)	9.71	12.03

Annexure -I

DISCLOSURE OF RESTRUCTURED LOAN

as at and for the year ended 31 December 2016

BDT in Million

Sl. No.	Name of the Borrower	Type of Loan	Date of restructure	Down Payment		Due Date of 1st Installment	Outstanding Amount			Total Provision as at 31 December 2016		Present Status	Outstanding as at 31 December 2015
				Required	Realized		At the time of taking NOC from BB	New/Fresh Disbursement amount after NOC	Outstanding as at 31 December 2016	Required	Maintained		
1	Power Pac - Mutiara KPP Plant Ltd.	TL (O)	07.12.2015	16.90	16.90	07.03.2017	1,546.10	Nil	1,905.62	38.11	38.11	SMA(RST)	1,689.82
2	M/s R&R Holdings	TL (O)-1	07.12.2015	8.20	8.20	07.03.2017	746.00	Nil	925.73	18.51	18.51	SMA(RST)	820.89
3	M/s R&R Holdings	TL (O)-2	07.12.2015	7.70	7.70	07.03.2017	702.00	Nil	867.06	17.34	17.34	SMA(RST)	768.86
4	Jamuna Builders Ltd.*	TL (I)-1	14.12.2015	14.20	14.30	21.07.2016	1,546.20	Nil	-	-	-		1,554.27
5	Jamuna Builders Ltd.*	TL (O)-2	14.12.2015	0.10	0.10	21.07.2016	13.00	Nil	-	-	-		13.07
Total				**47.10**	**47.20**		**4,553.30**		**3,698.41**	**73.97**	**73.97**		**4,846.92**

*The outstanding amount of these loan accounts were subsequently repaid.

FAHAR STOCK

Annexure-J

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Off-shore Banking Unit

Balance Sheet

as at 31 December 2016

Particulars	Note	31 December 2016		31 December 2015	
		USD	BDT	USD	BDT
PROPERTY AND ASSETS					
Cash		-	-	-	-
Cash in hand (including foreign currency)		-	-	-	-
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currency)		-	-	-	-
Balance with other banks and financial institutions		-	-	-	-
In Bangladesh		-	-	-	-
Outside Bangladesh		-	-	-	-
Money at call and on short notice		-	-	-	-
Investments		-	-	-	-
Government securities		-	-	-	-
Other investments		-	-	-	-
Loans and advances	**3**	**18,280,349**	**1,438,703,682**	**24,161,133**	**1,896,656,202**
Loans, cash credits, overdrafts etc.	**3.1**	11,448,845	901,049,291	9,469,692	743,373,693
Bills purchased and discounted	**3.2**	6,831,504	537,654,391	14,691,441	1,153,282,509
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets	**4**	**1,163,157**	**91,542,983**	**1,856,442**	**145,731,263**
Non banking assets		-	-	-	-
Total assets		**19,443,506**	**1,530,246,665**	**26,017,575**	**2,042,387,464**
LIABILITIES AND CAPITAL					
Liabilities					
Borrowing from other banks, financial Institutions and agents	**5**	**18,984,396**	**1,494,113,753**	**25,386,327**	**1,992,834,279**
Deposit and other accounts		-	-	-	-
Current deposits and other accounts		-	-	-	-
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Fixed Deposits		-	-	-	-
Other liabilities	**6**	**289,706**	**22,800,472**	**524,561**	**41,178,214**
Total liabilities		**19,274,102**	**1,516,914,225**	**25,910,888**	**2,034,012,493**

Particulars	Note	31 December 2016		31 December 2015	
		USD	BDT	USD	BDT
Capital / Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
General Reserve		-	-	-	-
Revaluation reserve against securities		-	-	-	-
Revaluation reserve against fixed assets		-	-	-	-
Surplus in profit and loss account	7	169,404	13,332,440	106,687	8,374,971
Total shareholders' equity		**169,404**	**13,332,440**	**106,687**	**8,374,971**
Total liabilities and shareholders' equity		**19,443,506**	**1,530,246,665**	**26,017,575**	**2,042,387,464**
OFF BALANCE SHEET ITEMS					
Contingent liabilities		-	-	-	-
Acceptances and endorsements		-	-	-	-
Letters of guarantee		-	-	-	-
Irrevocable letters of credit					
Bills for collection		-	-	-	-
Other contingent liabilities		-	-	-	-
Other Commitments					
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		-	-	-	-
Total off-Balance Sheet exposures including contingent liabilities		**-**	**-**	**-**	**-**

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 2016

Particulars	Note	2016		2015	
		USD	BDT	USD	BDT
Interest income	8	1,169,367	92,031,779	1,129,024	88,628,713
Interest paid on deposits, borrowings etc.	9	1,004,819	79,081,438	1,022,337	80,253,742
Net interest income		**164,549**	**12,950,341**	**106,687**	**8,374,971**
Investment Income		-	-	-	-
Commission, exchange and brokerage		-	-	-	-
Other operating income		4,855	382,099	-	-
Total operating income		**169,404**	**13,332,440**	**106,687**	**8,374,971**
Salaries and allowances		-	-	-	-
Rent, taxes, insurance, electricity etc.		-	-	-	-
Legal expenses		-	-	-	-
Postage, stamp, telecommunication etc.		-	-	-	-
Stationery, printing, advertisement etc.		-	-	-	-
Managing Director's salary		-	-	-	-
Directors' fees		-	-	-	-
Auditors' fee		-	-	-	-
Charges on loan loss		-	-	-	-
Depreciation and repair of bank's assets		-	-	-	-
Other expenses		-	-	-	-
Total operating expenses		**-**	**-**	**-**	**-**
Profit/(Loss) before provision		**169,404**	**13,332,440**	**106,687**	**8,374,971**
Provision for loans, investments and other assets					
Specific Provision		-	-	-	-
General Provision		-	-	-	-
Provision for off-balance sheet exposures		-	-	-	-
Provision for diminution in value of investments		-	-	-	-
Provision for other assets		-	-	-	-
Total provision		**-**	**-**	**-**	**-**
Profit/(Loss) before taxes		**169,404**	**13,332,440**	**106,687**	**8,374,971**

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 2016

	Note	2016		2015	
		USD	BDT	USD	BDT
CASH FLOWS FROM OPERATING ACTIVITIES					
Interest received in cash		1,169,367	92,031,779	1,129,024	88,628,713
Interest payments		(1,004,819)	(79,081,438)	(1,022,337)	(80,253,742)
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		4,855	382,099	-	-
Cash paid for other operating activities		(106,687)	(8,374,971)	(240,653)	(18,758,772)
Cash flows before charges in operating assets and liabilities		**62,717**	**4,957,469**	**(133,966)**	**(10,383,801)**
Increase / Decrease in operating assets and liabilities					
Loans and advances to customers		5,880,784	457,952,520	(1,506,631)	(130,751,330)
Other assets		693,286	54,188,280	(994,791)	(78,566,045)
Borrowing from banks		(6,401,931)	(498,720,526)	2,581,206	215,188,759
Deposits from other banks		-	-	-	-
Deposit from customers		-	-	-	-
Other Liabilities		(234,856)	(18,377,742)	54,182	4,512,417
		(62,716.5)	**(4,957,469)**	**133,966**	**10,383,801**
Net cash from operating activities		**-**	**-**	**-**	**-**
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of securities		-	-	-	-
Cash payments for purchase of securities		-	-	-	-
Purchase/ Sale of property, Plant & equipment of fixed assets		-	-	-	-
Sales of fixed assets		-	-	-	-
Net cash from investing activities		**-**	**-**	**-**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES					
Received from issue of loan, capital and debts security		-	-	-	-
Net Cash from Financing activities		-	-	-	-
Net increase/(decrease) in cash and cash equivalent		-	-	-	-
Opening cash and cash equivalent		-	-	-	-
Closing cash and cash equivalent		-	-	-	-

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 2016

1.1 Status of the unit

Off-shore Banking Units of IFIC Bank Limited, governed under the rules and guidelines of Bangladesh Bank. The Bank obtained the Off-shore Banking Unit permission from Bangladesh Bank vide letter no. BRPD (P-3) 744 (104)/2009-4233 dated 17 November 2009. The Bank commenced the operation of its Off-shore Banking Unit from 10 May 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 78.7022 (closing weighted average rate as at 31 December 2016) which is the presentation currency for OBU.

(b) Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in theses 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 2016.

1.3 Assets and basis of their valuation

1.3.1 Cash and cash equivalents

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

1.3.2 Loans and advances / investments

(a) Loans and advances of Off-shore Banking Units are stated in the balance sheet on gross basis.

(b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

1.4 Basis for valuation of liabilities and provisions

1.4.1 Provision for liabilities

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

1.4.2 Provision for loans and advances & tax

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

1.5 Revenue recognition

1.5.1 Interest income

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

1.5.2 Fees and commission income

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

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

1.5.3 Interest paid and other expenses

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

2 General

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

Particulars	Note	31 December 2016		31 December 2015	
		USD	BDT	USD	BDT
3 Loans and advances					
3.1 Loans, cash credits, overdrafts etc.					
Term loan		11,448,845	901,049,291	9,469,692	743,373,693
		11,448,845	**901,049,291**	**9,469,692**	**743,373,693**
3.2 Bills purchased and discounted					
Inside Bangladesh		6,831,504	537,654,391	14,691,441	1,153,282,509
Outside Bangladesh		-	-	-	-
		6,831,504	**537,654,391**	**14,691,441**	**1,153,282,509**
		18,280,349	**1,438,703,682**	**24,161,133**	**1,896,656,202**
3.3 Geographical location-wise loans and advances					
Dhaka		18,280,349	1,438,703,682	24,161,133	1,896,656,202
Chittagong Division		-	-	-	-
Sylhet		-	-	-	-
Rajshahi Division		-	-	-	-
Khulna		-	-	-	-
Barisal		-	-	-	-
		18,280,349	**1,438,703,682**	**24,161,133**	**1,896,656,202**

	Particulars	Note	31 December 2016		31 December 2015	
			USD	BDT	USD	BDT
3.4	**Classification of loans and advances**					
	Unclassified :					
	(i) Standard		18,280,349	1,438,703,682	24,161,133	1,896,656,202
	(ii) Special mention account		-	-	-	-
	Classified :					
	(i) Substandard		-	-	-	-
	(ii) Doubtful		-	-	-	-
	(iii) Bad / Loss		-	-	-	-
			18,280,349	**1,438,703,682**	**24,161,133**	**1,896,656,202**
4	**Other assets**					
	Interest receivable on Term loan		1,100,563	86,616,736	639,180	50,175,788
	Interest receivable on Bills discount		62,594	4,926,247	1,217,263	95,555,475
			1,163,157	**91,542,983**	**1,856,442**	**145,731,263**
5	**Borrowing from other banks, financial Institutions and its agents**					
	In Bangladesh:					
	IFIC Bank Limited		18,984,396	1,494,113,753	25,386,327	1,992,834,279
	Bangladesh Bank		-	-	-	-
			18,984,396	**1,494,113,753**	**25,386,327**	**1,992,834,279**
	Outside Bangladesh		-	-	-	-
			18,984,396	**1,494,113,753**	**25,386,327**	**1,992,834,279**
6	**Other liabilities**					
	Interest on bills discounted		-	-	-	-
	Interest payable to IFIC Bank Ltd.		289,706	22,800,472	524,561	41,178,214
			289,706	**22,800,472**	**524,561**	**41,178,214**
7	**Surplus in profit and loss account**					
	Opening balance		106,687	8,374,971	240,653	18,758,773
	Less: Adjustment/ payment for the year		(106,687)	(8,374,971)	(240,653)	(18,758,773)
	Add: Addition during the year		169,404	13,332,440	106,687	8,374,971
			169,404	**13,332,440**	**106,687**	**8,374,971**

	Particulars	Note	2016		2015	
			USD	Taka	USD	Taka
8	**Interest income**					
	Term Loan		516,884	40,679,911	426,592	33,487,594
	Bills discount		652,483	51,351,868	702,432	55,141,119
			1,169,367	**92,031,779**	**1,129,024**	**88,628,713**
9	**Interest paid on deposits, borrowings etc.**					
	Interest paid on IFIC Bank Limited		1,004,819	79,081,438	1,022,337	80,253,742
	Interest paid on Bangladesh Bank		-	-	-	-
			1,004,819	**79,081,438**	**1,022,337**	**80,253,742**



FINANCIAL STATEMENTS OF THE SUBSIDIARIES

IFIC SECURITIES LIMITED

Directors' Report

Respected Shareholders,
The Board of Directors is pleased to present the 6th Annual Report of IFIC Securities Ltd. (IFICSL) for the year ended on 31 December 2016. In the report, IFICSL's operational performance of the year 2016 as compared to 2015 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 2016
The Capital Market of the country passed a challenging year in 2016 as the market continued the recession trend from the previous year. the average daily trade volume of Dhaka Stock Exchange Limited has remained nearly the same as 2015 with the fall of the market index the participation of IFICSL has declined slightly. The market has been down trend during the last consecutive six years. All the stakeholders of the capital market had to face a tough time in managing their portfolio and operations due to this persistent 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 2,200 million has been paid up. Total shareholders' equity at the end of December 2016 stood at BDT 2,405.64 million including retained earnings of BDT 205.64 million. The Paid-up capital represents the face value of 220,000,000 shares of BDT 10 each fully subscribed by the shareholders. During 2016 IFIC Securities Ltd. has raised its paid up capital to BDT 2,200 million by issuance of 140,000,000 shares of BDT 10 each in favor of IFIC Bank Ltd.

Profit & Operating Results
Total operating income of IFICSL for the year 2016 was BDT. 247.90 million against a total expenses of BDT 191.62 million. Total profit before provision stood at BDT 56.28 million during 2016. For the year 2016, the net profit was BDT 2.87 million, after keeping BDT 35.55 million and BDT 17.57 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 394.53 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 BDT. 4,140.65 million as on 31 December 2016. The borrowing of IFICSL was BDT. 334.57 million of which BDT. 147.69 million was borrowed from Dhaka Bank Ltd, Foreign Exchange Branch, and BDT. 186.88 million was borrowed from Prime Bank Ltd, SBC Tower Branch as on 31 December 2016. The total loan outstanding at the end of 2015 was BDT. 1,588.02 million and BDT. 334.57 million at the end of 2016. The management has used the funds raised from the issue of shares to settle the loan from Motijheel Branch, IFIC Bank.

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.

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 5th Annual General Meeting. However, as per clause 53 they are eligible for re-election.

Appointment of Auditors and fix-up their remuneration
In the 5th Annual General Meeting of the company MJ ABEDIN & Co. Chartered Accountants were reappointed as the statutory auditors of the company up to the conclusion of the 6th 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 2016.

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

AMARSTOCK

এম, জে, আবেদীন এন্ড কোং
চার্টার্ড একাউন্টেন্টস্
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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF IFIC SECURITIES LIMITED

We have audited the accompanying financial statements of **IFIC Securities Limited** which comprises the statement of financial position as at 31 December 2016 and 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 Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of these financial statements that are free from material misstatements, whether due to fraud and 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 (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 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 Bank Securities Limited as at 31 December 2016, and its profit or loss and other comprehensive income and its cash flows for the period in accordance with Bangladesh Financial Reporting Standards (BFRSs)

We also report that:

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose our audit and made due verification thereof;
(b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
(c) The company's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account;
(d) The expenditure was incurred for the purpose of the company's business.

Dated: 29 March 2017
Place, Dhaka

M. J. Abedin & Co.
Chartered Accountants

Annexure-K

IFIC SECURITIES LIMITED

Statement of Financial Position

As at 31 December 2016

Amount in BDT

	Note	31 December 2016	31 December 2015
ASSETS			
Non Current Assets			
Property, Plant and Equipments	**4**	5,153,949	5,665,190
Intangible Assets	**5**	284,155	405,935
Investments	**6**	181,042,559	89,321,750
		186,480,663	**95,392,875**
Current Assets			
Margin Loan to Clients	**7**	4,140,646,772	3,694,754,439
Accounts Receivable (DSE)		24,566,193	41,643,178
Dividend Receivable		187,500	163,725
Advance Deposits and Prepayments	**8**	165,200,697	136,891,896
Cash & Cash Equivalents	**9**	86,726,681	6,464,812
		4,417,327,843	**3,879,918,050**
TOTAL		**4,603,808,506**	**3,975,310,925**
EQUITY AND LIABILITIES:			
Shareholders Equity			
Share Capital	**10.1**	2,200,000,000	800,000,000
Retained Earnings	**11**	205,642,127	202,773,124
		2,405,642,127	**1,002,773,124**
Non Current Liabilities			
Deferred Tax Liabilities	**12**	203,573	(83,084)
		203,573	**(83,084)**
Current Liabilities			
Provision for Income Tax	**13**	152,752,542	135,183,258
Clients Payable	**14**	64,103,713	34,940,487
DSE Payable		1,160,244	56,331
General Provision	**15**	131,181,189	95,630,969
Bank Loan	**16**	334,565,573	1,588,024,135
Other Liabilities	**17**	1,514,199,544	1,118,785,705
		2,197,962,806	**2,972,620,885**
TOTAL		**4,603,808,506**	**3,975,310,925**

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

Chief Executive Officer (Current Charge) | **Director** | **Director**

Signed as per our annexed report of same date

Dated: Dhaka
29 March 2017

M. J. Abedin & Co.
Chartered Accountants

IFIC SECURITIES LIMITED

Statement of Comprehensive Income

For the Year ended 31 December 2016

Amount in BDT

	Note	2016	2015
Income:			
Operating Income	**18**	237,156,929	275,130,703
Non-Operating Income	**19**	10,744,235	2,626,813
		247,901,164	**277,757,516**
Expenses:			
Operating Expenses	**20**	6,503,575	7,461,846
Office & Administrative Expenses	**21**	27,700,911	28,513,251
Financial Expenses	**22**	157,421,514	195,778,802
		191,626,000	**231,753,899**
Profit/(Loss) before Provisions and Tax		**56,275,164**	**46,003,617**
Less: Provision	**23**	35,550,220	19,839,307
		20,724,944	**26,164,310**
Add: Holding Gain on Investment		-	-
Profit After Provision		**20,724,944**	**26,164,310**
Less: Tax			
Deferred Tax	**12**	286,657	(133,045)
Current Tax	**13**	17,569,284	16,255,904
		17,855,941	**16,122,859**
Net Profit After Tax		**2,869,003**	**10,041,451**

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

Chief Executive Officer (Current Charge) | **Director** | **Director**

Signed as per our annexed report of same date

M. J. Abedin & Co.
Chartered Accountants

Dated: Dhaka
29 March 2017

IFIC SECURITIES LIMITED

Cash Flow Statement

For the year ended 31 December 2016

Amount in BDT

	Particulars	2016	2015
A)	**Cash flows from operating activities**		
	Brokerage Commission Receipts	52,220,552	53,819,485
	Interest on Margin Loan Receipts	184,936,377	221,311,218
	Interest payments	(157,421,514)	(195,778,802)
	Dividend receipts	7,426,020	414,550
	Payments to employees	(14,922,613)	(16,330,982)
	Payments to suppliers	(13,694,846)	(9,670,869)
	Income taxes paid	(28,514,758)	(7,043,172)
	Receipts from other operating activities	3,294,439	2,420,188
	Payments for other operating activities	(6,727,071)	(7,461,846)
	Cash generated from operating activities before changes in operating assets and liabilities	**26,596,586**	**41,679,770**
	Increase / (decrease) in operating assets and liabilities		
	Margin Loan to Clients	(445,892,333)	(357,758,297)
	Other assets	17,282,942	18,517,040
	Other liabilities	428,069,680	127,110,379
		(539,711)	**(212,130,878)**
	Net cash from operating activities	**26,056,875**	**(170,451,108)**
B)	**Cash flows from investing activities**		
	Investment in Shares	(91,720,809)	2,988
	Purchase of fixed assets	(615,636)	(40,200)
	Purchase of Intangible assets		(379,490)
	Net cash from investing activities	**(92,336,445)**	**(416,702)**
C)	**Cash flows from financing activities**		
	Net draw down/(payment) of short term loan	(1,253,458,562)	85,129,712
	Issue of Share	1,400,000,000	-
	Net Cash from financing activities	**146,541,438**	**85,129,712**
D)	Net increase in cash and cash equivalents (A+ B + C)	80,261,868	(85,738,098)
E)	Effects of exchange rate changes on cash and cash equivalents	-	-
F)	Cash and cash equivalents at beginning of the year	6,464,813	92,202,910
G)	**Cash and cash equivalents at end of the year (D+E+F)**	**86,726,681**	**6,464,812**
	Cash and cash equivalents at end of the year		
	Cash in hand	238,310	30,095
	Cash at Bank	86,488,371	6,434,717
		86,726,681	**6,464,812**
	Net operating cash flow per share	**0.12**	**(2.13)**

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

Chief Executive Officer (Current Charge) | **Director** | **Director**

Signed as per our annexed report of same date

M. J. Abedin & Co.
Chartered Accountants

Dated: Dhaka
29 March 2017

IFIC SECURITIES LIMITED

Statement of Change in Equity

For the year ended 31 December 2016

Amount in BDT

Particulars	Share Capital	Retained Earnings	Total
Opening Balance as on 01.01.2016	800,000,000	202,773,124	1,002,773,124
Issued 140,000,000 shares of Tk. 10 each	1,400,000,000	-	1,400,000,000
Profit/(Loss) during the year	-	2,869,003	2,869,003
Balance as on December 31, 2016	**2,200,000,000**	**205,642,127**	**2,405,642,127**

STATEMENT OF CHANGE IN EQUITY

For the year ended 31 December 2015

Amount in BDT

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

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

Chief Executive Officer (Current Charge) | **Director** | **Director**

Signed as per our annexed report of same date

Dated: Dhaka
29 March 2017

M. J. Abedin & Co.
Chartered Accountants

IFIC SECURITIES LIMITED

Notes to the Financial Statements

As at and for the year ended 31 December 2016

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 IFIC Tower, 61 Purana Paltan C/A, Dhaka.

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 mostly measured on "Historical Cost" basis except the followings:

(i) Margin Loan to Client	Amortized Cost
(ii) Investment in Secondary Market	Lower of cost and fair value

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 from 1 January 2016 to 31 December 2016.

2.7 Components of the financial statements:

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

i) Statement of Financial Position
ii) Statement of 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 Statement of 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:
Commission, interest, dividend etc. have been recognised as per BAS-18 "Revenue".

3.10 Cash flow statement:
Statement of Cash Flows is prepared in accordance with BAS-7 "Cash Flow Statement".

3.11 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 affect 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.

3.12 Comparative amounts:

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

Amount in BDT

		31 December 2016	31 December 2015
4	**Property, Plant & Equipment**		
	Furniture and Fixture	2,260,606	2,511,784
	Electric Goods	886,956	1,004,226
	Computer and Equipments	793,468	1,122,925
	Office Renovation	1,187,308	983,569
	Other Assets	25,611	42,686
		5,153,949	**5,665,190**
	Details please refer to Annexure -A-1		

		31 December 2016	31 December 2015
5	**Intangible Asset**	**284,155**	**405,935**
	Details please refer to Annexure -A-2		
6	**Investments**		
	Membership with DSE *	74,989,000	74,989,000
	Investment in Shares	106,053,559	14,332,750
		181,042,559	**89,321,750**

Investment in Shares are detail in Annexure - 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 Benificiary 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.

7	**Margin Loan to Clients**		
	Opening Balance	3,694,754,939	3,336,996,642
	Add: Interest charge during the Year	579,461,053	523,043,464
	Add:Margin Loan Provided during the Year	408,496,272	617,471,880
	Less: Margin Loan Adjusted during the Year	(542,065,492)	(782,757,047)
		4,140,646,772	**3,694,754,939**
8	**Advance Deposit and Prepayments**		
	Advance Income Tax	162,493,714	133,978,956
	Advance For Nikunjo	850,000	850,000
	Advance Bank Guarantee Commission	1,856,983	1,995,083
	Pre-Paid Rent	-	67,857
		165,200,697	**136,891,896**
9	**Cash and Cash Equivalents**		
	Cash in Hand	238,310	30,095
	Cash at Bank		
	IFIC Bank Ltd. Motijheel Br. A/C-365185-001	69,117,860	5,757,653
	IFIC Bank Ltd. Motijheel Br. A/C-354511-001	13,996,478	642,064
	IFIC Bank Ltd. Motijheel Br. SND	3,374,032	34,999
	Dhaka Bank Ltd. Foreign Ex. Br. A/C-2031.10.11050	1	1
		86,488,371	**6,434,717**
		86,726,681	**6,464,812**
10	**Share Capital**		
	Authorized Capital		
	30,00,00,000 Ordinary Shares of Tk 10/- each	**3,000,000,000**	**3,000,000,000**

		31 December 2016	31 December 2015
10.1	**Issued, Subscribed & Paid-up Capital**		
	80,000,000 Ordinary Share of Tk 10/- each	800,000,000	800,000,000
	140,000,000 Ordinary Share of Tk 10/- each	1,400,000,000	-
		2,200,000,000	**800,000,000**

10.2 Shareholding Position

Shareholder	No. of Shares		Face value	Amount in Taka	
	Y 2016	Y 2015		Y 2016	Y 2015
IFIC Bank Limited	219,999,400	79,999,400	10	2,199,994,000	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
	220,000,000	**80,000,000**		**2,200,000,000**	**800,000,000**

11	**Retained Earnings**		
	Opening balance	202,773,124	192,731,674
	Add: Profit during the year	2,869,003	10,041,450
		205,642,127	**202,773,124**
12	**Deferred Tax**		
	A. Deferred Tax on Holding Gain		
	Opening	-	49,961
	Addition for Holding on Investment @ 10%	-	-
	Less: Adjustment for Holding Gain Realization		
		-	**49,961**
	B. Deferred Tax on Tangible Assets		
	Tax Written Down value	4,856,467	6,308,505
	Accounting Written Down Value	5,438,104	6,071,123
	Temporary Difference on Written Down Value	**581,637**	**(237,382)**
	Closing Deferred Tax (Assets)/Liabilities	203,573	(83,084)
	Opening Deferred Tax (Assets)/Liabilities	(83,084)	49,961
	Deferred Tax (Income)/Expenses	**286,657**	**(133,045)**
13	**Provision for Income Tax**		
	Opening Balance	135,183,258	118,927,354
	Add: Provision for the year	17,569,284	16,255,904
		152,752,542	**135,183,258**
14	**Clients Payable**		
	IFIC Bank Ltd.	6,269,312	1,438,193
	Others Client	57,834,401	33,502,294
		64,103,713	**34,940,487**

			31 December 2016	31 December 2015
15	**General Provision**			
	Investment		6,884,350	6,884,350
	Margin (Note-15.1)		124,296,839	88,746,619
			131,181,189	**95,630,969**
15.1	**Margin Loan**			
	Opening balance		88,746,619	73,071,661
	Add: Provision made during the year		35,550,220	15,674,958
			124,296,839	**88,746,619**
16	**Bank Loan**			
	IFIC Bank Ltd, Motijheel Branch		-	1,295,383,173
	Dhaka Bank Ltd, Foreign Ex. Branch		147,688,406	106,882,845
	Prime Bank Ltd, SBC Tower Branch		186,877,167	185,758,117
			334,565,573	**1,588,024,135**
17	**Other Liabilities**			
	Sundry Payable	Note-17.1	179,604	139,501
	IPO Application		815,000	-
	Liabilities for Expenses	Note-17.2	1,270,461	3,659,162
	Unrealized Interest Income	Note-17.3	1,509,512,218	1,114,987,042
	Client Dividned		2,422,261	
			1,514,199,544	**1,118,785,705**
17.1	**Sundry Payable**			
	VAT Payables		87,773	78,768
	Tax Payable		91,831	60,733
			179,604	**139,501**
17.2	**Liabilities for Expenses**			
	Mobile/ Telephone Allowance		2,875	2,875
	Office Rent Payable		-	1,768,651
	Electricity		95,850	15,850
	CDBL		268,074	491,570
	Audit & Professional Fees		215,000	200,000
	Printing & Stationery		19,500	19,500
	Insurance		8,846	8,846
	Incentive Bonus		660,316	1,151,870
			1,270,461	**3,659,162**
17.3	**Unrealized Interest Income**			
	Opening balance		1,114,987,042	813,254,796
	Add: During the year		394,525,176	366,722,787
	Less :Dividend Income		-	(8,600,614)
	Less :Interest Realized		-	(56,389,927)
			1,509,512,218	**1,114,987,042**

			2016	2015
18	**Operating Income**			
	Brokerage Commission		52,220,552	53,819,485
	Interest on Margin Loan		184,936,377	221,311,218
			237,156,929	**275,130,703**
19	**Non-Operating Income:**			
	Documentations Charge			25,500
	Account Opening Fee		32,500	129,400
	Miscellaneous	Note-19.01	1,536,449	35,727
	IPO Income		14,530	2,215,805
	Interest on Bank Deposit		28,370	14,804
	Dividend Income		7,449,796	206,625
	Capital Gain (Realized)		1,682,590	(1,048)
			10,744,235	**2,626,813**
20	**Operating Expenses**			
	Laga		3,453,575	3,471,846
	CDBL		3,050,000	3,990,000
			6,503,575	**7,461,846**
21	**Office & Administrative Expenses**			
	Salary and Allowances	Note-21.1	14,922,613	16,330,982
	Director's Remuneration		143,750	86,250
	Entertainment		293,908	256,777
	Conveyance		43,939	44,185
	Printing Stationery		177,338	156,587
	DSE Subscription		41,177	60,905
	Office Rent		8,156,030	8,127,429
	Electricity		198,440	78,948
	Regulatory		553,229	132,153
	Repair and Maintenance		102,771	119,820
	Audit Fee		275,000	262,500
	Legal and Professional Fee		465,393	237,188
	WASA		33,000	36,000
	Newspaper		12,890	15,508
	Cleaner's Bill		26,800	24,610
	Water		44,395	47,915
	Software Maintenance		219,450	219,450
	Connectivity		509,650	576,800
	Depreciation		1,126,876	1,285,746
	Amortization		121,781	173,972
	Cokaries		3,360	3,510
	Security Guard		202,860	202,860
	Gas & Fuel		2,000	4,975

		2016	2015
	Postage & Courier	2,566	1,141
	Beautification Exp.	13,500	18,000
	Washing Expenses	8,195	9,040
		27,700,911	**28,513,251**
21.1	**Salary and Allowances**		
	Salary & Benefit	11,542,044	12,517,058
	Car Maintenance	294,452	383,340
	Fuel Allowance	421,040	451,440
	Utility	294,000	319,000
	Office Attendant Allow	9,670	9,630
	Diploma Honarium		30,000
	Car Insurance	16,389	36,824
	Bonus	1,172,018	1,239,390
	Leave Fare Assistance	886,800	1,030,800
	Casual Worker Wages	109,800	123,000
	Telephone and Mobile Bill	176,400	190,500
		14,922,613	**16,330,982**
22	**Financial Expenses**		
	Bank Charges	104,087	177,260
	Bank Guarantee Charge	2,588,400	2,588,400
	Interest on Bank Loan	154,729,027	193,013,142
		157,421,514	**195,778,802**
23	**Provisions**		
	Provision for Investment	-	4,164,349
	Provsion for Margin Loan to Clients	35,550,220	15,674,958
		35,550,220	**19,839,307**
24	**Contingent Liabilites**		
	Bank Guarantee for DSE Member Margin	100,000,000	100,000,000
	Total	**100,000,000**	**100,000,000**

IFIC SECURITIES LIMITED

Schedule of Fixed Assets

as at 31 December 2016

Annexure-A -1
Amount in BDT

Particulars	Cost				Rates	Depreciation			Written Down Value
	Opening Balance	Addition	Disposal	Closing Balance		Opening Balance	For the Year	Closing Balance	
Furniture and Fixture	4,245,462	-	-	4,245,462	10%	1,733,678	251,178	1,984,856	2,260,606
Electric Goods	3,037,561	104,470	-	3,142,031	20%	2,033,336	221,739	2,255,075	886,956
Computer and Equipments	4,191,786	10,600	-	4,202,386	30%	3,068,861	340,058	3,408,919	793,468
Office Renovation	2,108,129	500,566	-	2,608,695	20%	1,124,560	296,827	1,421,387	1,187,308
Other Assets	336,183	-	-	336,183	40%	293,498	17,074	310,572	25,611
Total	**13,919,122**	**615,636**	**-**	**14,534,758**		**8,253,933**	**1,126,876**	**9,380,809**	**5,153,949**

Schedule of Intangible Assets

Annexure-A -2
Amount in BDT

Particulars	Cost				Rates	Depreciation			Written Down Value
	Opening Balance	Addition	Disposal	Closing Balance		Opening Balance	For the Year	Closing Balance	
Windows License	108,090	-	-	108,090	30%	69,345	11,624	80,969	27,122
Sign up DSE	87,000	-	-	87,000	30%	65,173	6,548	71,721	15,279
Software Devlopment	698,600	-	-	698,600	30%	364,526	100,222	464,748	233,852
Escan Entry Virus	45,000	-	-	45,000	30%	33,710	3,387	37,097	7,904
Total	**938,690**	**-**	**-**	**938,690**		**532,754**	**121,781**	**654,535**	**284,155**

ARTAR Stock

Annexure-B

IFIC SECURITIES LIMITED

Statement of Investment in Shares

as at 31 December 2016

Amount in BDT

SL. No.	Name of the company	Opening Balance			Bonus	Buy during the Year			Sale during The Year			Closing Balance			Market Units Cost on 29.12.2016	Market Value	Provision
		No. of Shares	Unit Cost	Total Cost		No. of Shares	Unit Cost	Total Cost	No. of Shares	Unit Cost	Total Cost	No. of Shares	Unit Cost	Total Cost			
1	Titas Gas	93,750	79.05	7,410,660								93,750	79.05	7,410,660	49.40	4,631,250	2,779,410
2	Power grid	15,400	58.97	908,140					15,400	58.97	908,140	-			-	-	-
3	Northern Ins	81,312	45.59	3,706,950	9,757							91,069	40.70	3,706,950	20.30	1,848,701	1,858,249
4	Beximco	-		-	-	4,653,338	21.49	100,000,019	343,000	21.49	7,371,054	4,310,338	21.49	92,628,949	26.00	112,068,788	(19,439,839)
5	Eastland Ins	47,190	48.89	2,307,000	4,719							51,909	44.44	2,307,000	23.90	1,240,625	1,066,375
	Total													**106,053,559**		**119,789,364**	**(13,735,805)**

Annexure - C

IFIC SECURITIES LTD.

Required provision for Margin Loan to Client

as at and for the year ended 31 December 2016

Amount in BDT

Asset Value	Margin Loan	Negative Equity	Suspense amount	Base for provision	provision Rate	Required provision	Opening Balance	Provision Made
1,788,498,724	3,776,075,706	1,987,576,982	1,509,512,218	478,064,764	26%	124,296,839	88,746,619	35,550,220

AMARSTOCK

Annexure - D

IFIC SECURITIES LTD.

Statement on Related Party Disclosure

as at 31 December 2016

Amount in BDT

Particulars	31 Decemebr 2016	31 Decemebr 2015
A. Loan from IFIC Bank		
Opening balance at 1 January 2016	**1,295,383,172**	**1,199,748,281**
Debit:		
Loan Repayment	1,401,641,898	520,000,000
Credit:		
New loan during the year	69,500,000	499,327,135
Interest charge during the year	36,758,665	116,292,757
Other charges & duties	60	15,000
Closing balance at 31 December 2016	**-**	**1,295,383,173**
B. Capital investment from IFIC Bank		
Opening balance at 1 January 2016	**799,994,000**	**799,994,000**
Credit:		
New Share issue made during the year	1,400,000,000	
Closing balance at 31 December 2016	**2,199,994,000**	**799,994,000**
C. Current & SND Account		
Opening balance at 1 January 2016	**5,194,001**	**92,488,733**
Debit:		
Deposit made during the year	3,243,143,975	2,019,506,217
Interest received	28,370	35,727
Credit:		
Deposit withdrawn during the period	3,161,197,649	2,106,804,084
Charges & Duty deducted	138,766	32,592
Closing balance at 31 December 2016	**87,029,932**	**5,194,001**
D. BO Account Balance of IFIC Bank		
Opening balance at 1 January 2016	**1,438,193**	**166,654,182**
Debit:		
Paid to IFIC Bank	467,600,000	335,302,500
Credit:		
Share sale proceed	472,431,119	170,086,511
Closing balance at 31 December 2016	**6,269,312**	**1,438,193**

AMAR STOCK

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 2016.

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 2016 to the date of this report.

Jalal Ahmed
Mohammad Shah Alam Sarwar
Anwaruzzaman Chowdhury
Monirul Islam

Other changes in directors holding office are as follows:

AKM Nazmus Sakib - appointed 12 January 2016
Ms Quamrun Naher Ahmed - appointed 5 December 2016

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 judgments and accounting estimates that are reasonable and prudent;

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 or she ought to have taken as a director in order to make himself or herself 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 provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



Jalal Ahmed - Chairman
25 March 2017

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 2016 on pages six to nine. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 eight 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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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
25 March 2017

Annexure-L

IFIC MONEY TRANSFER (UK) LIMITED

Income Statement

for the year ended 31 December 2016

Particulars	Note	2016		2015	
		GBP	BDT	GBP	BDT
Turnover		**257,758**	**27,186,690**	**371,336**	**44,192,475**
Administrative expenses		325,898	34,373,668	321,167	38,221,892
Operating (Loss)/Profit And (Loss)/Profit Before Taxation	**4**	**(68,140)**	**(7,186,978)**	**50,169**	**5,970,583**
Tax on (loss)/profit		-	-	-	-
(Loss)/Profit for the financial year		**(68,140)**	**(7,186,978)**	**50,169**	**5,970,583**

IFIC MONEY TRANSFER (UK) LIMITED

Balance Sheet

31 December 2016

Particulars	Note	31 December 2016		31 December 2015	
		GBP	BDT	GBP	BDT
Fixed Assets					
Tangible assets	**5**	56,275	5,414,854	72,605	8,442,974
Current Assets					
Debtors	**6**	5,750	553,272	5,750	668,647
Cash at bank and in hand		124,992	12,026,893	249,885	29,058,227
		130,742	**12,580,165**	**255,635**	**29,726,874**
Creditors					
Amounts falling due within one year	**7**	68,557	6,596,644	141,640	16,470,806
Net Current Assets		**62,185**	**5,983,522**	**113,995**	**13,256,068**
Total Assets Less Current Liabilities		**118,460**	**11,398,375**	**186,600**	**21,699,042**
Capital And Reserves					
Called up share capital		300,000	28,866,390	300,000	34,885,920
Translation reserve			4,757,721		1,851,880
Retained earnings		(181,540)	(22,225,736)	(113,400)	(15,038,758)
Shareholders' Funds		**118,460**	**11,398,375**	**186,600**	**21,699,042**

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 25 March 2017 and were signed on its behalf by:

Jalal Ahmed
Chairman

IFIC MONEY TRANSFER (UK) LIMITED

Notes to the Financial Statements

for the Year Ended 31 December 2016

Note

1 Statutory Information

IFIC MONEY TRANSFER (UK) LIMITED is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2 Accounting Policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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

3 Employees and Directors

The average number of employees during the year was 6 (2015 - 5).

4 Operating (Loss)/Profit

The operating loss (2015 - operating profit) is stated after charging:

Particulars	2016		2015	
	GBP	BDT	GBP	BDT
Depreciation - owned assets	17,040	1,797,272	16,939	2,015,900

5 Tangible Fixed Assets

	Short leasehold		Plant and machinery		Computer equipment		Total	
	GBP	BDT	GBP	BDT	GBP	BDT	GBP	BDT
Cost								
At 1 January 2016	75,006	7,217,175	59,518	5,726,899	4,051	389,792	138,575	13,333,867
Additions	-	-	710	68,317	-	-	710	68,317
At 31 December 2016	**75,006**	**7,217,175**	**60,228**	**5,795,216**	**4,051**	**389,792**	**139,285**	**13,402,184**
Depreciation								
At 1 January 2016	28,750	2,766,362	33,711	3,243,716	3,509	337,641	65,970	6,347,719
Charge for year	7,500	721,660	8,998	865,799	542	52,152	17,040	1,639,611
At 31 December 2016	**36,250**	**3,488,022**	**42,709**	**4,109,516**	**4,051**	**389,792**	**83,010**	**7,987,330**
Net Book Value								
At 31 December 2016	**38,756**	**3,729,153**	**17,519**	**1,685,701**	**-**	**-**	**56,275**	**5,414,854**
At 31 December 2015	**46,256**	**5,378,944**	**25,807**	**3,001,003**	**542**	**63,027**	**72,605**	**8,442,974**

	Particulars	2016		2015	
		GBP	BDT	GBP	BDT
6	**Debtors: Amounts Falling Due Within One Year**				
	Other debtors	5,750	553,272	5,750	668,647
7	**Creditors: Amounts Falling Due Within One Year**				
	Trade creditors	61,335	5,901,733	133,428	15,515,862
	Taxation and social security	1,822	175,315	2,812	326,997
	Other creditors	5,400	519,595	5,400	627,947
		68,557	**6,596,644**	**141,640**	**16,470,806**

8 APB Ethical Standard - Provisions Available for Small Entities

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.

9 Ultimate Controlling Party

The company is fully owned and controlled by IFIC Bank Limited, a company incorporated in Bangladesh.

AMAR STOCK

IFIC MONEY TRANSFER (UK) LIMITED

Profit and Loss Account

for the Year Ended 31 December 2016

Particulars	2016		2015	
	GBP	BDT	GBP	BDT
Commission receivable	**257,758**	**27,186,690**	**371,336**	**44,192,475**
Establishment costs				
Rent	42,000	4,429,895	36,483	4,341,820
Rates and water	18,805	1,983,433	19,399	2,308,663
Insurance	771	81,320	543	64,622
Light and heat	1,563	164,855	1,371	163,162
	63,139	**6,659,504**	**57,796**	**6,878,267**
	194,619	**20,527,186**	**313,540**	**37,314,207**
Administrative expenses				
Wages	77,140	8,136,241	76,914	9,153,489
Social security	3,639	383,819	4,336	516,025
Telephone	1,629	171,817	1,155	137,456
Printing, postage & stationery	1,767	186,372	6,172	734,526
Motor and travelling	826	87,121	1,420	168,993
Subscription	-	-	1,330	158,283
IT costs	8,994	948,630	4,980	592,667
Repairs and renewals	2,450	258,411	6,686	795,697
Cleaning	517	54,530	535	63,670
Sundry expenses	1,369	144,393	1,789	212,908
Legal fees	190	20,040	-	-
Compliance costs	18,487	1,949,892	8,580	1,021,101
Other professional fees	8,800	928,169	500	59,505
Auditors' remuneration	3,600	379,705	3,600	428,434
Auditors' remuneration for non audit work	4,800	506,274	4,800	571,245
	134,208	**14,155,414**	**122,797**	**14,613,997**
	60,411	**6,371,772**	**190,743**	**22,700,210**
Selling and marketing costs				
Advertising	9,734	1,026,681	6,680	794,983
Promotions and exhibitions	2,611	275,392	-	-
	12,345	**1,302,073**	**6,680**	**794,983**
	48,066	**5,069,699**	**184,063**	**21,905,227**
Finance costs				
Bank charges	96,655	10,194,560	116,394	13,851,980
Credit card	2,511	264,844	561	66,764
	99,166	**10,459,405**	**116,955**	**13,918,744**
	(51,100)	**(5,389,706)**	**67,108**	**7,986,483**
Depreciation				
Short leasehold	7,500	791,053	7,500	892,571
Plant and machinery	8,998	949,052	8,928	1,062,516
Computer equipment	542	57,167	511	60,814
	17,040	**1,797,272**	**16,939**	**2,015,900**
Net (Loss)/Profit	**(68,140)**	**(7,186,978)**	**50,169**	**5,970,583**

This page does not form part of the statutory financial statements

IMPORTANT EVENTS





Chairman of the Bank Mr. Salman F Rahman congratulated Honourable Finance Minister Mr. Abul Maal Abdul Muhit, MP for receiving the Swadhinota Padak -2016 (Independence Award). Directors of the Bank & Additional Secretary Mr. Jalal Ahmed and Mr. A.R.M. Nazmus Sakib, Independent Director Mr. Monirul Islam and Managing Director Mr. Shah Alam Sarwar were also present on this occasion.



IFIC celebrated 40th anniversary throughout 2016 by undertaking a series of activities engaging its customers, patrons, stakeholders and employees.



IFIC Bank organized a certificate distribution ceremony for the 16th Batch Management Trainees at IFIC Tower following a six month-long trainings. Director of the Bank and Additional Secretary to the Government of Bangladesh Mr. Jalal Ahmed, Managing Director & CEO Mr. Shah A Sarwar and SEVP & Head of Human Resources Management Division Mr. K A R M Mostofa Kamal handed over certificates among 18 Management Trainee Officers.

IFIC Bank Limited rewarded the children of its officials for their outstanding academic achievements. Managing Director & CEO of IFIC Bank Mr. Shah Alam Sarwar handed over cash rewards and certificates to 51 children who achieved 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 A Sarwar and CEO of ICB Capital Management Ltd. Mrs. Nasrin Sultana signed agreement for rights share issue management. Managing Director of ICB & Chairman of ICB Capital Management Ltd.
Mr. Md. Iftikhar-uz-zaman and Deputy Managing Directors of IFIC Bank were also present during the signing ceremony.

IFIC Bank Limited partnered with the International Rice Research Institute (IRRI), Bangladesh to pilot a new innovative agri-credit facility for farmers in Jessore and Satkhira districts. Under the initiative, mobile phones are being used to transfer money from banks to 25 prescreened farmers by using the IFIC Bank's Mobile Financial Service (MFS) platform.





Bangladesh International Arbitration Centre (BIAC) signed a Memorandum of Understanding (MoU) with IFIC Bank Limited to assist resolution of commercial and money loan disputes through alternative dispute resolution (ADR). Chief Executive Officer of BIAC Mr. Muhammad A. (Rumee) Ali and Managing Director of IFIC Bank Mr. Shah A Sarwar signed the MoU on behalf of their respective institutions.

IFIC Bank organized a training course on Credit Management for Non-Credit Officer at the Bank's Training Institute. Deputy Managing Director & Chief Risk Officer (CRO) Mr. M. M. Haikal Hashmi inaugurated the course, which was attended by 28 participants from Head Office and different branches.

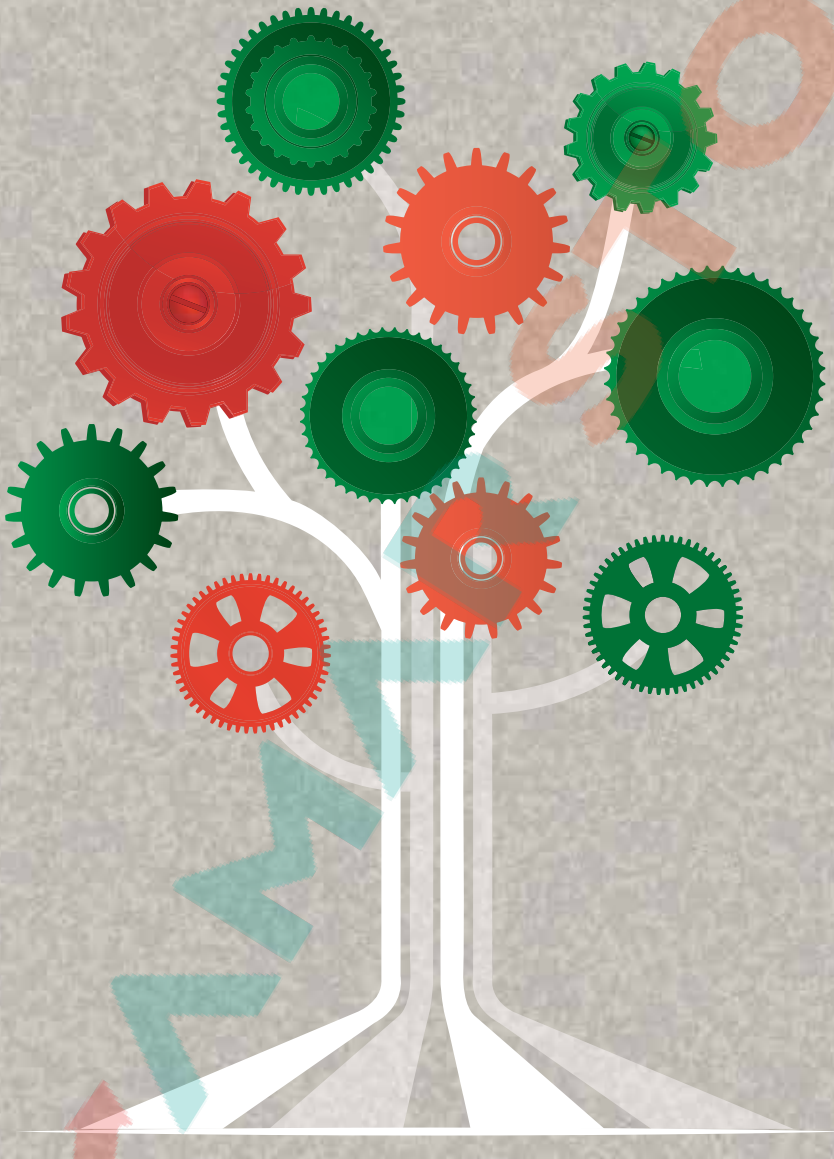




IFIC Bank set up 02 ATMs at the factory of PRAN-RFL Group at Habigonj. Deputy Managing Director and Head of Business of the Bank Mr. Shah Md. Moinuddin and Director of PRAN-RFL Ms. Uzma Chowdhury formally inaugurated the ATM Booth at the factory premises.

IFIC Bank Limited signed an agreement with Dhaka Power Distribution Company (DPDC) for offering online bill collection services to their customers. Deputy Managing Director & Chief Operations Officer of IFIC Bank Mr. Raihan Ul Ameen and Company Secretary of DPDC Mr. Muhammad Munir Chowdhury signed the agreement in presence of DPDC Managing Director Brigadier General (Retd.) Nazrul Hasan at DPDC Head Office at Abdul Gani Road.





BRANCH NETWORK

BRANCH NETWORK OF IFIC BANK LIMITED

As on 21 May 2017

Sl. No.	Name of Branch & opening date	Address	Telephone Number
	DHAKA DIVISION		
1	**Principal Branch** **09.03.2017**	IFIC TOWER Level-2, 61, Purana Paltan, Dhaka	Mobile: 01787668283, 01678010050
2	**Federation Branch** **28.08.1987**	FBCCI Building 60, Motijheel C/A Dhaka-1000	Tel : 9561141-3, 9552176, 9586485, 9552175, 9586484 Mobile: 01755642263, 01678010051, Fax : 880-2-9567488
3	**Moulvibazar Branch** **08.03.1984**	6/1, Mokim Katra Road, Lalbagh, Dhaka	Tel : 7316891, 7316097,7316421 Fax : 7315934 Mobile: 01713038736, 01678010052
4	**Dhanmondi Branch** **11.10.1986**	Royal Plaza (Ground & 1st floor), House # 8A, Road # 4, Mirpur Road, Dhanmondi, Dhaka-1205	Tel : 8628381, 8628379, 9660320, 9660336 Mobile: 01720034790, 01678010053 Fax : 880-2-9615861
5	**Shantinagar Branch** **29.11.1986**	24, Shantinagar, Chamelibag, Dhaka	Tel : 8317839, 8318728, 9356094 Mobile: 01713-229827, 01678010054 Fax: 9353759
6	**Gulshan Branch** **27.01.1986**	Holding No.109 Gulshan Avenue Ward No.19, P.S.-Gulshan Dhaka-1212	Tel : 8814912, 9884045, 8828187, 9896056 Mobile: 01713080218, 01678010056 Fax : 880-2-8826682
7	**Islampur Branch** **26.12.1984**	Paradise Complex 104, Islampur Road Dhaka	Tel :57391607, 57391369 Fax: 57391240 Mob: 01713-229829, 01678010057
8	**Bangshal Branch** **27.11.1988**	29/1, Nazira Bazar Lane North South Road Dhaka	Tel : 9563679, 9566407, 7118521 Mobile: 01713229830, 01678010058 Fax: 9580438
9	**Elephant Road Branch** **30.11.1989**	73/1, Elephant Road (1st & 2nd Floor) Dhaka	PABX: 9676151-2, 9672119 Mobile: 01711-431981, 01678010059 Fax: 8613361
10	**Naya Paltan Branch** **05.12.1993**	Orchard Faruque Tower 72, Naya Paltan (2nd Floor) Dhaka	Tel : 58312762, 58313716, 9348603, 9334684, 9334669 Mobile: 01713229831, 01678010060 Fax: 8317263
11	**Kawran Bazar Branch** **22.10.1991**	3, Kawran Bazar Petro Centre Building Dhaka	Tel : 8189991, 8189992, 8189745 Mobile: 01713229832, 01678010061 Fax: 8189990
12	**Malibagh Branch** **07.12.1992**	91- B, Khilgaon Malibagh Chowdhury Para, DIT Road Dhaka-1219	Tel : 9343796, 9356431 Mobile: 01713011054, 01678010062 Fax: 9362737
13	**Uttara Branch** **10.01.2002**	ABC Heritage (1st floor) 02 & 04, Jasimuddin Avenue Sector-03, Uttara, Dhaka-1230	Tel :58957883, 58956266, Mobile: 01755620824, 01678010063 Fax: 8950224
14	**Lalmatia Branch** **12.01.2002**	House No - 405E, Road No-16(New), 27(Old), Dhanmondi R/A Dhaka	Tel :9103830, 9128746, Mobile: 01730097279, 01678010064 Fax: 8150801
15	**Pallabi Branch** **10.12.2003**	Kashem Chamber, (1st & 2nd floor), Commercial Plot # 11, Main Road # 3, Section # 7, Pallabi, Mirpur, Dhaka	Tel: 9016441, 8061258 Mobile: 01713035111, 01678010065 Fax: 9001276
16	**North Brook Hall Rd.** **17.12.2003**	58-60, North Brook Hall Road, Sutrapur, (1st floor) Dhaka-1100	Tel: 958113, 9580749 Mobile: 01713011719, 01678010067 Fax: 9580748
17	**Nawabpur Road Branch** **28.11.2005**	Barek Plaza 63, Nawabpur Road P.S. Sutrapur, Dhaka	Tel : 9561036, 9561094 Mobile: 01713064289, 01713229826, 01678010068, Fax: 7125268

Sl. No.	Name of Branch & opening date	Address	Telephone Number
18	**Narayanganj Branch 25.11.1983**	66/1, Bangabandhu Road, Narayanganj	Tel : 7645000-3, 7633206 Mobile: 0173229808, 01678010071 Fax : 7633485
19	**Netaiganj Branch 09.05.1991**	28, R.K. Das Road, Netaigonj, Narayanganj	Tel : 7632464, 7632943 Fax: 7632943 Mob: 01713229834, 01678010072
20	**Konabari Branch 02.02.1993**	Konabari Plaza, Konabari Neelnagar, Gazipur Sadar, Gazipur	Tel : 9297133 Mobile: 01711-436078, 01678010074 Fax: 9298727
21	**Muktarpur Branch 29.12.1990**	Muktarpur P.O. Panchasar Munsiganj	Tel : 7611390 Fax: 0691-62390 Mobile No.01713229835, 01678010075
22	**Narsingdi Branch 05.01.1988**	Nayan Tara Plaza (1st floor) 137/1, C & B Road, Narsingdi. Sadar, Narsingdi	Tel : 9462617, 9462761 Mobil : 01713229836, 01678010076 Fax : 9462985
23	**Ghorasal Branch 04.01.1988**	Ghorasal Bazar, P.O. Ghorasal, P.S. + Upazila. Palash Dist. Narsingdi	Tel : 9466301, 9466330® Mobile # 01713229837, 01678010078 Fax: 9466301
24	**Madhabdi Branch 28.10.1991**	Mitali Building (1st Floor) 35, Madhabdi Bazar, Dist. Narsingdi	Tel : 029446498, Mob: 01711436624, 01678010079 Fax: 029446498,
25	**Bajitpur Branch 12.12.1988**	215, Bajitpur Bazar P.O. Bajitpur Dist. Kishoreganj	Tel : 09423-64014 Mobile: 01713229839, 01678010080 Fax: 09423-64329
26	**Faridpur Branch 05.04.1997**	Oriental Property (1st Floor) 118, Thana Road, Faridpur	Tel : (0631) 62101, 64051 Fax: 063164051 Mobile No.01711434947, 01678010082
27	**Takerhat Branch 30.11.2003**	Sufi Janab Ali Road (Lasker Market) P.O. Khalia, P.S. Rajoir, Madaripur.	Tel: 06623-56248 Mobile # 01713-010614, 01678010083
28	**Ashulia Branch 26.11.2007**	"Rifat Square Plaza" Jamgora, Ashulia Dhaka	Tel: 7788411 Mobile No. 01713423767, 01678010069 Fax: 7788412
29	**Rupganj Branch 28.11.2007**	"Manik Villa" Tarabo Bazar, Rupganj, Narayanganj	Mobile No. 01714166955, 01678010073
30	**Banani Branch 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	**Keranigonj Branch 30.11.2008**	"Bikrampur Plaza" (1st floor), Shahid Delwar Hossain Road, East Aganagar, Keranigonj, Dhaka	Tel: 7762738, 7762737 Mobile No. 01730019788, 01678018354 Fax: 7762736
32	**Shariatpur Branch 24.12.2008**	469, Tulasar Sadar Road Shariatpur Sadar Shariatpur	Tel: 0601-61496 Mobile No. 01730332032, 01678018357 Fax: 0601-61497
33	**Mohakhali Branch 28.12.2008**	"Siddique Tower" Holding No.49, A.K. Khandaker Sarak, Ward No.20 P.S.-Gulshan, Dhaka	Tel: 9899503, 9899507, Mobile No. 01730332033, 01678018356 Fax: 9899503
34	**Dania Branch 28.12.2008**	"Al-Madina Shopping Complex" (1st floor), Gobindapur Bazar Dania, Jatrabari, Dhaka	Tel: 7546218, 7546268 Mobile No. 01730332034, 01678018352, Fax: 7546218
35	**Chandra SME/Krishi Branch 27.09.2012**	"Subarna Ibrahim General Hospital" (Ground floor), Nayarhat Chandra Sarak, Vill. – Bhataria (Chandra), P.S. Kaliakoir, P.O. – Boroipara, Ward No.8, Union Parisad – Atabahar, Gazipur	Tel: 06822-52058, 06822-52059 Fax: 06822-52058 Mobile No. 01755620822.

Sl. No.	Name of Branch & opening date	Address	Telephone Number
36	**Tongi SME/Krishi Branch 27.12.2010**	29, Tongi Bazar Road, Tongi Gazipur	Tel: 9816354 Mobile No. 01730332035
37	**Tanbazar Branch 02.09.2009**	"Amin Market" (1st floor) 7, S.M. Maleh Road Narayangonj	Tel: 7630891, 7630892 Fax: 7630892 Mob: 01730003591, 01678018360
38	**Stock Exchange Br. 07.10.2009**	16, Motijheel C/A Dhaka	Tel: 9515791-3, FAX: 9515794 Mob: 01787668294, 01678018361
39	**Savar Bazar Branch 26.10.2009**	Savar Bazar Savar, Dhaka	Tel: 7744809, FAX: 7744808 Mob: 01730003599, 01678018363
40	**Panchaboti Branch 18.11.2009**	"Gafur Super Complex" Panchaboti, Hariharpara, Enayetnagar, Fatullah, Narayangonj	Tel: 7670032, 7670033 Fax: 7670032 Mob: 01730330896, 01678018362
41	**Progoti Sarani Branch 23.12.2009**	2nd 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	**Nawabgonj SME/Krishi Branch 14.06.2010**	Nawabgonj Adhunik Banijjik Biponi (1st floor), Union Parisad – Kolakopa, P.S./ Upa-zilla – Nawabgonj, Dist.- Dhaka	Tel: 7765230 Fax: 7765229 Mob: 01730338570
43	**Dholaikhal Branch 22.07.2013**	Al-Noor Steel Market, 25, Goalghat Lane, Dholaikhal New Road, Dhaka	Tel: 9556004, 9515043 Mob: 01730318278
44	**Board Bazar Branch 09.11.2010**	(1st floor), Kalmeshwar, Ward No.35. Upazilla – Gazipur Sadar, P.S. Gazipur Sadar, Gazipur	Tel: 9293274, Fax: 9293276, Mob: 01730709793,
45	**Tangail Branch 11.11.2010**	"Laso Plaza" (1st floor) Khalpar Road, Tangail P.S.- Tangail Sadar, Pouroshova – Tangail, Municipal Holding No.59, Ward No.13, Tangail	Tel: 0921-51435 Fax: 0921-51434 Mob: 01730709792
46	**Dhamrai SME/Krishi Branch 09.12.2010**	"Haji Monir Plaza" (1st floor) Dhamrai Bazar, Dhamrai, P.S. & Pouroshova – Dhamrai, Ward No. 3, Holding No.24, Dhaka	Tel: 7730935, 7730936 Fax: 7730935 Mob: 01730709797, 01678018369
47	**Mirpur Branch 27.12.2010**	"Azaz Tower" Holding No.145 Begum Rokeya Sarani, Ward No.14, P.S. – Mirpur, Dhaka	Tel: 8031790 Mob: 01713109105 01678018355
48	**Bashundhara Branch 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	**Mohammadpur Br. 05.12.2011**	"Ring Tower" (1st 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	**Gulshan-Tejgaon Link Road Br. 24.06.2012**	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	**Manikgonj Branch 18.11.2012**	"Rudronil Plaza", 134, Shahid Rafique Sarak, Manikgonj	Tel: 7720042, Fax: 7720032 Mob: 01755620828
52	**Gabtoli Bagbari Branch 26.11.2012**	259, Bagbari, Mirpur (Gabtoli) P.O. Mirpur, Ward No.9, P.S. – Darus Salam, Dhaka	TeL: 902736, Fax: 902737 Mob: 01755620829
53	**Konapara Branch 17.12.2012**	"F.R. Tower", (1st floor) Konapara, Matuail, Demra, Dhaka, Union Parishad – Matuail, Ward No.6, P.S. – Demra, Dhaka	Tel: 7550481, 7549737 Mob: 01755658701, 01766667598

Sl. No.	Name of Branch & opening date	Address	Telephone Number
54	**Meghola Bazar Branch 23.11.2013**	"Afsar Plaza" Meghola Bazar, Union – Narisa, P.S.- Dohar, Dhaka	Mob: 01766667604
55	**Garibe Newaz Avenue Branch 31.08.2014**	Plot No.10, Garibe Newaz Avenue, Sector No.11, Uttara, Dhaka	8991306, Mobile. 01766667609
56	**Aganagar Branch 30.10.2014**	"Babul Tower", Aganagar, South Keraniganj, Dhaka	Tel: 7761580 Mobile. 01787668285, 01787668291
57	**Hasnabad Branch 23.10.2014**	Hasnabad Bazar, Raipura, Narsingdi	Tel: 9444026, 9444041 Mobile: 01787668281
58	**Shibu Market Branch 11.10.2015**	'Hazi Nurun Nesa Plaza' Shibu Market, at Katherpul Chowrasta, Vill– Kutubail, P.O. – Fatulla, P.S. – Fatulla, Dist. – Narayanganj	Tel: 7647624, 7647625 Mobile: 01770792013
59	**Gazipur Chowrasta Br. 28.10.2015**	"Bagdad Tanzia Tower" Holding No.01/1, Block-B, Ward No.16, Outpara, Gazipur Chowrasta Gazipur Sadar, Gazipur	Tel: 9261833, 9261832 Mob: 01770792014
60	**Mawna Branch 28.10.2015**	"Kitab Ali Plaza" Mawna Chowrasta, 4 No. Telihati Union Parishad, Village – Mulaid, P.O. – Tengra, Upazila – Sreepur, Gazipur	Tel: 06825-51237, 06825-51238 Mobile: 01770792015
61	**Bandar Branch 19.11.2015**	"Haji Motaleb Plaza" Holding No. 3, S.S. Shah Road, Ward No. 22, P.S. – Bandar, Narayanganj	Mobile: 01770792017
62	**Isapura Bazar Branch 17.12.2015**	Village – Yousufganj, 1 No. Rupganj Union, P.O. : Pashi Bazar, P.S. : Rupganj, Narayanganj	Mobile: 01709646951, 01709646961
63	**Darus Salam Road Br. 29.12.2015**	17, Darus Salam Road, Ward No.12, Mirpur-1, Dhaka-1216	Mobile: 01770792019
64	**Karatia Branch 23.12.2015**	586, Karatia Bazar, 4 No. Karatia Union, Ward No.1, P.O. : Karatia, P.S & Upazila: Tangail Sadar, Tangail	Mobile: 01709646952
65	**Panchdona Branch 25.02.2016**	Panchdona Branch (Rural) "Mozammel Haque Super Market"(1st floor), Panchdona Bazar, Union – Meherpara Union Parishad, Ward No.9, Mouza – Burairhat P.S. – Narsingdi Sadar, Narsingdi	Mobile: 01709646953
66	**Arshinagar Branch 06.10.2016**	Arshinagar Branch (Rural) (1st floor) Arshinagar, Village – Modher Char, Union – Shakta Union Parishad, P.O. – Shamla, P.S. – Keraniganj, Dhaka	Manager:01708466483 Op. Mang: 01708123360
67	**Bhuigar Branch 10.10.2016**	Bhuigar Branch (Rural) "Maa Fatema Tower" (1st floor) Village: Bhuigar, Union: Kutubpur, P.O.- Bhuigar Bazar, P.S. – Fatullah, Dist. – Narayanganj	Manager:01708466484
68	**Cherag Ali 21.12.2016**	Cherag Ali Branch (Urban) "Boksh Tower", 1st & 2nd floor 16, Cherag Ali, Nishat Nagar Tongi, Gazipur	Manager: 01708123361
69	**Local Office 09.03.2017**	Islam Chamber 125/A, Motijheel C/A. Dhaka-1000	Tel : 9565215-18, 7111934 7111923-26, 7162701 Mobile: 01708123362 Fax : 880-2-9566352

Sl. No.	Name of Branch & opening date	Address	Telephone Number
70	**Bhawal Mirzapur Branch 12-04-2017**	Bhawal Mirzapur Branch "Mannan Plaza", 1st floor, Bhawal Mirzapur, Union : Mirzapur, P.O. : Mirzapur Bazar Upazila : Gazipur Sadar, Gazipur	Mob. No.01917454913
71	**Kapasia Branch 12-04-2017**	Kapasia Branch "Sarkar Plaza", (1st floor), Union : Kapasia, P.O. : Kapasia, Upazila & P.S. : Kapasia, Gazipur	Mob. No. 01913458233
	MYMENSINGH DIVISION		
72	**Mymensingh Branch 23.12.1994**	52, Choto Bazar (1st Floor), Mymensingh	Tel : (091) 66883, (091) 66873 Fax: 09166883 Mobile No. 01678010081
73	**Seed Store Bazar Branch 25.11.2014**	'Mahesa Plaza' Seed Store Bazar P.O: Habirbari, P.S: Bhaluka Mymensing	Mobile: 01787668287 Mang. Op: 01787668293
74	**Sherpur Branch 12.11.2015**	"Ameen Plaza" at Holding # 18, Kharampur Road, Sherpur District Town	Mobile: 01770792016
75	**Jamalpur Branch 10.12.2015**	"AK Tower" at 275, Tamaltala, Jamalpur District Town	Mobile: 01770792018
	CHITTAGONG DIVISION		
76	**Agrabad Branch 21.07.1984**	30, Agrabad C/A Chittagong	Tel : 031-710531, 712347, 712348, 717937 Mob: 01713229814, 01678010085 Fax : 880-31-710078
77	**Khatunganj Branch 09.12.1983**	249/250, Khatunganj Road Chittagong	Tel : 031-612904, 619809 613056, 632288 Mob: 01713229841, 01678010086 Fax : 880-31-610290
78	**Laldighi Branch 28.12.1988**	"Jamal Complex" (1st 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
79	**Noju Miah Hat Branch 08.05.1985**	Burischar, P.O. Nur Ali Bari, P.S. Hathazari, Chittagong.	Tel : 031- 670908 Mob: 01713121031, 01678010089 Fax: 031-2570611
80	**Hathazari Branch 27.12.1988**	Popular Super Market (Ground Flr), Bus stand Hathazari, Chittagong.	Tel : 031-2601430 Mobile: 01713229843, 01678010090 Fax: 031-2601193
81	**Chawk Bazar Branch 26.10.1991**	Shahzada Market 68, College road Chawk Bazar, Chittagong	Tel : 031-621160, 616539 Mobile: 01713229844, 01678010091 Fax: 031-611177
82	**Shah Amanat Market Branch 13.12.1992**	624/A, Shah Amanat Municipal Super Market (Ground Floor), Jubilee Road, Reazuddin Bazar, Chittagong	Tel : 031-614244, 619516 Fax: 031-614244 Mobile # 01713229845, 01678010092
83	**Sheikh Mujib Road Branch 28.11.1994**	Azmal Arcade (1st floor) 1806, Sk. Mujib Road Pathantuli, Chittagong.	Tel : (031) 713981, 721972, 2510455 Mobile: 01714031228, 01678010093 Fax: 031-713981
84	**Cox's Bazar Branch 30.11.1994**	158, Main Road (1st Floor) Ali Arcade, Cox's Bazar.	Tel : 0341-64573, 63856 Mobile: 01713229846, 01678010095 Fax: 0341-64573

Sl. No.	Name of Branch & opening date	Address	Telephone Number
85	**Brahmanbaria Branch 03.06.1986**	Ground floor, 4. Court Road P.O. Box No. 09, Brahmanbaria	Tel : (0851) 58655, 59738 Mobile: 01711439720, 01678010096 Fax: 0851-58552
86	**Comilla Branch 04.08.1986**	190/193 Rajgonj, Crossing. Chatipatty, Comilla	Tel : (081) 68662, 77044 Mobile: 01713229812, 01678010097 Fax: 081-71402
87	**Companiganj Branch 20.11.2003**	15, West Nabipur P.O. Companiganj P.S. Muradnagar, Comilla	Tel: 0802-659123 Mobile # 01714080176, 01678010098 Fax: 080-2659037
88	**Feni Branch 15.01.1992**	99, Islampur Road (1st Floor) Feni	Tel : (0331) 73179, 61764 Mobile: 01713229847, 01678010201 Fax: 0331-73150
89	**Choumuhani Branch 24.10.2005**	667/785, South Bazar, Choumuhani, Begumgonj, Noakhali	Tel : (0321) 52778, 52779 Mobile: 01713107230, 01678010205,Fax: 0321-52778
90	**Fatikchari Branch 11.12.2007**	"Haque Market" (1st Floor) Bibirhat, Fatikchari, Chittagong	Tel: 03022-56202 Mobile No. 01713423765, 01678010094,Fax: 03022-56203
91	**CDA Avenue Branch 13.12.2009**	1005/2/1872, CDA Avenue East Nasirabad, Panchlaish Chittagong	Tel: 031-2555919, 2555920 FAX: 031-2555918 Mob: 01730329087, 01678018365
92	**Madam Bibir Hat Br. 13.12.2009**	Madam Bibir Hat, Bhatiary, Sitakundu, Chittagong	Tel: 031-2780919, 2780920 FAX: 031-2780921 Mob: 01730317373, 01678018366
93	**Aulankar More Br. 28.12.2010**	(1st floor) Aulankar More, Chittagong P.S. Pahartoli, Chittagong City Corporation, Ward No.10, Chittagong	Tel: 031-2773116, ,2773115, Fax: 031-2773117 Mob: 01730709795, 01755520715
94	**Ashugonj Br. 29.12.2010**	(1st floor), "Sheria Sayed Tower" Vill – Ashugonj Bazar, Union – Ashugonj Sadar Union, Ward No. 1, Upazilla – Ashugonj, P.O. Ashugonj P.S. Ashugonj, B.Baria	Tel: 08528-74621 Fax: 08528-74623 Mob: 01730709794, 01755520716
95	**Chandina Br. 28.11.2011**	"Aziz Plaza" (1st floor) Chandina Bazar, Village - Nabiabad, Ward No. 5, Pouroshava – Chandina, P.O. - Chandina, P.S.- Chandina, Comilla	TeL: 08022-56440, Fax: 08022-56441 Mob: 01755543504
96	**Rangamati Br. 27.06.2012**	(1st & 2nd floor) 22/2, Bazar Fund Road, Kathaltoli, Rangamati	Tel: 0351-63597 Fax: 0351-63598 Mob: 01755630823
97	**Gouripur Bazar Br. 31.03.2013**	(1st & 2nd floor) "Suruzzaman Tower" Gouripur Bazar, Comilla	Mob: 01755658705
98	**Miah Bazar Branch 21.12.2013**	"Wahab Market", 1st floor Vill – Jogomohonpur, Union – Ujirpur, P.O.- Miah Bazar, P.S.- Chowddagram, Comilla	Mob: 01766667605, 01766667596
99	**Bandartila Branch 16.11.2014**	"Noor Shopping Complex" Holding No.564/802, M.A. Aziz Road South Halishahar, Ward No.39 P.S. CEPZ, Chittagong.	Tel: 031-800024, 800025, 800026. Mobile:01787668286
100	**Chandraganj Branch 30.11.2014**	Noor Shopping Complex, Chandraganj, Laxmipur Sadar, Laxmipur	Tel: Mobile: 01787668288

Sl. No.	Name of Branch & opening date	Address	Telephone Number
101	**Anwara Branch 12.12.2016**	Anwara Branch (Rural) "Amin Complex" (1st floor) Village – Chatari Choumuhani Bazar, Union – 8 No. Chatari Union Parishad, P.O.–Bairag, P.S.–Anwara, Chittagong	Manager: 017084866482
102	**Panchlaish Branch 02-05-2017**	Panchlaish Branch "Hill Crest" 1st Floor, 24/35, Katalgonj, Hathazari Road, Panchlaish, Chittagong	Mob. No. 01819391581
	RAJSHAHI DIVISION		
103	**Rajshahi Branch 12.05.1985**	3, Shaheb Bazar, Ghoramara, Rajshahi	Tel : (0721) 774586, 774856, 774396, Mob: 01711405660, 01678010206, Fax: 0721-774566
104	**Naogaon Branch 04.12.1993**	263, Main Road Thakur Mansion (1st floor) Naogaon	Tel : (0741) 62769, Mobile: 01713229848, 01678010208 Fax: 074162867
105	**Pabna Branch 11.05.1991**	Chamber Building Benai Patty, (Sona Patty) Pabna	Tel : (0731) 63436, 66053 Mobile: 01713200818, 01678010219 Fax: 0731-64122
106	**Bogra Branch 08.01.1986**	56/64, Madhu Metro Tower, Satmatha, Kazi Nazrul Islam Sarak, Bogra	Tel : (051) 66080, 65324 Mobile No.01713229850, 01678010213 Fax: 051-66080
107	**Chapai Nawabganj Branch 09.04.1997**	21, Daudpur Madrasha Road(1st Floor), Puratan Bazar, Chapainawabganj	Tel : (0781) 52081 Mobile: 01713202488, 01678010214 Fax: 0781-52081
108	**Baneshwar Branch 22.11.2005**	Baneshwar Islamia High School Market Baneshwar, P.S. Puthia, Rajshahi	Mobile: 0171-3201692, 01678010215,
109	**Belkuchi Branch 12.10.2009**	"Bhuiyan Plaza" (1st floor) P.O. Shernagar P.S. Belkuch, Sirajgonj	Tel: 07522-56446, FAX: 07522-56437 Mob: 01730019787, 01678018359
110	**Kashinathpur SME/Krishi Branch 11.10.2010**	(1st floor), Village - Haridebpur, Union – Jeetshakini, Ward No. 5, Upazilla – Bera, P.O. Kashinathpur, P.S.- Bera, Pabna	Tel: 07332-54411, 54422 Mob: 01730705100. 01755520719
111	**Joypurhat Br. 23.12.2010**	(1st floor) Joypurhat Sadar Road, Joypurhat, P.S.- Joypurhat, Pouroshova – Joypurhat, Municipal Holding No.138/0, 138/1 & 138/2, Ward No.08, Joypurhat	Tel: 0571-51163, 51164 Fax No. 0571-51165 Mob: 01730709796, 01755520714
112	**Taherpur Br. 28.12.2013**	"Mridha Plaza" (1st floor) Main Road, Ward No.3, Taherpur, Rajshahi	Tel: 07236-53331 Mob: 01766667607
	RANGPUR DIVISION		
113	**Rangpur Branch 21.09.1985**	Sarker Super Market (1st Floor) 41/42, Dewan Bari Road Betpatty, Rangpur	Tel : (0521) 63453, 62607 Mobile: 01713229811, 01678010211 Fax: 0521-62607
114	**Dinajpur Branch 21.07.1986**	534/506, Maldahpatty, Dinajpur	Tel : (0531) 65680, 63414 Fax: 0531-51632 Mobile: 01713229849, 01678010212
115	**Shetabgonj SME/Krishi Branch 15.12.2010**	(1st floor), School Road, Murshidhat, Shetabgonj, P.S. – Bochagonj, Pouroshova – Shetabgonj, Ward No.3, Holding No.521, Dinajpur	Tel: 05325-73202 Fax: 05325-73203 Mob: 01730729872

Sl. No.	Name of Branch & opening date	Address	Telephone Number
116	**Birol Bazar Br. 26.12.2012**	(1st 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
	KHULNA DIVISION		
117	**Khulna Branch 25.01.1986**	Fatema Building 81, Lower Jessore Road Khulna	Tel : (041) 720396-7, 812199, 732600, 732601, Fax: 720399 Mobile: 0171-3229851, 01678010216
118	**Boro Bazar Branch 02.11.2003**	1, Sir Iqbal Road Kalibari, Khulna	Tel: (041) 812099, 812100 Mobile: 01713229852 01678010217 Fax: 041-812099
119	**Jessore Branch 30.04.1986**	59, N.S.C. Road (Garikhana Road), Jessore	Tel : (0421) 68762, 68764, 68765, Fax: 0421-68763 Mobile # 01713403300, 01678010218
120	**Benapole Branch 26.12.2002**	Bandar Complex Benapole, Jessore	Tel : (04228) 75001-2 Mobile: 0171-3229810, 01678010219 Fax: 04228-75002
121	**Satkhira Branch 14.09.1994**	Mojahar Ali Complex, Shaheed Kazal Sarani, Kaligonj Sarak, Palashpole, Satkhira	Tel : (0471) 62602, 65429 Mobile: 01713400254, 01678010220 Fax: 0471-63319
122	**Noapara Branch 26.12.1990**	Dhaka – Khulna Highway 97 Noapara Bazar, Jessore	Tel : (04222) 71397 Mobile: 0171-3400537, 01678010221
123	**Kushita Branch 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
124	**Kaligonj SME/Krishi Branch 21.06.2010**	Sheikh Super Market (1st floor), Nimtola Boro Bazar, P.O.- Noldanga, Kaligonj, Jhenidah	Tel: 04523-56697 Fax: 04523-56698 Mob: 01730318277
125	**Poradah Br. 11.10.2010**	"Khan Super Market" (1st floor),Vill – Katadah, Union – Poradah Ward No. 4, Upazilla – Mirpur, P.O. Poradah, P.S. – Mirpur, Kushtia	Mob: 01730709791, 01755520712
126	**Bagerhat Branch. 10.11.2013**	Sadonar More, 56, Kazi Nazrul Islam Road, Bagerhat	Tel: 0468-64539, 64538 Mob: 01755642273
127	**Sonadanga Branch 14.12.2014**	"Kohinoor Tower", A-12, KDA Mazid Sarani, Sonadanga Khulna	Tel: 041-731327,723181 Mobile: 01787668289
	BARISAL DIVISION		
128	**Barisal Branch 21.11.1991**	95, Sadar Road Barisal	Tel : (0431) 64013, 64305 Fax: 0431-64305 Mob: 01714067409, 01678010224
129	**Bhola Br. 26.12.2011**	(1st floor) "M.R.Plaza", Holding No.0386-02, 0400-08, Sadar Road, Bhola, P.S.- Bhola Sadar, Pouroshova – Bhola, Ward No.6, Bhola	Tel: 0491-61399 Mob: 01755543505
	SYLHET DIVISION		
130	**Sylhet Branch 17.11.1984**	963, Laldighirpar, Sylhet	Tel : (0821) 715489, 715490 Fax : 880-821-722022 Mobile # 01711-438372, 01678010225
131	**Beani Bazar Branch 18.12.1988**	Zaman Square (1st & 2nd Floor) Main Road, Beani Bazar Sylhet	Tel: 08223-56179 Mob: 01711922493, 01678010226

Sl. No.	Name of Branch & opening date	Address	Telephone Number
132	**Ambarkhana Branch 27.12.1989**	Point View Shopping Center (1st floor), Holding No. 0841-00, Sunamgonj Road, Amberkhana, Sylhet	Tel : (0821) 714357, Fax: 0821-721729 Mob: 01713301067, 01678010227
133	**Subid Bazar Branch 24.04.1994**	Hannan Shopping Centre (1st Floor), Subid Bazar Sylhet	Tel : (0821) 712898, 712832 Mobile: 01713229838, 01678010228 Fax: 0821-712898
134	**Upashahar Branch 28.12.2003**	Nosir Mansion (1st floor) Mendibagh C/A Bishwa Road, Sylhet	Tel: (0821) 727224 Mobile: 0171-3300202, 01678010229 Fax: 0821-727109
135	**Moulvi Bazar (Dist.) Branch 27.11.1994**	69/1, Central Road, Paschim Bazar, P.O. & Dist. Moulvi Bazar	Tel : (0861) 52392, Fax: 0861-52363 Mobile # 01711435687, 01678010230
136	**Sreemongal Branch 21.12.2002**	Razzaque Cosmopolitan Super Market (1st Floor), Hobigonj Road, Sreemongal, Moulvi Bazar.	Tel : (08626) 71924 Mobile: 01711401728, Fax: 08626-71924
137	**Goala Bazar 04.12.2007**	"Haji Nasibullah Market" Goalabazar, Osmaninagar Sylhet	Tel : 08242-56404. Mobile No. 01713257277, 01678010233 Fax: 08242-56044
138	**Habiganj Branch 24.08.2014**	"Sankar City", Holding No. 3430 R.K. Mission Road Habiganj Sadar, Habiganj	Tel- 0831-54052, 0831-54053, Mobile: 01787668280,

Collection Booth as on 31 December 2016

Sl. No.	Name of Booth	Address	Telephone Number
1	Collection Booth at Medical College for Women & Hospiral.	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	

Division & City wise Branch list as on 21 May 2017

Division	Number of Branch	City	Number of Branch
Dhaka	**71**	**Dhaka**	**29**
Chittagong	**27**	**Chittagong**	**10**
Khulna	**11**	**Khulna**	**03**
Rajshahi	**10**	**Rajshahi**	**01**
Barisal	**02**	**Barisal**	**01**
Sylhet	**09**	**Sylhet**	**04**
Rangpur	**04**	**Rangpur**	**01**
Mymensing	**04**	**Mymensing**	**01**
Total	**138**	**Total**	**50**

Urban & Rural list as on 21 May 2017

URBAN	RURAL	TOTAL
97	**41**	**138**

BRANCH NETWORK OF IFIC MONEY TRANSFER (UK) LIMITED, UK

HEAD Office : 18 Brick Lane, London E1 6RF, UK
Phone # 00447951786188, 0042070609142
Fax # 00442072479670, Email: monwar@ificuk.com

Branch:	Booth:
1. IFIC Money Transfer (UK) Limited 18 Brick Lane,London E1 6RF ,UK Phone: 00447951786188 (Cell), 00442070609142 (Land Line) Fax: 00442072479670, Email:monwar@ificuk.com	**1. IFIC Money Transfer (UK) Limited** Turnpike Lane Booth 97 Turnpike Lane, London N8 ODY,UK Phone : 00442083411644

BRANCH NETWORK OF OMAN 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
Phone # (968) 24832197, 24830893, Fax # (968) 24835036, 24835141
e-mail: custsupport@oiexc.com

1. 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
Phone # (968) 24833591
Fax # (968) 24833593

2. Salalah Branch
Post Box No.2039, Postal Code No.211
Al Nadha Street, Salalah
Sultanate of Oman
Phone # (968) 23290282
Fax # (968) 23293185

3. Sur Branch
Post Box No.276, Postal Code No.411
Sur Souk, Sur
Sultanate of Oman
Phone # (968) 25541467
Fax # (968) 25544035

4. Sohar Branch
Post Box No.862, Postal Code No.311
Sohar Hospital Road, Sohar
Sultanate of Oman
Phone # (968) 26846339
Fax # (968) 26841519

5. Nizwa Branch
Post Box No.718, Postal Code No.611
Nizwa Souk
Nizwa
Sultanate of Oman
Phone # (968) 25413084
Fax # (968) 25411741

6. Suwaiq Branch
Post Box No.497, Postal Code No.315
Suwaiq Roundabout, Next to Bank Muscat
Muscat - Sohar Highway,
Suwaiq
Sultanate of Oman
Phone # (968) 26861893
Fax # (968) 26860793

7. Ghubra Branch
Post Box No.897, Postal Code No.133
Ghubra Roundabout (inside)
First Traffic Signal Right,
Ghubra
Sultanate of Oman
Phone # (968) 24490360
Fax # (968) 24492273

8. Mabelah Branch
Post Box No.994, Postal Code No.114
Near Oman Oil Petrol Station
Muscat – Sohar Highway
Mabelah, Sultanate of Oman
Phone # (968) 24450613
Fax # (968) 24450612

9. Barka Branch
Post Box No.696, Postal Code No.320
Adjacent to Oman Oil Petrol Station
Barka – Muscat Highway
Barka, Sultanate of Oman
Phone # (968) 2688 5142
Fax No-(968) 2688 5143

10. 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
Phone # (968) 2675 3036
Fax # (968) 2675 1420

11. Saham Branch
Post Box No.878 , Postal Code No.319
Saham
Beside Omantel Office
Sultanate of Oman
Phone # (968) 268 55442
Fax # (968) 268 55446

12. Ruwi Branch
Ruwi High Street -Centre
Post Box No. 1585
Postal Code No.114, Hay Al Mina
Sultanate of Oman
Phone # (968) 24794792
Fax # (968) 24796792

13. Seeb Branch
Post Box No.994, Postal Code No.114
Seeb C/A (opposite to Bank Sohar)
Sultanate of Oman
Phone # (968) 24420766
Fax # (968) 24420757

14. Shinas Branch
Post Box No.402, Postal Code No.324
Shinas roundabout
Sultanate of Oman
Phone # (968) 26748315
Fax # (968) 26748316

15. Rustaq Branch
Post Box No: 167, Postal Code No.: 329 Burj Al Radda,
Ramez International (Hyper Market) Rustaq
South Batinah Governorate ,
Sultanate of Oman
Phone # (968) 26 87 79 12
Fax : (968) 26 87 79 13

16. Nakhal branch
Post Box No.696, Postal Code No.320
Stop and Shop Hyper Market,
Nakhal Roundabout
Sultanate of Oman
Phone: 00 968 26 78 09 38
Fax : 00 968-26 78 09 39

BRANCH NETWORK OF
NEPAL BANGLADESH BANK LIMITED, NEPAL

Head Office : Kamaldi, Khathmandu
SWIFT: NPBBNPKA

1. **Corporate Branch**
District: Kathmandu
Municipality: Kathmandu
Phone#01-4233780/81/82/83/84/85

2. **Newroad Branch**
District: Kathmandu
Municipality: Kathmandu
Ph # 01-4241368/4224477

3. **Battar Branch**
District: Nuwakot
Municipality: Bidur
Ph # 010-560256

4. **Bhaisepati Branch**
District: Lalitpur
Municipality: Lalitpur
Phone # 01-5590028

5. **Main Branch**
District: Kathmandu
Municipality: Kathmandu
Phone # 01-4780770

6. **Janakpur Branch**
District: Dhanusha
Municipality: JANAKPUR
Phone # 041-521548

7. **Kalimati Branch**
District: Kathmandu
Municipality: Kathmandu
Phone # 01-4277298

8. **Butwal Branch**
District: Rupamdehi
Municipality: Butwal
Phone # 071-544845

9. **Hetauda Branch**
District: Makwanpur
Municipality: Hetauda
Phone # 057-524936

10. **Birgunj Branch**
District: Parsa
Municipality: Birgunj
Phone # 051-523689

11. **Nepalgunj Branch**
District: Banke
Municipality:Nepalgunj
Phone # 081-523135

12. **Biratnagar Branch**
District:Morang
Municipality:Biratnagar
Phone # 021-530523

13. **Tatopani Branch**
District:SINDHUPALCHOWK
Municipality: TATOPANI

14. **Dhangadhi Branch**
District: Kailali Branch
Municipality: Dhangadhi
Phone # 091-521785

15. **Pokhara Branch**
District:Kaski
Municipality: Pokhara
Phone # 061-533134

16. **Lalitpur Branch**
District: Lalitpur
Municipality:Lalitpur
Phone # 01-5008721/5554011

17. **Dharan Branch**
District: Sunsari
Municipality: Dharan
Phone # 025-530166

18. **Bhaktapur Branch**
District: Bhaktapur
Municipality:Suryabinayak
Phone # 01-6613170

19. **Kapan Branch**
District: Kathmandu
Municipality: Budanilkantha
Phone # 01-4823335

20. **Dhunche Branch**
District: Rashuwa
Municipality: Dhunche
Phone # 010-540014

21. **Narayanghat Branch**
District:Chitwan
Municipality:Bharatpur
Phone # 056-570962

22. **Bhojpur Branch**
District:Bhojpur
Municipality:Bhojpur
Phone # 029-420713

23. **Birtamod Branch**
District:Jhapa
Municipality:Birtamod
Phone # 023-545724

24. **Balaju Branch**
District:Kathmandu
Municipality:Kathmandu
Phone # 01-4383768

25. **Jorpati Branch**
District:Kathmandu
Municipality:Gokarneshwor
Phone # 01-4910997/4910828

26. **Bhairahawa Branch**
District: Rupandehi
Municipality: Siddharthnagar
Phone # 071-521659

27. **Salayan Branch**
District:Salyan
Municipality:Sarada
Phone # 088-400182

28. Surkhet Branch
District:Surkhet
Municipality:Birendranagar
Phone # 083-520220

29. Kirtipur Branch
District:Kathmandu
Municipality:Kirtipur
Phone # 01-4670633/4671123

30. Darchula Branch
District:Darchula
Municipality:Api
Phone # 093-420242

31. Sankranti Branch
District: Terahathum
Municipality: Iwa
Phone # 026-680966/967

32. Dang Branch
District: Dang
Municipality: Ghorahi
Phone # 082-563796

33. Imadole Branch
District: Lalitpur
Municipality: Mahalaxmi
Ph # 01-5204202

34. Biratchowk Branch
District: Morang
Municipality: Koshi Haraicha
Phone # 021-545789

35. Karsia Branch
District: Morang
Municipality: Sorabhag
Phone # 021-565038

36. Galchhi Branch
District: Dhading
Municipality: Baireni
Phone # 010-403127

37. Jhalari Branch
District: Kanchanpur
Municipality: Jhalari Pipaladi
Phone # 099-540185

38. Musikot Branch
District: Rukum
Municipality: Musikot
Phone # 088-530364

39. Phidim Branch
District: Panchthar
Municipality: Phidim
Ph # 024-521081

40. Khairehani Branch
District: Chitwan
Municipality: Khairehani
Ph # 056-583097/583367

41. Chainpur Branch
District: Bajhang
Municipality: Jaya Prithvi
Phone # 9841364770

42. Kushma Branch
District: Parbat
Municipality: Kushma
Phone # 067-421327

43. Khajura Branch
District: Banke
Municipality: Bageswori
Phone # 9845030487

LIST OF EXTENSION COUNTER

1. **Nepal Bangladesh Bank Ltd.**
Tatopani Custom
District: Sindhupalchwok
Municipality: Tatopani

2. **Nepal Bangladesh Bank Ltd.**
Timmure
District:Rashuwa
Municipality:Timmure
Ph # 016-923534

3. **Nepal Bangladesh Bank Ltd.**
Institute Of Chartered Accountant Of Nepal (Ican)
District: Lalitpur
Municipality: Lalitpur
Ph # 01-5530730



GLOBAL NETWORK OF CORRESPONDENT BANKS

AFGHANISTAN
Bank Alfalah Limited

ARGENTINA
HSBC Bank Argentina SA

AUSTRALIA
BNP Paribas SA
Citigroup PTY Limited
Citibank NA
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 Zentral Bank Oesterreich 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.
HSBC Bank Brasil-Banco Multiplo
Bulgaria
Citibank Europe Plc, Bulgaria Branch

CANADA
Bank of Nova Scotia
BNP Paribas Canada
Habib Canadian Bank
HSBC Bank Canada
KEB Hana Bank Canada
Royal Bank of Canada

CHINA, PEOPLE'S REPUBLIC
Bank of China
Bank of Guiyang
Bank of Hebei
Bank of Huzhou Co. Ltd.
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
Foshan Rural Commercial Bank Co. Ltd.
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 Denkmark A/S
Spar Nord Bank
Syd Bank A/S
Vestjysk Bank

EGYPT
Bank Audi SAE
Masreqbank

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 SA

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 AS
Landesbank Baden-Wuerttemberg
Sparkasse Hannover
Sparkasse Krefeld
Sparkasse Nuernberg
SEB AG
Unicredit Bank AG (Hypobayerische)
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 Mellon
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 (Hypobayerische)
Wells Fargo Bank N.A.
Wing Hang Bank Ltd.
DBS Bank Hong Kong
Habib Finance International Limited

HUNGARY
Budapest Bank RT
CIB Bank Limited
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 Sonali 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 NA
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 Cooperative di Cambiano
Banca Monte Dei Paschi Di Siena SpA
Banca Popolare Dellemilia Romagna
Banca Popolare Di Marostica
Banca Popolare Di Sondrio
Banca Popolare Di Vicenza SCPA
Banca Popolare Valconca
Banca Populare Dell Etruria E
Dell Lazio
Banca UBAE 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 Limited
Commerzbank AG
Gifu Shinkin Bank
The Hongkong and 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 (Hypobayerische)
Wells Fargo Bank N.A.

KOREA, REPUBLIC
Bank of Nova Scotia
The 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
Pusan Bank
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)
Bank Muscat 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 and 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
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.
Wells Fargo Bank, NA, Singapore Branch

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.
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) (Stockholm)
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 Katilin 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 NA
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 NA
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 Ltd.
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
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 Ltd.
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


NOTICE OF
THE 40TH AGM

Head Office: 'IFIC Tower', 61, Purana Paltan, Dhaka-1000

NOTICE OF THE 40TH ANNUAL GENERAL MEETING

Notice is hereby given to the Members of International Finance Investment and Commerce Bank Limited (IFIC Bank Limited) that the 40th Annual General Meeting of the Company will be held on **Monday, 03 July 2017 at 11.00 a.m. at Officers' Club, 26, Baily Road, Ramna, Dhaka-1000** to transact the following agenda:

AGENDA

1) To receive, consider and adopt the Audited Financial Statements of the Bank for the year ended 31 December 2016 together with the Reports of the Auditors and Directors thereon.
2) To declare dividend for the year ended 31 December 2016 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.
5) To transact any other business/issue with the permission of the Chair.

By order of the Board of Directors

Dated: Dhaka
11 June 2017

(A. K. M. Mozharul Hoque)
SEVP & Company Secretary

Notes :

1) The **'Record Date'** was fixed on **03 May 2017 (Wednesday)**.
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. on **03 May 2017** shall be eligible to attend the AGM and will be entitled to the Dividend.
3) The Board of Directors has recommended Stock Dividend @12% for the year ended 31 December 2016 for approval of the Shareholders in the 40th Annual General Meeting of the Bank.
4) 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.
5) In case of non-receipt of Annual Report 2016 sent through Courier Services, Members may collect the same from the Share Department of the Company located at MCCI Building (Mezzanine Floor), 122-124, Motijheel C/A, Dhaka-1000 within 29 June 2017. The Annual Report 2016 is also available at the Investors' Relation page of Bank's website: **www.ificbank.com.bd.**
6) The retiring Directors shall be eligible for election/re-election as per provision laid down in the Articles of Association of the Bank.
7) 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.
8) **No Gift/Gift Coupon/Food Box etc. or benefit in cash or kind shall be provided to the Shareholders in the 40th AGM**, in compliance with Regulation 24(2) of the Listing Regulations, 2015 of both the Stock Exchanges (DSE & CSE).

AMAR STOCK

ATTENDANCE SLIP



AMAR STOCK

IFIC BANK

Head Office: 'IFIC Tower', 61, Purana Paltan, Dhaka-1000

ATTENDANCE SLIP

I hereby record my attendance at the **40th Annual General Meeting** of International Finance Investment and Commerce Bank Limited being held on **Monday, 03 July 2017 at 11.00 a.m. at Officers' Club, 26, Baily Road, Ramna, Dhaka-1000.**

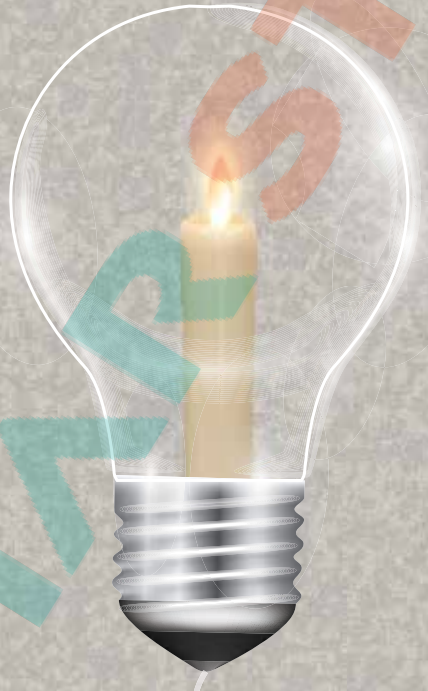
Name of the Shareholder(s) : .....

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).**

AMAR STOCK



PROXY FORM

IFIC BANK

Head Office: 'IFIC Tower', 61, Purana Paltan, 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 40th Annual General Meeting of the Company scheduled to be held on **Monday, 03 July 2017 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 .....2017.

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 Registered Office 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).**

IFIC BANK

Head Office: 'IFIC Tower', 61, Purana Paltan, Dhaka-1000

ATTENDANCE SLIP FOR PROXY-HOLDER

I hereby record my attendance at the 40th Annual General Meeting of International Finance Investment and Commerce Bank Limited being held on **Monday, 03 July 2017 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.

ANNUAL STOCK

IFIC BANK

আইএফআইসি

ওয়ান স্টপ সার্ভিস

এক কাউন্টারেই সব সেবা

> নগদ ও চেক জমা > নগদ উত্তোলন
> একাউন্ট খোলা এবং একাউন্ট সংক্রান্ত সব ধরনের সেবা
> মেয়াদি আমানত > রেমিটেন্স ও ফান্ড ট্রান্সফার
> হোম লোন ও অন্যান্য রিটেইল লোন
> ডেবিট ও ক্রেডিট কার্ড > মোবাইল ব্যাংকিং
> সঞ্চয়পত্র ইস্যু ও নগদায়ন > লকার সেবা



SMARTSTOCK

IFIC BANK

আইএফআইসি

আমার একাউন্ট

সুবিধা যেমনই চাই
হিসাব একটাই








> সহজ ও সাশ্রয়ী > সঞ্চিত অর্থে দৈনিক মুনাফা
> প্রয়োজনে তাৎক্ষণিক সাশ্রয়ী ঋণ সুবিধা
> ক্রেডিট কার্ডের উত্তম বিকল্প
> সীমাহীন লেনদেনের সুবিধা

সরকারি চাকরিজীবীদের জন্য বিশেষ সেবা
১ ঘণ্টায় লোন (ওভারড্রাফট)

বিস্তারিত জানতে ফোন করুন : **১৬২৫৫** অথবা **০৯৬৬৬৭ ১৬২৫৫**

AMAR STOCK

AMAR STOCK



International Finance Investment and Commerce Bank Limited
Head Office : IFIC Tower, 61, Purana Paltan, G.P.O. Box: 2229, Dhaka-1000, Bangladesh
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