

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Audited Financial Statements

as at and for the half year ended 30 June 2016

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements and Internal Controls

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

Auditors' Responsibility

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

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

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

Other Matter

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

Opinion

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

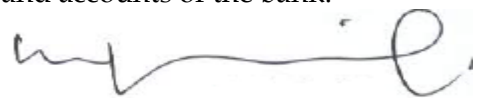
Report on Other Legal and Regulatory Requirements

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

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof.

- (b) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility section in forming the above opinion on the consolidated financial statements of the Group and separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
- i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note 2.2.6.10 of the financial statements appeared to be materially adequate;
 - ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities other than matters disclosed in note 2.2.6.10 (V);
- (c) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (d) the consolidated balance sheet and profit and loss account of the Group and the separate balance sheet and profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- (e) the expenditure incurred was for the purposes of the Bank's business;
- (f) the consolidated financial statements of the Group and separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- (g) adequate provisions have been made for advances and other assets which are, in our opinion, doubtful of recovery;
- (h) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (i) the information and explanation required by us have been received and found satisfactory;
- (j) Capital to Risk Weighted Assets Ratio (CRAR) as required by the Bangladesh Bank has been maintained adequately during the period and
- (k) we have reviewed over 80% of the risk weighted assets of the bank and we have spent around 2,850 person hours for the audit of the books and accounts of the bank.

27 July 2016
Dhaka



M. J. ABEDIN & CO
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Balance Sheet
as at 30 June 2016

Amount in BDT

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

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Balance Sheet
as at 30 June 2016

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

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


Managing Director



Director


Director


Director

Signed as per our annexed report of same date

27 July 2016
Dhaka


M. J. Abedin & Co.
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

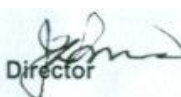
Consolidated Profit and Loss Account
for the half year ended 30 June 2016

Amount in BDT

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

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

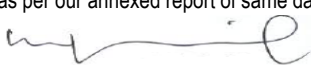

Managing Director


Director


Director


Director

Signed as per our annexed report of same date



M. J. Abedin & Co.
Chartered Accountants

27 July 2016
Dhaka

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Cash Flow Statement

for the half year ended 30 June 2016

Amount in BDT

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

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

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

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

Amount in BDT

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

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Balance Sheet
as at 30 June 2016

Amount in BDT

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

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Balance Sheet
as at 30 June 2016

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

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



Managing Director



Director



Director



Director

Signed as per our annexed report of same date

27 July 2016
Dhaka



M. J. Abedin & Co.
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

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

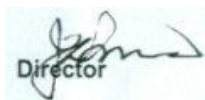
Amount in BDT

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

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



Managing Director



Director



Director



Director

Signed as per our annexed report of same date



M. J. Abedin & Co.
Chartered Accountants

27 July 2016
Dhaka

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Cash Flow Statement
for the half year ended 30 June 2016

Amount in BDT

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

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

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Statement of Changes in Equity
for the half year ended 30 June 2016

Amount in BDT

Particulars	Paid up capital	Statutory reserve	General reserve	Revaluation reserve against securities	Revaluation reserve against fixed assets	Surplus in profit and loss account	Total
Balance as at 1 January 2016	5,034,124,170	4,232,499,880	155,071,397	41,391,939	115,314,704	2,075,811,205	11,654,213,295
Impact of changes in accounting policy	-	-	-	-	-	-	-
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	-	-	-	(38,752,394)	-	-	(38,752,394)
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	2,639,546	115,314,704	2,075,811,205	11,615,460,902
Net profit for the period	-	-	-	-	-	659,293,604	659,293,604
Dividend issued/paid during the period	-	-	-	-	-	-	-
Transfer to statutory reserve	-	253,785,089	-	-	-	(253,785,089)	-
Balance as at 30 June 2016	5,034,124,170	4,486,284,969	155,071,397	2,639,546	115,314,704	2,481,319,720	12,274,754,506
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	-	-	-	14,767,514	-	-	14,767,514
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	16,343,053	115,314,704	2,168,447,775	10,642,883,382
Net profit for the period	-	-	-	-	-	669,146,811	669,146,811
Dividend issued/paid during the period	656,624,890	-	-	-	-	(656,624,890)	-
Transfer to statutory reserve	-	272,144,502	-	-	-	(272,144,502)	-
Balance as at 30 June 2015	5,034,124,170	4,181,651,676	55,771,397	16,343,053	115,314,704	1,908,825,194	11,312,030,194

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Liquidity Statement

Maturity Analysis of Assets and Liabilities

as at 30 June 2016

Amount in BDT

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

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

1 Legal status and nature of the Bank

1.1 IFIC Bank Limited

IFIC Bank Limited denoted as International Finance Investment and Commerce Bank Limited (hereinafter referred to as "*the Bank*" / "*IFIC*"), started its journey in 1976 at the instance of the Government as a joint venture between the Government of Bangladesh and sponsors in the private sector with the objective of working as a finance company. In 1983 when the Government allowed to open up banking in the private sector, the finance company was converted into a full 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 BDBL Bhaban (8th - 10th & 16th-19th floors), 8 Rajuk Avenue, Dhaka-1000. Its shares are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The Government of the People's Republic of Bangladesh now holds 32.75% share of the Bank. Directors and Sponsors hold 8.48% share and the remaining 58.77% share held by the institutions and general public.

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

1.2 Nature of business activities

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

1.3 Off-shore Banking Unit (OBU)

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

1.4 Subsidiaries of the Bank

1.4.1 IFIC Securities Limited

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

1.4.2 IFIC Money Transfer (UK) Limited

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

1.5 Joint Ventures/Associates of the Bank

1.5.1 Nepal Bangladesh Bank Limited (NBBL)

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

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

1.5.2 Oman International Exchange (OIE) LLC

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

1.6 Investment in NIB Bank Ltd, Pakistan

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

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

2 Basis of preparation and significant accounting policies

2.1 Basis of preparation

2.1.1 Statement of compliance

The separate financial statements of the Bank and the consolidated financial statements of the Group comprising the Bank and its subsidiaries as at and for the half year ended 30 June 2016 have been prepared on a going concern basis in accordance with the "First Schedule" (section 38) of the Bank Companies Act 1991, as amended by the BRPD Circular no. 14 dated 25 June 2003, rules & regulations issued by Bangladesh Bank time to time, the Companies Act 1994, Financial Reporting Act 2015, the Bangladesh Securities and Exchange Rules 1987, listing regulations of Dhaka and Chittagong Stock Exchanges', International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh as Bangladesh Financial Reporting Standards (BFRSs) except in the circumstances where local regulations differ, and with other applicable laws and regulations applicable in Bangladesh.

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

i) Investment in shares and securities

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

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

ii) Revaluation gains/losses on Government securities

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

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

iii) Provision on loans and advances/investments

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

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

iv) Recognition of interest in suspense

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

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

v) Other comprehensive income

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

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

vi) Financial instruments – presentation and disclosure

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

vii) Financial guarantees

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

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

viii) Cash and cash equivalent

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

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

ix) Non-banking asset

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

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

x) Cash flow statement

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

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

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

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

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

xii) Presentation of intangible asset

BFRS: Intangible asset must be identified, recognized and disclose in the financial statements as per BAS 38.

Banladesh Bank: There is no regulation for intangible assets in BRPD circular number 14.

xiii) Off-balance sheet items

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

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

xiv) Loans and advances/Investments net off provision

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

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

2.1.2 Basis of measurement

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

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

2.1.3 Reporting period

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

2.1.4 Directors' responsibility statement

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

2.1.5 Date of authorization

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

2.1.6 Functional and presentation currency

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

2.1.7 Use of estimates and judgments

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

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

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

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

2.1.8 Going concern

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

2.1.9 Basis of consolidated and separate financial statements

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

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

2.1.9.1 Subsidiary

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

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

2.1.9.2 Transactions eliminated on consolidation

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

2.1.10 Cash flow statement

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

2.1.11 Statement of changes in equity

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

2.1.12 Liquidity statement

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

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

2.1.13 Prior period adjustments

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

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

2.2 Significant accounting policies

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

2.2.1 Materiality and aggregation

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

2.2.2 Foreign currency

2.2.2.1 Foreign currency transactions

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

2.2.2.2 Foreign operations

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

2.2.3 Offsetting

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

2.2.4 Assets and basis of their measurement

2.2.4.1 Cash and cash equivalents

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

2.2.4.2 Investment

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

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

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

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

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

Value of investments has been enumerated as follows :

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

iii) Investment in quoted shares/securities

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

iv) Investment in unquoted shares/securities

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

v) Investment in subsidiary

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

vi) Investment in associates and joint ventures

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

vii) Repo and reverse repo

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

2.2.4.3 Loans and advances

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

The classification rates are given below:

Particulars	Rate of Provision
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. Depreciation is computed consistently by using diminishing balance method at the following rates:

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

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

B. Acquisition under finance lease

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

2.2.4.6 Intangible assets

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

Subsequent expenditure on intangible asset

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

Amortization of intangible asset

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

2.2.4.7 Impairment of assets

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

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

2.2.4.8 Leasing

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

i) The Bank as lessor

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

ii) The Bank as lessee

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

2.2.5 Liabilities, provisions and basis of their measurement

2.2.5.1 Borrowings from other banks, financial institutions and agents

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

2.2.5.2 Deposits and other accounts

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

2.2.5.3 Provision for taxation

i) Current tax

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

ii) Deferred tax

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

2.2.5.4 Provision for liabilities

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

2.2.5.5 Provision for Nostro Account

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

2.2.5.6 Employee benefits

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

i) Provident fund

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

ii) Gratuity

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

2.2.5.7 Off-balance sheet items

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

2.2.5.8 Revenue recognition

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

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

i) Interest income

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

ii) Fees and commission income

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

iii) Investment income

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

iv) Dividend income on shares

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

2.2.5.9 Interest paid on deposits and borrowings

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

2.2.5.10 Management and other expenses

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

2.2.6 General

2.2.6.1 Share capital

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

2.2.6.2 Statutory reserve

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

2.2.6.3 Fixed assets revaluation reserve

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

2.2.6.4 Non controlling interest

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

2.2.6.5 Reconciliation of books of account

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

2.2.6.6 Earnings per share (EPS)

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

i) Basic earnings per share

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

ii) Weighted average number of ordinary shares outstanding

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

iii) Diluted earnings per share

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

2.2.6.7 Related party transactions

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

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

2.2.6.8 Events after the reporting period

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

2.2.6.9 Operating segments

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

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

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

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

2.2.6.10 Risk management

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

i) Credit risk

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

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

ii) Asset liability management risk

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

iii) Money laundering risk

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

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

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

iv) Internal control and compliance risk

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

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

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

v) Fraud risk

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

vi) Foreign exchange risk

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

vii) Information and communication technology (ICT) risk

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

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

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

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

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

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

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

vii) Other relevant risks

a) Operational risk

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

b) Liquidity risk

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

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

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

c) Market risk

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

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

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

d) Interest rate risk

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

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

e) Equity price risk

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

f) Reputation risk

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

The Bank manages the reputation risk ensuring the followings:

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

2.2.6.11 Management Committee (MANCOM)

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

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

2.2.6.12 Credit rating of the bank

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

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

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

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

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

Note: N/A - Not Applicable

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

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

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

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

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

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

		Amount in BDT	
	Note	30 June 2016	31 December 2015
3 Cash			
Cash in hand (including foreign currency)	3.1	1,640,659,380	1,626,141,729
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	12,079,222,425	10,235,213,906
		13,719,881,805	11,861,355,635
3.1 Cash in hand (including foreign currency)			
Local currency in hand		1,459,996,830	1,487,148,722
Foreign currencies in hand		23,997,939	21,543,772
Cash with ATM		156,664,611	117,449,235
		1,640,659,380	1,626,141,729
3.2 Balance with Bangladesh Bank and its agents bank			
Bangladesh Bank			
Local currency		10,456,574,517	8,953,855,327
Foreign currency		1,328,206,756	884,451,807
		11,784,781,273	9,838,307,134
Sonali Bank as agent of Bangladesh Bank		294,441,152	396,906,772
		12,079,222,425	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 June 2016 was based on weekly average balance of April 2016]. CRR maintained by the Bank as per statutory requirement is shown below:			
Average time and demand liabilities		147,609,463,300	139,513,656,200
Required reserve		8,856,567,798	8,370,819,372
Actual reserve maintained*		10,448,639,000	8,978,550,000
Surplus		1,592,071,202	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 June 2016 was based on weekly average balance of April 2016]. SLR maintained by the Bank as per statutory requirement is shown below:			
Average time and demand liabilities		147,609,463,300	139,513,656,200
Required reserve		19,189,230,229	18,136,775,306
Actual reserve maintained		23,424,965,160	26,219,916,781
Surplus		4,235,734,931	8,083,141,475
Actual reserve maintained for SLR			
Cash in hand	3.1	1,640,659,380	1,626,141,729
Balance with Bangladesh Bank in excess of CRR	3.3.1	1,592,071,202	607,730,628
Balance with Sonali Bank as agent	3.2	294,441,152	396,906,772
Government securities (HFT)	6.3	6,433,201,060	10,199,931,664
Government securities (HTM)	6.3	13,459,592,366	13,384,205,988
Other approved securities	6.1.3	5,000,000	5,000,000
		23,424,965,160	26,219,916,781

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

		Amount in BDT	
	Note	30 June 2016	31 December 2015
Sonali Bank, (UK) Limited		39,957,261	13,735,464
Standard Chartered Bank, Kolkata		50,844,880	46,497,271
AB Bank Ltd., Mumbai		65,941,562	81,889,537
NIB Bank Ltd, Karachi, Pakistan		38,712,494	31,333,264
National Trust Bank Ltd., Colombo		335,021	166,393
Nepal Bangladesh Bank Ltd., Kathmandu, Nepal		12,190,483	11,687,054
Sonali Bank, Kolkata		13,910,114	15,780,281
State Bank of India, Kolkata		-	4,835,459
Bank of Bhutan, Phuentosoling		319,531	84,439
ICIC Bank Ltd.,Kolkata		63,842,534	62,877,204
Commerz Bank AG, Frankfurt		107,218,659	67,913,524
Habib American Bank, New York		48,150,692	68,429,084
J.P. Morgan Chase Bank, Sydney		3,995,888	4,011,554
Habib Bank AG , Zurich		(51,381)	388,242
Commerz Bank AG, Frankfurt		8,851,588	30,390,907
J.P. Morgan Chase Bank AG, Frankfurt		4,523,671	5,731,476
Sonali Bank UK London		795,374	782,575
Standard Chartered Bank, London		46,085,355	9,292,099
Sonali Bank(UK)Limited		1,556,447	6,210,353
Bank of Tokyo- Mitsubishi, Tokyo		1,033,122	143,907
AB Bank Ltd., Mumbai		866,156	5,807,175
Habib Bank UK, London		273,675	-
		2,329,245,934	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	2,521,247,211	2,010,545,217
Upto 1 month	4,150,000,000	2,000,000,000
More than 1 month but not more than 3 months	3,850,000,000	1,150,000,000
More than 3 months but not more than 6 months	159,491,527	550,000,000
More than 6 months but not more than 1 year	-	-
More than 1 year but not more than 5 years	-	-
More than 5 years	-	-
	10,680,738,738	5,710,545,217

4.a Consolidated balance with other banks and financial institutions

4.a(i) In Bangladesh

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

4.a(ii) Outside Bangladesh

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

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

		Amount in BDT		
		30 June 2016	31 December 2015	
	Note			
TITAS Gas Transmission and Distribution Ltd.		465,701,734	465,701,734	
Beximco Ltd.		1,264,121,634	1,264,121,634	
Malek Spinning Mills Company Ltd.		7,681	7,681	
Unique Hotel and Resorts Ltd.		21,029,385	21,029,385	
The City Bank Ltd.		194,197,477	194,197,477	
MJL Bangladesh Ltd.		8,578,577	45,291,198	
Fareast Life Insurance Ltd.		136,631,812	136,631,812	
Beximco Pharmaceuticals Ltd.		24,619,620	137,938,967	
Northern General Insurance Company Ltd.		10,951,563	10,951,563	
Reliance Insurance Ltd.		11,674,463	11,674,463	
		2,772,606,895	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	
Outside Bangladesh				
Nepal Bangladesh Bank Ltd.		1,285,345,324	1,286,433,768	
Oman International Exchange LLC		17,820,477	17,843,275	
NIB Bank Ltd., Pakistan		333,012,688	333,438,723	
		1,636,178,489	1,637,715,766	
		4,745,579,077	4,900,964,126	
For details of of investment in shares please see "Annexure-B"				
6.3 Government securities classified according to Bangladesh Bank Circular				
Held for trading (HFT)		6,433,201,060	10,199,931,664	
Held to maturity (HTM)		13,459,592,366	13,384,205,988	
Other securities		10,113,700	12,755,100	
		19,902,907,126	23,596,892,752	
6.4 Maturity grouping of investments				
On demand		5,113,700	7,755,100	
Up to 1 month		3,033,144,701	2,107,865,071	
Over 1 month but not more than 3 months		4,059,336,445	5,104,777,625	
Over 3 months but not more than 6 months		223,439,566	1,830,018,863	
Over 6 months but not more than 1 years		1,150,350,231	1,913,870,143	
Over 1 year but not more than 5 years		8,367,386,949	9,753,794,807	
Over 5 years		7,809,714,611	7,779,775,269	
		24,648,486,203	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				

Amount in BDT

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

Amount in BDT

	Note	30 June 2016	31 December 2015
7.2 Residual maturity grouping of Loans, cash credit, overdraft etc.			
Receivable			
On demand		-	3,830,157,011
Up to 1 month		23,939,063,428	23,172,649,927
Over 1 month but not more than 3 months		20,275,607,877	20,546,137,290
Over 3 months but not more than 1 years		36,624,136,590	32,541,033,969
Over 1 year but not more than 5 years		25,600,773,955	24,801,136,923
Over 5 years		13,956,520,633	9,345,011,032
		120,396,102,483	114,236,126,152
7.3 Loans and advances under broad categories			
In Bangladesh			
Loans		68,269,811,432	61,733,803,856
Cash credit		27,018,106,172	27,282,256,826
Overdrafts		25,108,184,879	25,220,065,470
		120,396,102,483	114,236,126,152
Bill purchased and discounted	8	8,960,462,953	9,032,541,721
		129,356,565,436	123,268,667,873
Outside Bangladesh		-	-
		129,356,565,436	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		1,939,876,787	1,957,587,284
Advances to customers' groups		127,416,688,649	121,311,080,589
		129,356,565,436	123,268,667,873
7.5 Loans and advances allowed to each customer exceeding 10% of Bank's total capital			
Number of customers		24	29
Amount of outstanding loans - funded & non-funded		56,092,200,000	60,163,200,000
Amount classified		-	-
Amount of loans and advances (comprising funded and non funded facilities) to each customer exceeding Tk. 1,582.41 million which is computed as 10% of the Bank's capital (as defined under Bank Companies Act 1991 as amended) of Tk 15,824.14 million as at 30 June 2016. As at 31 December 2015, 10% of Bank's total capital of Tk. 11,813.12 million was Tk. 1,181.31 million.			
For details of loans and advances to each customer exceeding 10% Banks capital please see "Annexure-C".			
7.6 Industry wise position of loans and advances including bills purchased and discounted			
Agriculture Industries		2,105,247,817	2,002,885,416
Jute Industries		1,880,680,525	1,296,298,222
Textile Industries		6,556,152,101	8,118,842,232
Garments Industries		19,836,331,335	18,336,362,179
Chemical and Chemical Products		372,239,262	372,239,262
Cement Industries		238,764,504	367,851,556
Bricks & Ceramic		928,076,185	887,340,215
Food Products & Processing		1,154,699,565	1,228,055,714
Engineering & Metal		4,370,629,591	5,593,862,778
Drugs & Pharmaceuticals		790,106,357	934,861,390
Hospital & Clinics		132,548,948	125,355,045
Paper & Paper Products Industries		162,200,586	296,104,544
Other Small Industries		10,540,309,891	11,498,323,363
IT Sector		2,687,342,273	3,242,999,001
Other Service Industries		10,316,521,692	4,890,000,000
Trade & Commerce		29,671,376,965	26,272,748,741

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

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

		Amount in BDT	
	Note	30 June 2016	31 December 2015
b) Amount of provision kept against loans classified as bad/loss as at the Balance Sheet date		2,616,063,214	2,275,949,875
c) Amount of interest creditable to the interest suspense account		1,117,669,148	1,962,382,331
xi) Cumulative amount of written off loan:			
Opening balance		8,805,293,785	7,681,387,382
Amount written off during the period/year		-	1,224,042,403
Interest charged		944,000	1,914,000
Recovery from written-off during the period/year*		(97,612,716)	(102,050,000)
		8,708,625,069	8,805,293,785
* Recovery from written-off loans during the period/year include waiver of Tk. 9,524,000 [Y2015: Tk. 10,071,613].			
7.13 Cumulative amount of written off loans for which law suits have been filed			
Opening balance		13,628,593,146	12,404,550,743
During the period/year		-	1,224,042,403
		13,628,593,146	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		108,018,302,696	105,456,769,377
Special mention account		11,196,654,559	9,849,846,666
		119,214,957,255	115,306,616,044
Classified			
Substandard		1,723,596,092	1,208,861,621
Doubtful		2,077,511,632	1,282,352,831
Bad/Loss		6,340,500,457	5,470,837,378
		10,141,608,181	7,962,051,830
		129,356,565,436	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 period/year		3,973,290,000	8,190,736,565
Reduction during the period/year		(1,793,733,649)	(5,289,818,388)
		10,141,608,181	7,962,051,830
7.16 Net lease receivable			
Gross lease receivable within 1 year		157,422,805	153,006,637
Gross lease receivable 1 - 5 years		582,369,770	566,032,601
Total lease rental receivable		739,792,576	719,039,238
Less: Unearned income		188,544,351	194,714,741
Net lease receivable		551,248,225	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	120,396,102,483	114,236,126,152
IFIC Securities Limited		3,906,202,585	3,694,754,938
IFIC Money Transfer (UK) Limited		-	-
		124,302,305,068	117,930,881,090
Less: Inter-company transactions		1,263,766,052	1,295,383,173
		123,038,539,016	116,635,497,917

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

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

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

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

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

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

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

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

* Subsequently deposited to government exchequer.

Amount in BDT

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

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

15.1.1 Specific provision required for classified loans and advances

Status of loans and advances	Base for provision	Rate(%)	Required provision at 30 June 2016	Required provision at 31 December 2015
Sub-standard	705,493,197	20.00%	141,098,639	92,470,898
Sub-standard- Short term agri. credit	20,021,177	5.00%	1,001,059	482,816
Doubtful	1,083,970,141	50.00%	541,985,071	328,947,540
Doubtful- Short term agri. credit	1,272,897	5.00%	63,645	13,656
Bad/loss	2,616,063,214	100.00%	2,616,063,214	2,275,949,875
	4,426,820,626		3,300,211,628	2,697,864,785
Specific provision maintained (note-15.1)			3,300,211,628	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 period/year		1,263,200,000	1,058,200,000
Provision made during the period/year		54,020,684	205,000,000
		1,317,220,684	1,263,200,000
Off-shore Banking Unit (OBU)			
Provision held at the beginning of the period/year		19,100,000	18,100,000
Provision made during the period/year		(3,963,732)	1,000,000
		15,136,268	19,100,000
		1,332,356,952	1,282,300,000

15.2.1 General provision required for un-classified loans and advances

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

Amount in BDT

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

	Note	30 June 2016	31 December 2015
The provision for corporate tax has been made as per Income Tax Ordinance 1984 (amended up to Finance Act 2016) and the Bank has made adequate current tax provision in the books of accounts.			
Assessments for the years 1983 to 2002 and 2005, 2009, 2011 and 2012 have been completed by the Tax Authority and there is no tax liability remained outstanding against those years. The assessment years of 2003, 2004, 2006, 2007, 2008 and 2010 are currently held with the Honorable High Court and for the year 2013, the Bank is also planning to file an appeal before the Honorable High Court. The assessment for the year 2014 has yet to be completed by the Tax Authority.			
However, full tax provisions have been made in the financial statement for the respective years based on the latest assessment orders made by the Tax Authority. The Return for the year 2015 yet to be submitted by the Bank however the Bank has taken time extension for submission of the same till 13 September 2016.			
15.7.1 Reconciliation of effective tax (Bank only)			
	% in HY2016	% in Y2015	
Profit before income tax charged for current period/year			1,268,925,446
Income tax as per applicable tax rate	40%	40.00%	507,570,178
Factor affecting the tax charge for current period/year			
Non deductible expenses	28.79%	33.10%	365,298,559
Tax savings from reduced tax rate from dividend	-0.63%	-1.99%	(7,981,762)
Tax savings from reduced tax rate from capital gain	-1.17%	-0.46%	(14,886,974)
Adjustment for previous period/years	0.00%	-11.83%	-
Change in recognised deductible temporary differences	-18.94%	-13.75%	(240,368,158)
Total income tax expenses	48.04%	45.08%	609,631,842
15.8 Interest suspense account			
Balance at the beginning of the period/year			3,217,989,895
Add: Amount transferred to interest suspense account during the period/year			1,117,669,148
Less: Amount transferred to interest income account during the period/year			(382,679,600)
Less: Amount written-off during the period/year			-
			3,952,979,443
15.a Consolidated other liabilities			
IFIC Bank Limited	14		14,948,034,413
IFIC Securities Limited			1,569,587,343
IFIC Money Transfer (UK) Limited			22,130,031
			16,539,751,786
16 Share Capital			
16.1 Authorized Capital			
2,000,000,000 ordinary shares of Taka 10 each			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
4,400,000 ordinary shares of Taka 10 each issued as right share*			44,000,000
491,012,417 [Up to year 2015: 491,012,417] ordinary shares of Taka 10 each issued for bonus share			4,910,124,170
			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) held in 1989 and subsequent issue of the Right Shares on 30 January 1990.			
16.3 Issued, subscribed and fully paid up Capital-Shareholders' Category			
338,552,111 [Year 2015: 338,552,111] ordinary shares of Taka 10 each fully paid held by the Sponsors, Directors, Institutions, Foreign investors & General Public.			3,385,521,110
164,860,306 [Year 2015: 164,860,306] ordinary shares of Tk. 10 each fully paid held by the Government of the People's Republic of Bangladesh.			1,648,603,060
			5,034,124,170

	Note	30 June 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		5,034,124,170	5,034,124,170
Statutory reserve	16	4,486,284,969	4,232,499,880
General reserve	17	155,071,397	155,071,397
Retained earnings	21	2,481,319,720	2,075,811,205
		12,156,800,256	11,497,506,652

Regulatory Adjustments:

Deduction from Tier-1 Capital (95% of deferred tax assets)		1,200,082,533	989,866,207
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Total Common Equity Tier 1 Capital		10,956,717,723	10,507,640,445
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Tier-2 (Gone-Concern Capital)

General provision		1,332,356,952	1,258,726,128
Subordinated debt that meet the qualifying criterial 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% of Tk. 58,445,121)		23,378,048	11,689,024
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Total Tier-2 Capital		4,867,424,025	1,305,482,225
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Total Regulatory Capital		15,824,141,747	11,813,122,670
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Total assets including off-balance sheet items		243,375,588,847	226,112,979,165
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Total risk-weighted Assets		135,816,400,411	117,314,424,992
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Required capital		14,430,492,544	11,731,442,499
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Total capital surplus		1,393,649,204	81,680,171
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Capital to Risk-weighted Asset Ratio (CRAR):

Common Equity Tier 1 to RWA		8.07%	8.96%
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Tier - 2 Capital to RWA		3.58%	1.11%
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Capital to Risk-weighted Asset Ratio (CRAR)		11.65%	10.07%
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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		5,034,124,170	5,034,124,170
Statutory reserve	16	4,486,284,969	4,232,499,880
General reserve	17	155,071,397	155,071,397
Retained earnings	22	3,371,972,342	2,817,321,961
		13,047,452,879	12,239,017,408

Regulatory Adjustments:

Deduction from Tier-1 Capital		1,200,082,533	989,866,207
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Total Common Equity Tier 1 Capital		11,847,370,345	11,249,151,201
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Tier-2 (Gone-Concern Capital)

General provision		1,332,356,952	1,282,300,000
Subordinated debt that meet the qualifying criterial 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	30 June 2016	31 December 2015
Regulatory Adjustments:			
Revaluation reserve		23,378,048	11,689,024
Total Tier-2 Capital		4,867,424,025	1,329,056,097
Total Regulatory Capital		16,714,794,370	12,578,207,298
Total assets including off-balance sheet items		246,147,671,477	228,516,420,853
Total risk-weighted Assets		138,488,602,498	122,818,380,420
Required capital		14,714,414,015	12,281,838,042
Total capital surplus		2,000,380,354	296,369,256
Capital to Risk-weighted Asset Ratio (CRAR):			
Common Equity Tier 1 to RWA		8.55%	9.16%
Tier – 2 Capital to RWA		3.51%	1.08%
Capital to Risk-weighted Asset Ratio (CRAR)		12.07%	10.24%

16.5 Shareholding by category

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

16.6 Distribution of paid up capital

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

16.7 Shareholding of Directors as at 30 June 2016

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

*

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

**

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

17 Statutory reserve

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

		Amount in BDT		
		Note	30 June 2016	31 December 2015
18	General reserve			
	Opening balance on 1 January		155,071,397	55,771,397
	Transferred from provision during the period/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	2,074,232	2,074,232
	HFT securities	19.2	565,314	39,317,708
			2,639,546	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		-	629,583
			2,074,232	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		(38,752,394)	39,186,817
			565,314	39,317,708
19.a	Consolidated revaluation reserve against securities			
	IFIC Bank Limited	19	2,639,546	41,391,939
	IFIC Securities Limited		-	-
	IFIC Money Transfer (UK) Limited		-	-
			2,639,546	41,391,939
20	Revaluation reserve against fixed assets			
	Opening balance on 1 January		115,314,704	115,314,704
	Addition during the period/year		-	-
	Depreciation charged during the period/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.		3,122,594	1,851,880
	Investment in joint venture/associate (NBBL)		(38,340,214)	(27,327,489)
	Investment in joint venture/associate (OIE LLC)		102,422	125,220
			(35,115,198)	(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 period/year		659,293,604	886,981,027
	Appropriation made to statutory reserve during the period/year		(253,785,089)	(322,992,707)
	Issue of bonus shares		-	(656,624,890)
			2,481,319,720	2,075,811,205
22	Consolidated surplus in profit and loss account			
	IFIC Bank Limited	21	2,481,319,720	2,075,811,205
	IFIC Securities Limited		190,378,855	202,771,604
	IFIC Money Transfer (UK) Limited		(15,418,307)	(15,038,758)
	Share of profit of investment in joint venture/associate (NBBL)		637,413,985	477,936,681
	Share of profit of investment in joint venture/associate (OIE LLC)		69,706,260	68,380,642
	Exchange (gain)/loss on investment in joint venture/associate (NBBL)		8,674,251	7,585,807
	Exchange (gain)/loss on investment in joint venture/associate(OIE LLC)		(102,422)	(125,220)
			3,371,972,342	2,817,321,961

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

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

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

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

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

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

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

		Amount in BDT	
	Note	1 January to 30 June 2016	1 January to 30 June 2015
34 Postage, stamp, telecommunication etc.			
Postage expenses		13,081,121	11,915,840
Telephone - office		5,850,280	5,100,903
Telephone - residence		11,769,263	12,047,344
Communication facilities (Reuter, VSAT, Radio etc.)		28,544,061	23,984,857
		59,244,725	53,048,943
34.a Consolidated postage, stamp, telecommunication etc.			
IFIC Bank Limited	34	59,244,725	53,048,943
IFIC Securities Limited		1,876	616
IFIC Money Transfer (UK) Limited		82,627	69,531
		59,329,228	53,119,091
35 Stationery, printing, advertisement etc.			
Printing stationery		10,113,517	11,644,262
Security stationery		7,726,244	7,479,374
Petty stationery		8,410,704	8,223,144
Computer stationery		5,413,014	5,622,752
Advertisement and publicity		51,043,903	52,082,177
		82,707,382	85,051,709
35.a Consolidated stationery, printing, advertisement etc.			
IFIC Bank Limited	35	82,707,382	85,051,709
IFIC Securities Limited		73,105	91,129
IFIC Money Transfer (UK) Limited		47,819	519,038
		82,828,306	85,661,876
36 Managing Director's salary			
Basic salary		5,850,000	4,800,000
House rent allowance		150,000	450,000
House maintenance allowance		-	150,000
Provident fund- Bank's contribution		585,000	480,000
Entertainment allowances		-	150,000
Festival bonus		975,000	-
		7,560,000	6,030,000
37 Directors' fees			
Meeting attendance fees		544,000	385,000
		544,000	385,000
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	544,000	385,000
IFIC Securities Limited		109,250	28,750
IFIC Money Transfer (UK) Limited		-	-
		653,250	413,750
38 Auditors' fees			
Statutory annual audit fees		-	-
Interim audit fees		500,000	400,000
		500,000	400,000

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

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

		Amount in BDT	
	Note	1 January to 30 June 2016	1 January to 30 June 2015
ii) Oman International Exchange LLC (OIE LLC)			
Opening balance		86,223,917	80,098,817
Add:			
New investment made during the period		-	-
Share of post acquisition profit during the period		1,325,618	4,254,820
Less:			
Cash dividend received		-	-
Effect of changes in foreign currency exchange rate		(22,798)	(33,937)
Closing balance		87,526,737	84,319,699
Total share of post acquisition profit during the period		160,802,922	125,953,298
Total closing balance of investment in joint ventures/associates		1,980,620,084	1,729,908,629
42 Provision for loans, investments and other assets			
Specific provision		502,681,909	575,944,713
General provision		54,020,684	180,000,000
Provision for off-shore banking unit		(3,963,732)	-
Provision for off-balance sheet exposure		61,499,892	(10,000,000)
Provision for diminution in value of investments		156,852,496	10,000,000
Other provisions	42.1	11,403,255	22,775,569
		782,494,504	778,720,283
42.1 Other provisions			
Provision for other assets		11,422,135	22,775,569
Provision for nostro account		(18,880)	-
		11,403,255	22,775,569
42.a Consolidated provision for loans, investments and other assets			
IFIC Bank Limited	42	782,494,504	778,720,283
IFIC Securities Limited		42,295,186	19,761,182
IFIC Money Transfer (UK) Limited		-	-
		824,789,689	798,481,465
43 Provision for taxation			
Current tax		850,000,000	900,000,000
Deferred tax expense/(income)	43.1	(240,368,158)	(208,424,298)
		609,631,842	691,575,702
43.1 Deferred tax expense/(income)			
Deferred tax on provision for loans and advances (DF & BL)	10.5	(221,280,344)	(208,032,633)
Deferred tax on fixed assets	10.5	(19,087,815)	(391,665)
		(240,368,158)	(208,424,298)
43.a Consolidated provision for current tax			
IFIC Bank Limited	43	850,000,000	900,000,000
IFIC Securities Limited		14,688,286	4,673,513
IFIC Money Transfer (UK) Limited		-	-
		864,688,286	904,673,513
43.b Consolidated deferred tax			
IFIC Bank Limited	43.1	(240,368,158)	(208,424,298)
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		(240,368,158)	(208,424,298)

		Amount in BDT	
	Note	1 January to 30 June 2016	1 January to 30 June 2015
44 Receipts from other operating activities			
Rent received		8,287,275	7,136,120
Other receipts		296,056,353	274,530,822
Capital gain	25.3	49,623,248	7,250,851
		353,966,876	288,917,794
44.a Consolidated cash received from other operating activities			
IFIC Bank Limited	44	353,966,876	288,917,794
IFIC Securities Limited		80,960	138,912
IFIC Money Transfer (UK) Limited		-	-
		354,047,836	289,056,705
45 Cash paid for other operating activities			
Postage, stamp, telecommunication etc.		59,244,725	49,447,045
Rent paid		232,218,670	228,811,194
Rates, taxes & utilities		28,387,321	28,108,901
Insurance premium		65,291,742	63,100,915
Electricity & water		37,128,780	28,627,371
Traveling expenses		80,902,040	65,884,278
Auditors' fees		500,000	400,000
Directors' fees		544,000	385,000
Legal expenses		2,411,500	5,503,827
Other expenses		257,744,771	248,411,032
		764,373,549	718,679,563
45.a Consolidated cash paid for other operating activities			
IFIC Bank Limited	45	764,373,549	718,679,563
IFIC Securities Limited		9,681,596	9,565,798
IFIC Money Transfer (UK) Limited		10,857,124	13,590,836
		784,912,269	741,836,197
46 Cash and cash equivalents			
Cash in hand		1,640,659,380	1,915,926,079
Balance with Bangladesh Bank and its agent Bank (s)		12,079,222,425	9,991,650,725
Balance with other banks and financial Institutions		10,680,738,738	9,523,964,390
Money at call and on short notice		600,000,000	1,500,000,000
Prize Bonds		5,113,700	5,832,900
		25,005,734,243	22,937,374,095
46.a Consolidated cash and cash equivalents			
IFIC Bank Limited	46	25,005,734,243	22,937,374,095
IFIC Securities Limited		44,442	45,552
IFIC Money Transfer (UK) Limited		34,059,545	23,993,629
		25,039,838,230	22,961,413,276
47 (Increase)/decrease of other assets			
Stationery and stamps		25,706,892	22,352,426
Suspense account		506,727,104	569,828,874
Advance, deposit and prepayments		646,711,556	1,727,707,937
Investment in subsidiaries		831,571,940	836,718,380
Revaluation account FDBP		1,792,520	1,792,520
Accounts receivable others		8,617,760	5,053,443

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

* Previous period's figure has been restated.

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

53 Events after the reporting period

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

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

as at 30 June 2016

Annexure-A

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

Other Investment - Shares and Debt Securities

Annexure-B

as at 30 June 2016

Amount in BDT

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

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

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

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

Schedule of fixed assets including premises, furniture and fixture

Annexure - D

as at 30 June 2016

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

Particulars	Cost				Rate %	Depreciation				Written down value as at 31 December 2015
	Balance as at 1 January 2015	Addition during the year	Disposal during the year	Balance as at 31 December 2015		Balance as at 1 January 2015	Charged during the year	Disposal during the year	Balance as at 31 December 2015	
Land	475,118,759	-	-	475,118,759	-	-	-	-	-	475,118,759
Buildings and premises	1,337,951,477	-	-	1,337,951,477	2.5	163,464,856	29,362,166	-	192,827,022	1,145,124,455
Wooden Furniture	113,437,784	8,484,809	3,228,445	118,694,149	20	64,234,923	11,390,252	2,492,013	73,133,162	45,560,986
Steel Furniture	56,029,936	4,027,173	814,647	59,242,462	10	31,504,309	2,835,755	619,385	33,720,678	25,521,783
Computer Equipment	536,742,251	144,354,864	12,615,928	668,481,187	30	381,042,836	89,809,162	11,925,517	458,926,481	209,554,707
Office Equipment	185,752,840	14,943,890	3,732,033	196,964,697	20	125,401,989	15,012,602	3,500,296	136,914,295	60,050,403
Electrical & Gas Equipment	356,015,849	51,438,612	12,509,776	394,944,685	20	221,389,145	36,670,812	9,798,521	248,261,436	146,683,249
Leasehold improvement	215,850,139	24,030,848	2,227,246	237,653,741	20	111,797,341	25,535,978	1,823,490	135,509,829	102,143,913
Vehicles	99,146,620	16,526,525	-	115,673,145	20	61,671,269	10,800,375	-	72,471,644	43,201,501
Leased vehicles	47,600,000	-	-	47,600,000	-	5,516,629	4,110,132	-	9,626,761	37,973,239
Soft Furnishing	12,271,161	469,323	86,847	12,653,637	40	10,060,836	1,069,072	79,878	11,050,030	1,603,607
Intangible asset:										
Software	240,470,209	54,083,031	621,250	293,931,990	30	164,181,673	39,100,951	586,185	202,696,439	91,235,551
	3,676,387,025	318,359,074	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	846,594,774	-	-	-	-	-	846,594,774
Total	4,269,585,564	738,592,061	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 30 June 2016

1.0 Risk Weighted Assets for Credit Risk Balance Sheet Exposures

BDT in Million

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

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

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

BDT in Million

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

3.0 Capital Charge for Market Risk (Balance Sheet Exposures)

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

4.0 Capital Charge for Operational Risk (Basic Indicator Approach)

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

Related party disclosures

Annexure -F

Name of Directors and their interest in different entities
as at 30 June 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 Media Ltd.
			Vice Chairman	Beximco Pharma Center for Bio & Industrial Research Ltd.
			Vice Chairman	Beximco Fashions Ltd.
			Vice Chairman	Beximco Property Development and Management Ltd.
			Vice Chairman	RR Washing Ltd.
			Vice Chairman	International Knitwear and Apparels Ltd.
			Vice Chairman	Crescent Fashion and Design Ltd.
			Vice Chairman	Esses Fashions Ltd.
			Vice Chairman	Crescent Accessories Ltd.
			Vice Chairman	Sonali Ansh Limited
Vice Chairman	Esses Exporters Ltd.			
Vice Chairman	Beximco Power Company Ltd.			
Shareholder	Beximco Communications Ltd.			
Shareholder	I & I Services Ltd.			
Shareholder	Beximco Petroleum Limited			
2	Mr. Monirul Islam	Independent Director	Chairman (Nominated by IFIC Bank Ltd.)	IFIC Securities Ltd.
			Director (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Director (Nominated by IFIC Bank Ltd.)	Nepal Bangladesh Bank Ltd., Nepal
			Chairman	Monir Associates Ltd.
			Managing Director	Aaron Label Ltd.
			Managing Director	Cosmo Sizing & Weaving Mills Ltd.
3	Mr. Anwaruzzaman Chowdhury	Independent Director	Director (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Director (Nominated by IFIC Bank Ltd.)	IFIC Securities Ltd.
			Chairman	Weavers Community Trust
			Chairman	Kipling
			General Secretary	Tower Hamlet Homeless Family Campaign
			Youth & Community Worker	Sabuj Sathi
4	Mr. Jalal Ahmed	Govt. nominated Director	Chairman (Nominated by IFIC Bank Ltd.)	Nepal Bangladesh Bank Ltd., Nepal
			Chairman (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Director (Nominated by IFIC Bank Ltd.)	IFIC Securities Ltd.
			Additional Secretary	Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.
			Director	Bangladesh Telecommunication Co. Ltd.
			Director	Bangladesh Services Ltd.
			Director	British American Tobacco Bangladesh Co. Ltd.
			Director	Bangladesh Submarine Cable Co. Ltd.

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

Related party transactions

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

Amount in BDT

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

- iv) Lending policies in respect of related party

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

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

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

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

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

Disclosure on Audit Committee of the Bank

Annexure -G

a) Particulars of members of the Audit Committee

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

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

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

Evaluation of the Audit Committee regarding strengthening of Internal Control System

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

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

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

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

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

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

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

Amount in BDT

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

Consolidated Segment Reporting

for the half year ended 30 June 2016

Annexure-I

A. Segmental operating profit and loss

BDT in Million

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

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

B. Segmental assets and liabilities

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

Disclosure of Restructured Loan

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

BDT in Million

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

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Off-shore Banking Unit

Balance Sheet

as at 30 June 2016

Particulars	Note	30 June 2016		31 December 2015	
		USD	Taka	USD	Taka
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	19,306,464	1,513,626,799	24,161,133	1,896,656,202
Loans, cash credits, overdrafts etc.	3.1	8,371,019	656,287,919	9,469,692	743,373,693
Bills purchased and discounted	3.2	10,935,445	857,338,880	14,691,441	1,153,282,509
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets	4	912,834	71,566,220	1,856,442	145,731,263
Non banking assets		-	-	-	-
Total assets		20,219,299	1,585,193,019	26,017,575	2,042,387,464
LIABILITIES AND CAPITAL					
Liabilities					
Borrowing from other banks, financial Institutions and agents	5	20,139,752	1,578,956,587	25,386,327	1,992,834,279
Deposit and other accounts		-	-	-	-
Current deposits and other accounts		-	-	-	-
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Fixed Deposits		-	-	-	-
Bearer Certificate of Deposit		-	-	-	-
Other Deposits		-	-	-	-
Other liabilities	6	-	-	524,561	41,178,214
Total liabilities		20,139,752	1,578,956,587	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		-	-	-	-
Reserve against non banking assets		-	-	-	-
Foreign currency translation gain/(loss)		-	-	-	-
Surplus in profit and loss account	7	79,546	6,236,432	106,687	8,374,971
Total shareholders' equity		79,546	6,236,432	106,687	8,374,971
Total liabilities and shareholders' equity		20,219,299	1,585,193,019	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 half year ended 30 June 2016

Particulars	Note	30 June 2016		30 June 2015	
		USD	Taka	USD	Taka
Interest income	8	588,704	46,154,418	623,488	48,507,416
Interest paid on deposits, borrowings etc.	9	512,568	40,185,330	567,890	44,181,875
Net interest income		76,136	5,969,088	55,598	4,325,541
Investment Income		-	-	-	-
Commission, exchange and brokerage		-	-	-	-
Other operating income		3,410	267,344	-	-
Total operating income		79,546	6,236,432	55,598	4,325,541
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		79,546	6,236,432	55,598	4,325,541
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		79,546	6,236,432	55,598	4,325,541

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

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

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

1.1 Status of the unit

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

1.1.1 Principal activities

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

1.2 Significant accounting policies and basis of preparation of financial statements

1.2.1 Basis of accounting

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

1.2.2 Use of estimates and judgments

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

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

1.2.3 Foreign currency transaction

a) Foreign currencies transaction and translation to presentation currency

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

(b) Commitments

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

(c) Transaction gains and losses

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

1.2.4 Cash flow statement

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

1.2.5 Reporting period

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

1.3 Assets and basis of their valuation

1.3.1 Cash and cash equivalents

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

1.3.2 Loans and advances / investments

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

1.4 Basis for valuation of liabilities and provisions

1.4.1 Provision for liabilities

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

1.4.2 Provision for loans and advances & tax

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

1.5 Revenue recognition

1.5.1 Interest income

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

1.5.2 Fees and commission income

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

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

1.5.3 Interest paid and other expenses

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

2 General

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

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

4 Other assets				
Interest receivable on Term loan	838,889	65,768,860	639,180	50,175,787
Interest receivable on Bills discount	73,946	5,797,360	1,217,263	95,555,475
	912,834	71,566,220	1,856,442	145,731,263
5 Borrowing from other banks, financial Institutions and its agents				
In Bangladesh:				
IFIC Bank Limited	20,139,752	1,578,956,587	25,386,327	1,992,834,279
Bangladesh Bank	-	-	-	-
	20,139,752	1,578,956,587	25,386,327	1,992,834,279
Outside Bangladesh	-	-	-	-
	20,139,752	1,578,956,587	25,386,327	1,992,834,279
6 Other liabilities				
Interest on bills discounted	-	-	-	-
Due to Head Office	-	-	524,561	41,178,214
	-	-	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	79,546	6,236,432	106,687	8,374,971
	79,546	6,236,432	106,687	8,374,971

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