

**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

Particulars	Note	Amount in BDT	
		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

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Balance Sheet
as at 31 December 2016

Particulars	Note	Amount in BDT	
		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.

S/d
Managing Director

S/d
Director

S/d
Director

S/d
Director

Signed as per our annexed report of same date

06 April 2017
Dhaka

S/d
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.

S/d
Managing DirectorS/d
DirectorS/d
Director
Signed as per our annexed report of same date06 April 2017
DhakaS/d
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

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Balance Sheet
as at 31 December 2016

Particulars	Note	Amount in BDT	
		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.

S/d
Managing Director

S/d
Director

S/d
Director

S/d
Director

Signed as per our annexed report of same date

06 April 2017
Dhaka

S/d
M. J. Abedin & Co.
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Profit and Loss Account
for the year ended 31 December 2016

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
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.

S/d
Managing Director

S/d
Director

S/d
Director

S/d
Director

Signed as per our annexed report of same date

06 April 2017
Dhaka

S/d
M. J. Abedin & Co.
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Cash Flow Statement
for the year ended 31 December 2016

Particulars	Note	Amount in BDT	
		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					Total
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	
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

Notes to the Financial Statements as at and for the year ended 31 December 2016

1 Legal status and nature of the Bank

1.1 IFIC Bank Limited

IFIC Bank Limited denoted as International Finance Investment and Commerce Bank Limited (hereinafter referred to as "the Bank" / "IFIC"), started its journey in 1976 at the instance of the Government as a joint venture between the Government of Bangladesh and sponsors in the private sector with the objective of working as a finance company. In 1983 when the Government allowed to open up banking in the private sector, the finance company was converted into a full fledged 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 19 May 2010. Presently the Bank has one Off-shore Banking Unit in Bangladesh. The OBU is governed under the rules and regulations of Bangladesh Bank. Separate Financial Statements of the Bank have been prepared including the affairs of OBU. Separate Financial Statements of Off-shore Banking Unit are shown in **Annexure-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 HA1 1ES, London, UK. The Bank has obtained necessary permission from Bangladesh Bank to open the fully owned subsidiary in UK. Financial Statements of the company are shown in **Annexure-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-weighting factor is the numbers of days the specific shares were outstanding as a proportion of the total number of days in the year.

iii) **Diluted earnings per share**

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

2.2.6.7 Related party transactions

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

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

2.2.6.8 Events after the reporting period

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

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

2.2.6.11 Management Committee (MANCOM)

The Management Committee (MANCOM) is functioning since the year 1994 as a structured unit to take important management decisions. Presently, it comprises members holding key positions in the management of the Bank. The Committee is headed by the Managing Director who is assisted by a Senior Management 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 activities, are concerned with management of respective Division as well as monitoring day to day activities taking place in different areas of the Bank.

The Committee sits 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
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 from 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.

Notes to the Financial Statements
as at and for the year ended 31 December 2016

		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
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

		Amount in BDT	
	Note	31 December 2016	31 December 2015
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
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

		Amount in BDT	
	Note	31 December 2016	31 December 2015
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"			
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		-	-

		Amount in BDT	
	Note	31 December 2016	31 December 2015
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
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

Amount in BDT

	Note	31 December 2016	31 December 2015	
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	
		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 months 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		-	-	
		20,754,752,878	23,596,892,752	

		Amount in BDT	
	Note	31 December 2016	31 December 2015
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
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 months 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

	Note	31 December 2016	31 December 2015
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
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

	Note	31 December 2016	31 December 2015
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
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

	Note	31 December 2016	31 December 2015
Amount in BDT			
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
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].

	Note	31 December 2016	31 December 2015
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
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

	Note	31 December 2016	31 December 2015
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
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 months 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
		4,726,534,960	3,664,977,939
Intangible assets:			
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
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

	Note	31 December 2016	31 December 2015
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
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

Amount in BDT

	Note	31 December 2016	31 December 2015
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
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

	Note	31 December 2016	31 December 2015
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
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 months 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	-

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	14.1.1	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

		Amount in BDT	
	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 from 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
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

		Amount in BDT	
	Note	31 December 2016	31 December 2015
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 months 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 months 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
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 months 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

		Amount in BDT	
	Note	31 December 2016	31 December 2015
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
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.

Note	31 December 2016	31 December 2015
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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	20.00%	196,324,818	92,470,898
Sub-standard- Short term agri. credit	23,667,060	5.00%	1,183,353	482,816
Doubtful	155,195,735	50.00%	77,597,868	328,947,540
Doubtful- Short term agri. credit	1,678,270	5.00%	83,914	13,656
Bad/loss	2,079,745,076	100.00%	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

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.

	Note	31 December 2016	31 December 2015	
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.				
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.

	Note	31 December 2016	31 December 2015
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.			
15.7.1 Reconciliation of effective tax (Bank only)			
	% in Y2016	% in Y2015	
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%	833,453,926	645,985,414
Factor affecting the tax charge for current year			
Non deductible expense/(Tax Savings)	5.98%	124,557,814	534,546,313
Tax savings from reduced tax rate from dividend	-0.65%	(13,592,357)	(32,174,769)
Tax savings from reduced tax rate from capital gain	-0.21%	(4,419,383)	(7,366,169)
Adjustment for previous years	-11.52%	(240,000,000)	(190,990,789)
Change in recognized deductible temporary differences	8.14%	169,519,042	(222,017,492)
Total income tax expenses	41.73%	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.			
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

	Note	31 December 2016	31 December 2015
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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:

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
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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
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Total Tier-2 Capital		5,318,208,165	1,305,482,225
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Total Regulatory Capital (A)		16,927,658,388	11,813,122,670
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Total assets including off-balance sheet items		249,653,200,599	226,112,979,165
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Total risk-weighted Assets		150,522,746,675	117,314,424,992
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Required capital @10.625% [Y2015: 10.00%] (B)		15,993,041,834	11,731,442,499
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Total capital surplus C=(A-B)		934,616,554	81,680,171
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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"

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
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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

Amount in BDT

	Note	31 December 2016	31 December 2015
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	100.00	5,638,219,070	503,412,417	100.00	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.

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 5000 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	0.6	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	100.00	35,949	503,412,417	100.00

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.

		Amount in BDT		
		Note	31 December 2016	31 December 2015
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
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

		Amount in BDT	
	Note	31 December 2016	31 December 2015
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
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

Notes to the Financial Statements
as at and for the year ended 31 December 2016

		Amount in BDT	
	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
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

		Amount in BDT	
	Note	2016	2015
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
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

		Amount in BDT	
	Note	2016	2015
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
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

		Amount in BDT	
	Note	2016	2015
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
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

			Amount in BDT	
	Note	2016	2015	
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	
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	

		Amount in BDT	
	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.			
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

		Amount in BDT	
	Note	2016	2015
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
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

		Amount in BDT	
	Note	2016	2015
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
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

		Amount in BDT	
	Note	2016	2015
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
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)

		Amount in BDT	
	Note	2016	2015
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)
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

		Amount in BDT	
	Note	2016	2015
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
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.

		Amount in BDT	
	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 12 April 2017 and subscription opening and closing dates are 31 May 2017 and 29 June 2017 respectively.

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

as at 31 December 2016

Annexure-A

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, Phuentsoling	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

Details of investment in shares

as at 31 December 2016

Annexure-B

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. Provision
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.

**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	-
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	-

Sl.	Name of the Group	Name of Clients	Outstanding as on 31 December 2016			Amount classified
			Funded	Non-funded	Total	
		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 Fibres & 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	-

Schedule of fixed assets including premises, furniture and fixture

Annexure - D

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.

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

Sl.	Exposure Type	Rating	Risk Weight	Exposure	RWA
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)		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	-	-
	Claims under SME Credit Rating-wise exposure	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		
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

Related party disclosures

Annexure -F

Name of Directors and their interest in different entities
as at 31 December 2016

SI No.	Name	Status with the Bank	Status with interested entities	Name of the firms/companies in which they have interest
1	Mr. Salman F Rahman	Chairman	Chairman	GMG Airlines Limited
			Chairman	Abahani Limited
			Vice Chairman	Bangladesh Export Import Co. Ltd.
			Vice Chairman	Beximco Pharmaceuticals Ltd.
			Vice Chairman	Beximco Synthetics Ltd.
			Vice Chairman	Shinepukur Ceramics Ltd.
			Vice Chairman	Independent Television Ltd.
			Vice Chairman	Beximco Holdings Ltd.
			Vice Chairman	Beximco Computers Ltd.
			Vice Chairman	Beximco Engineering Ltd.
			Vice Chairman	Beximco 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.
2	Mr. Monirul Islam	Independent Director	Shareholder	Beximco Power Company Ltd.
			Shareholder	Beximco Communications Ltd.
			Shareholder	I & I Services Ltd.
			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
3	Mr. Anwaruzzaman Chowdhury	Independent Director	Chairman	Monir Associates Ltd.
			Managing Director	Cosmo Sizing & Weaving Mills Ltd.
			Proprietor	Pano Sourcing
			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
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.
			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

Nature of Transaction	Amount in BDT	
	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
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
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- 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

Disclosure on Audit Committee of the Bank

Annexure -G

a) Particulars of members of the Audit Committee

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

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

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

Sl.	Meeting No	Meeting held on
1	97th Audit Committee Meeting	12.01.2016
2	98th Audit Committee Meeting	25.02.2016
3	99th Audit Committee Meeting	03.04.2016
4	100th Audit Committee Meeting	27.04.2016
5	101st Audit Committee Meeting	10.05.2016
6	102nd Audit Committee Meeting	19.06.2016
7	103th 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 the half year ended 30 June 2016, with various issues/reports/findings on financial reporting process, the system of internal control, the audit process, and the process for monitoring compliance with laws and regulations and its own code of business conduct – submitted by ICCD, have reviewed and evaluated.

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

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

All Audited/Un-audited yearly/quarterly Financial Statements submitted during 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.

**Financial highlights of the Bank
as at and for the year ended 31 December 2016**

Sl.	Particulars	Amount in BDT	
		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.

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
			1,530,246,665		
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
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	31 December 2016		31 December 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	31 December 2016		31 December 2015	
		USD	BDT	USD	BDT
CASH FLOWS FROM OPERATING ACTIVITIES					
Interest received in cash		1,169,367.30	92,031,779.00	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		4,855.00	382,099.00	-	-
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		62,716.53	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 May 06, 2010. Presently the Bank has 1 (one) unit in Dhaka.

1.1.1 Principal activities

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

1.2 Significant accounting policies and basis of preparation of financial statements

1.2.1 Basis of accounting

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

1.2.2 Use of estimates and judgments

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

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

1.2.3 Foreign currency transaction

a) Foreign currencies transaction and translation to presentation currency

Foreign currency transactions are converted into equivalent USD using the ruling exchange rates on the dates of respective transactions as per BAS-21 "The Effects of Changes in Foreign Exchange Rates". Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day. Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1 = Taka 78.7022 (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 these financial statements are translated at contracted rates. Contingent liabilities / commitments for letter of credit and letter of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance date.

(c) Transaction gains and losses

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

1.2.4 Cash flow statement

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

1.2.5 Reporting period

These financial statements cover from 1 January to 31 December 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
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	31 December 2016		31 December 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

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.

S/d	S/d	S/d
Chief Executive Officer	Director	Director
(Current Charge)		

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.

S/d	S/d	S/d
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
CASH FLOW STATEMENT
For the year ended 31 December 2016

Particulars	Amount in BDT	
	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.

S/d Chief Executive Officer (Current Charge)	S/d Director	S/d Director
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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 Change in Equity
For the year ended 31 December 2016

Particulars	Amount in BDT		
	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

Particulars	Amount in BDT		
	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.

S/d	S/d	S/d
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.

IFIC Securities Limited

Notes to the Financial Statements

As at and for the year ended 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.

IFIC Securities Limited

Notes to the Financial Statements

As at and for the year ended 31 December 2016

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.

IFIC Securities Limited
Notes to the Financial Statements
as at 31 December 2016

	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		
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 Beneficiary Owner's account of the Company. The rest shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act. 2013. As there is no active market for shares DSE, we have shown the value at original cost of our Investment.		
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

IFIC Securities Limited
Notes to the Financial Statements
as at 31 December 2016

Amount in BDT

	31 December 2016	31 December 2015
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
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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

IFIC Securities Limited
Notes to the Financial Statements
as at 31 December 2016

Amount in BDT

	31 December 2016	31 December 2015
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
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

IFIC Securities Limited
Notes to the Financial Statements
as at 31 December 2016

	Amount in BDT	
	31 December 2016	31 December 2015
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

IFIC Securities Limited
Notes to the Financial Statements
For the year ended 31 December 2016

Amount in BDT

		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	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
	Postage & Courier	2,566	1,141
	Beautification Exp.	13,500	18,000
	Washing Expenses	8,195	9,040
		27,700,911	28,513,251

IFIC Securities Limited
Notes to the Financial Statements
For the year ended 31 December 2016

Amount in BDT

	2016	2015
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
Provision for Margin Loan to Clients	35,550,220	15,674,958
	35,550,220	19,839,307
24 Contingent Liabilities		
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	Addition	Disposal	Closing Balances		Opening Balances	For the Year	Closing Balances	
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	Amortization			Written Down Value
	Opening	Addition	Disposal	Closing Balances		Opening Balances	For the Year	Closing Balances	
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 Development	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

IFIC Securities Limited
Statement of Investment in Shares
as at 31 December 2016

Amount in BDT

SL. No.	Name of the company	Opening Balances			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

Annexure - D

IFIC Securities Ltd.
Statement on Related Party Disclosure
as at 31 December 2016

Particulars	Amount in BDT	
	31 Decemebr 2016	31 Decemebr 2015
A. Loan from IFIC Bank		
Opeing 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		
Opeing 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		
Opeing 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		
Opeing 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

IFIC MONEY TRANSFER (UK) LIMITED
Income Statement
for the year ended 31 December 2016

Particulars	Note	31 December 2016		31 December 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:

S/d
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.

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