

INFORMATION MEMORANDUM

**3rd Subordinated Floating Rate Bond of BDT 5,000 Million
for International Finance Investment and Commerce Bank Limited**



Issuer: International Finance Investment and Commerce Bank Limited (IFIC Bank Limited)

Head Office: IFIC Tower
61 Purana Paltan
Dhaka - 1000, Bangladesh

Trustee: Sena Kalyan Insurance Company Limited

Type of Security: Subordinated Unsecured Floating Rate Bond

Total Face Value: Up to BDT 5,000 Million

Face Value of Each Bond is: BDT 10,000,000

Issue Price of Each Bond is: BDT 10,000,000

Number of Securities: 500

Total Issue Amount: BDT 5,000,000,000

Coupon Rate/discount rate and YTM: Floating

Issue Date of IM: 1 June 2022

Credit Rating status of the Issue:

Long Term Rating: AA3(Hyb) **Outlook:** Stable

"If you have any query about this document, you may consult the issuer and the trustee."

**Mandated Lead Arranger
Standard Chartered Bank**





ARRANGER'S DISCLAIMER

IFIC Bank Limited (the "**Issuer**") has authorized Standard Chartered Bank ("**Standard Chartered**" or the "**Arranger**") to distribute this Information Memorandum in connection with the proposed transaction outlined in it (the "**Transaction**") and the bond proposed to be issued in the Transaction (the "**Bond**").

"**Standard Chartered Bank**" means Standard Chartered and any group, subsidiary, associate or affiliate of Standard Chartered and their respective directors, representatives or employees and/or any persons connected with them.

Nothing in this Information Memorandum constitutes an offer of securities for sale in the United States or any other jurisdiction where such offer or placement would be in violation of any law, rule or regulation.

The Issuer has prepared this Information Memorandum and the Issuer is solely responsible for its contents. The Issuer will comply with all laws, rules and regulations and has obtained all regulatory, governmental and corporate approvals for the issuance of the Bond. All the information contained in this Information Memorandum has been provided by the Issuer or is from publicly available information, and such information has not been independently verified by the Arranger. No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Arranger or its affiliates for the accuracy, completeness, reliability, correctness or fairness of this Information Memorandum or any of the information or opinions contained therein, and the Arranger hereby expressly disclaim, to the fullest extent permitted by law, any responsibility for the contents of this Information memorandum and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this Information Memorandum or any information or errors contained therein or any omissions therefrom. By accepting this Information Memorandum, you agree that the Arranger will not have any such liability.

You should carefully read and retain this Information Memorandum. However, you are not to construe the contents of this Information Memorandum as investment, legal, accounting, regulatory or tax advice, and you should consult with your own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Bond.

ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of prospectus. The issue of Unsecured Subordinated Floating Rate Bond is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the bond issue to the public in general. Apart from this Information Memorandum, no information memorandum or prospectus has been prepared in connection with the offering of this issue.

This Information Memorandum has been prepared to provide general information about the issuer to potential investors to whom it is addressed and who are willing and eligible to subscribe to the bond issue. This Information Memorandum does not purport to contain all the information that any potential investor may require. Neither does this Information Memorandum nor any other information supplied in connection with the bond issue is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt a recommendation to purchase any bonds. Each potential investor contemplating the purchase of any bonds should make his/her own independent investigation of the financial condition and affairs of the issuer and his/her own appraisal of the creditworthiness of the issuer.

Potential investors should consult their own financial, legal, tax, and other professional advisors as to the risks and investment considerations arising from an investment in the bonds and should possess the appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances.

The information relating to the company contained in this Information Memorandum is believed by the issuing company to be accurate in all respects as to the date hereof.

It is the responsibility of potential investors to also ensure that they will sell/transfer these Bonds in strict accordance with this Information Memorandum and other applicable laws. None of the intermediaries or their agents or advisors associated with this issue undertake to review the financial condition or affairs of the issuer during the life of the arrangements contemplated by this Information Memorandum or have any responsibility to advise any investor or potential investor in the bonds of any information available with or subsequently coming to the attention of the intermediaries, agents or advisors.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the issuer to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the issuer.

The contents of this Information Memorandum are intended to be used only by those potential investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

The person who is in receipt of this Information Memorandum shall maintain utmost confidentiality regarding the contents of this Information Memorandum and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding its contents, without the prior written consent of the issuer till the time the Information Memorandum comes within public domain.

Notwithstanding the foregoing, a bondholder may provide this Information Memorandum to a potential investor for the sole purpose of transferring the bonds.

Each person receiving this Information Memorandum acknowledges that:

- Such person has been afforded an opportunity to request and to review and has reviewed and received this Information Memorandum and all additional information considered by an individual to be necessary to verify the accuracy or to supplement the information herein; and
- Such person has not relied on any intermediary that may be associated with the issuance of the bonds in connection with his/her investigation of the accuracy of such information or his/her investment decision.

The issuer does not undertake to update the Information Memorandum to reflect subsequent events after the date of the Information Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the issuer. Neither the delivery of this Information Memorandum nor any sale of bonds made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the issuer since the date hereof.

This Information Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the bonds or the distribution of this Information Memorandum in any jurisdiction where such action is required. The distribution of this Information Memorandum and the offering and sale of the bonds may be restricted by law in certain jurisdiction. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions.

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16 November, 2021

Mr. Md. Maroof ur Rahman Mazumder
Executive Director & Head of Capital Markets
Standard Chartered Bank
67, Gulshan Avenue
Gulshan, Dhaka-1212

LETTER OF AUTHORITY

Dear Sir,

We refer to the Subordinated Floating Rate Bond Issue of BDT 5,000 Million (the "Bonds") which, you (the Arranger) is arranging at our request, the principal terms and conditions of which are set forth in the attached Information Memorandum (the "Information Memorandum"):

IFIC Bank Limited (the "Issuer"), the undersigned, confirms that:

- a) Except as otherwise provided in the Information Memorandum, all the information contained therein relating to the company and its business has been provided to you by us;
- b) We confirm that we are fully responsible for all material statements, facts and opinions in the Information Memorandum.
- c) To the best of our knowledge the Information Memorandum does not omit any fact in the context of the proposed facility although the Information Memorandum does not purport to be all the information which investors may require in order to evaluate the issuer's business.
- d) The forecasts contained in the Information Memorandum were made after due and careful consideration on our part based on the best information available to us and we consider them fair and reasonable on the circumstances now prevailing; and
- e) The information (including forecast) in the Information Memorandum fairly represents the basis on which the Issuer and its shareholders are proceeding with the business.

The Issuer does not however make any express of implied representation of warranty as to the fairness, accuracy; or completeness of the information (including statements of opinion) or forecasts. Appropriate warranties or other undertakings in relation to the information and forecasts will be given on the bond documents and no representations or warranties other than those specially set forth on the bond documents shall be deemed to be given to any party.

We hereby request and authorize you to distribute this Information Memorandum to prospective investors who may subscribe the Bonds. We understand that as per local practice, no confidentiality agreement will be signed between the Arranger and the prospective participants (including their relevant staff members and board of directors) to whom the Information Memorandum shall be placed and we confirm our consent to the distribution of "Information Memorandum" and other relevant documents to prospective investors distributed in this manner.

Yours sincerely,

s/d-

Shah A Sarwar
Managing Director & CEO
IFIC Bank Limited

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3. REPORTS TO THE ELIGIBLE INVESTORS

Issuer has obtained information regarding Bangladesh and its economics from various publications made by the government of Bangladesh and other sources. Although, the Issuer believes that its sources are reliable, but there is no scope for the Issuer to make verification of information independently by any independent sources. Issuer has obtained information about the Trustee i.e. Sena Kalyan Insurance Company Limited from the Trustee and Issuer does not accept any responsibility for the information contained in the section entitled “The Trustee.” Issuer also does not accept any responsibility for the information contained in the section entitled “Credit Rating.” We are not making any representation to you concerning the accuracy or completeness of the information contained in the section “The Trustee” or in the section “Credit Rating.”

The distribution of this Information Memorandum and the Offering is restricted only in Bangladesh. It is not intended or made to offer or sale of the Bonds in any other jurisdiction. The offerings will not be offered to the public at large in Bangladesh, or outside Bangladesh.

We may withdraw this offering at any time, and we reserve the right to reject any offer to purchase the Bonds in whole or in part and to sell to any prospective investor less than the full amount of the Bonds sought by such investor.

We have obtained approval of the Bangladesh Securities and Exchange Commission for issue of Bonds and the distribution of this Information Memorandum through letter No. BSEC/CI/DS-180/2021/838 dated 1 June 2022 and the Bangladesh Bank has given its approval through letter No. BRPD(BS)661/14B(P)/2021-12309 dated 28 December 2021.

4. RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISKS

Risk management

Risk is defined by Issuer as risk of potential losses or foregone profits that can be triggered by internal and external factors. Therefore, the objectives of risk management are identification of potential risks in our operations and transactions, in our assets, liabilities, income, cost and off-balance sheet exposures and independent measurement and assessment of such risks and taking timely and adequate measures to manage and mitigate such risks within a risk-return framework. A summarized position of various inherent and potential risks, The Issuer is facing, while conducting its business and operations and steps taken by the Bank to effectively manage and mitigate such risks by management of Issuer are:

a) Interest Rate Risk:

Interest rate risk represents exposures to instruments whose values vary with the level or volatility of interest rates. These instruments include, but are not limited to loans, debt securities, certain trading related assets, deposit and borrowings.

Management Perception

IFIC Bank's goal is to manage interest rate sensitivity so that movements in interest rates do not significantly adversely affect earnings. Our ALM activities include an overall interest rate risk management strategy to manage fluctuations in earnings that are caused by interest rate volatility. ALM activities include monitoring interest rate profile, sensitivity of bank's earning under different interest rate scenarios, product pricing decisions including deposit pricing strategies.

b) Exchange Rate Risk:

Foreign exchange risk represents exposures to changes in the values of current holdings and future cash flows denominated in currencies other than the Bangladeshi Taka. The types of instruments exposed to this risk include foreign currency denominated loans, future cash flows in foreign currencies arising from inward remittance, proceeds from export.

Management Perception

IFIC Bank Limited has managed foreign currency risk by keeping the net open position (NOP) within the limit. Moreover, hedging instrument like currency SWAP is also used to mitigate the currency risk.

c) Non-repayment Risk (credit risk):

Credit risk is the risk of loss that may occur from the failure of any counter party to make required payments in accordance with agreed terms and conditions and/or deterioration of creditworthiness.

Management Perception

IFIC Bank carries out Credit Risk Management functions through a number of processes to maintain a healthy loan/credit portfolio. The Bank minimizes the overall risk level through maintaining a diversified credit portfolio with balanced mix of different sectoral distribution within the prevailing economic condition of the country. The credit risk management activities are governed by the established credit risk framework of the Bank supported by Credit Policy Guidelines that encompasses credit approval processes for all business segments along with the guidelines for post disbursement monitoring and finally recovery of disbursed loans.

An in-depth credit appraisal, Credit Risk Grading of prospective borrower, analysis of information obtained from Credit Information Bureau (CIB) etc. are carried out at pre-sanction stage. In order to mitigate non-repayment risk, collateral security and guarantee are obtained. A systematic loan monitoring process is followed for each loan at the post-disbursement stage.

d) Prepayment, call or refunding risk:

The risk associated with the early unscheduled return of principal on a fixed-income security.

Management Perception

Since there is no option for prepayment, call or refunding, this risk is not associated with this particular bond.

e) Security Risk:

The risk associated with the default of the collateral used to guarantee repayment of a debt.

Management Perception

Since this is a subordinated or unsecured bond i.e. it is not backed by any asset; this particular risk is not applicable here.

f) Liquidity Risk:

Liquidity risk arises from the potential inability to meet the contractual and contingent financial obligations, on or off-balance sheet, as they come due.

Management Perception

IFIC Bank's primary liquidity management objective is to provide adequate funding for our business throughout market cycles, including periods of financial stress. To achieve the objective, the bank analyzes and monitors liquidity risk, maintaining excess liquidity and access diverse funding sources including its stable deposit base. There is an Asset Liability and Risk Management Committee comprising members of the Senior Executives headed by the Managing Director & CEO to look into all operational functions and risk management of the bank.

g) Management Risk:

Management Risk is the risk associated with ineffective, destructive or underperforming management, which hurts shareholders and the company or fund being managed.

Management Perception

IFIC Bank is one of the leading banking institutions in Bangladesh with a track record of consistent performance achieved through effective leadership and corporate governance. It has a sound management system that is not only efficient but also dynamic in taking relevant decision to make the organization more effective and results oriented. The bank has taken a holistic approach to establish an interactive system where strategic business objectives are cascaded downwards while business information is escalated upwards enabling senior management to execute its management and supervisory function appropriately. Therefore, with a strong leadership on the back, management risks are not a matter of concern or a vital risk factor for the bank.

h) Operational Risk:

Operational Risk is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, error, fraud & forgeries, surprises, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. Failure to understand and manage the Operational Risks may greatly increase the possibility that some risks will go unrecognized and uncontrolled.

Management Perception

IFIC Bank in accordance with the guidance notes of Bangladesh Bank, has established an effective and integrated risk management framework that consist of six core factors, i.e. Credit Risks; Asset and Liability/Balance Sheet Risks; Foreign Exchange Risks; Internal Control & Compliance Risks; Money Laundering Risks and Information & Communication Technology Risk. An appropriate and effective internal control environment is also in place to ensure that the Bank is managed and controlled in a sound and prudent manner.

To mitigate Operational Risk the bank has various standard operating procedures, the summary management of which is summarized as follows:

- (i) Board of Directors of the Bank is actively concerned with sound corporate governance and that understands and diligently discharges its responsibilities by ensuring that the Bank is appropriately and effectively managed and controlled.
- (ii) Bank Management proactively discharges their responsibilities and supervises the activities of the Bank to manage and operate the Bank in a sound and prudent manner.
- (iii) IFIC has adopted/established adequate policies and operational & monitoring procedures.
- (iv) IFIC has established an effective management information system to support the organizational and procedural controls in order to soundly and prudently manage risk exposure.

i) Business Risk:

Business risk is the possibility that the bank will have lower than anticipated profits, or that it will experience a loss rather than a profit. Business risk is influenced by a lot of factors, including revenue, costs, competition, business strategies, budget, interest rate and overall economic climate and government regulations.

Management Perception

As a commercial bank, IFIC Bank has a long-term business growth plan in accordance with the risk taking capability of the bank. The steering of future profitability is operated through the various management committees and ultimately by the Board of Directors. To counter and mitigate business risk, mitigation measures are in place through innovative products and services, speedy responses to customer complaints, digitization for better customer service, industry and competitor analysis and review of global economic meltdown with its perceived effects and taking remedial measures.

j) Industry Risk:

Industry Risk is the possibility that a specific industry will not perform up to the expected level or at par. When problems plague one industry, they affect the individual organization of that particular industry. Industry risk also refers to the risk of increased competition from foreign and domestic sources leading to lower revenues, lower interest margins, loss of market share etc. which could have an adverse impact on the business, financial condition and result of operation.

Management Perception

The bank is careful in offering Innovative, convenient and cost effective financial products and services which in turn minimizes its industry risk exposure. Since its inception the bank contributes significantly in harnessing deposits by launching different attractive schemes befitting the requirement of different segments of customers. The bank actively encourages feedback from the customers and regard complaints as constructive comments that helps to build customer relationships and improve business. The Bank has also succeeded in diversifying its business portfolio across the thrust sectors of the economy and always takes special care for superior value addition in its services to clientele.

k-i) Market Risk:

Market risk is the risk due to which values of assets and liabilities or revenues may be adversely affected by changes in the market conditions.

Management Perception

This risk is inherent in the financial instruments associated with our operations. Our traditional banking loan and deposit products are non-trading positions and are generally repoted at amortized cost for assets or the amount owed for liabilities. However, these positions are still subject to changes in economic value based on varying market conditions, with one of the primary risks being changed with the levels of interest rates. The risk of adverse changes in the economic value of non-trading positions arising from changes in interest rates is managed through ALM activities. Trading positions are reported at market value with changes reflected in income. Trading positions are subject to various changes in market-based risk factors. Majority risk is generated by activities in the interest rate, foreign exchange and equity. The bank has maintained required capital against all market related instruments under Basel-II.

k-ii) Technology-related Risk:

Technology risk is the process of managing the risk associated with implementation of new technology. If a new technology is not compatible with business function of the company, the company may suffer in the long run. Risks surrounding Information Technology, such as network failure, software failure, lack of skills, hacking and viruses and poor system integration causing the potential negative impact on an organization.

Management Perception

Information Technology risk management plays an important role in protecting the Bank's information assets and strengthening the security of the vital component of IT, like Application, Database and Network infrastructure are an ongoing process. In this direction, the bank took a number of initiatives, and these were formulation of IT risk management policies, regular IT audits, formation of IT risk management review team, etc. The bank has a robust digital platform through which a customer can open accounts, perform online banking, mobile banking and download statements online.

l) Risk related to potential or existing Government Regulations:

The bank operates under Companies Act 1994, the Bank Companies Act 1991, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax (VAT) Act 1991, Value Added Tax (VAT) Rules 1991, Customs Act 1969, Bangladesh Securities and Exchange Rules 1987 and other related Regulations. The company also obtained license from Bangladesh Bank as a Bank under the Bank Companies Act, 1991.

Any non-compliance with regulatory regime may cause it to be non-compliant, having adverse impact in the reputation of the bank.

Management Perception

Unless any policy is changed that may negatively and materially affect the industry as a whole, the business of the bank is expected not to be affected significantly. Financial sector in Bangladesh is a sector with considerable local demand for differentiated product lines. Therefore, it is highly unlikely that the Government/Central Bank will initiate any fiscal measure having adverse effect on the growth of the industry.

m) Risk related to potential changes in Global or National Policies:

Changes in the existing global or national policies can have either positive or negative impacts for the Bank. The performance of the Bank would be hindered if the national/global political and economic condition becomes unrestful. Since the risk involved with the potential changes in global or national policies is a macro factor, it is beyond the control of the bank.

Management Perception

The management of IFIC Bank Limited is watchful about prevailing and upcoming future changes in the global or national policy and will take prudent action and shall respond appropriately and timely to safeguard its interest. Due to maintaining a diversified portfolio in major sectors in line with the country's growth scenario as well as industrial policy, the bank will always endeavor to withstand the unexpected changes or any such potential threats. Nevertheless, political stability and a congenial business environment is the best situation in which the Bank will achieve its maximum potential.

5. DETAILED DESCRIPTION AND INFORMATION OF ISSUER'S APPLICATION

1. Particulars of the Issuer, IFIC Bank Limited

(a)	Name of the Issuer	:	International Finance Investment and Commerce Bank Limited (IFIC Bank)
(b)	Legal status of the issuer	:	Public limited company (listed), private commercial bank
(c)	Details of Contact Information	:	Name: Dilip Kumar Mandal FCA Position: Chief Financial Officer (CFO) Head Office: IFIC Tower 61 Purana Paltan Dhaka-1000, Bangladesh Phone +88009666716250 (Ext:120) Mobile: +8801713069990
(d)	Date of incorporation	:	October 08, 1976
(e)	Date of commencement of business	:	October 08, 1976
(f)	Authorized capital	:	BDT 40,000,000,000 as at 30 September 2021
(g)	Paid-up capital	:	BDT 17,008,675,610 as at 30 September 2021
(h)	Total equity	:	BDT 29,861,134,648 as at 30 September 2021
(i)	Total liabilities	:	BDT 379,379,899,825 as at 30 September 2021
(j)	Total assets	:	BDT 409,241,034,472 as at 30 September 2021
(k)	Others	:	Not Applicable

2. Particulars of Issue Manager: Not applicable

3. Particulars of the Issue:

(a)	Name of the issue	:	IFIC Bank 3 rd Non-convertible Subordinated Floating Rate Bond
(b)	Type of instruments to be issued	:	Non-convertible Unsecured Floating Rate Fully Redeemable Subordinated Bond
(c)	Purpose of the issue	:	The issuance is to generate liquidity to strengthen Tier II capital of the bank.
(d)	Number of securities and total size of the issue to be offered	:	500 bonds for total issue amount of BDT 5,000,000,000
(e)	Face value and issue price of securities mentioning discount or premium thereof	:	Face value and issue price of each Bond is BDT 10,000,000
(f)	Coupon rate /discount rate and YTM	:	To Be Determined as a sum of Benchmark Rate & Margin; however, during the tenor the yield [benchmark + margin] will be floored at 7.00% and capped at 9.00%

(g)	Tenor or maturity	:	7 years
(h)	Details of conversion/ exchange option features	:	Not applicable as the bond is non-convertible
(i)	Mode of redemption or conversion/ exchange	:	20% of the total bond value to be redeemed at the end of each year starting from 3 rd year.
(j)	Mode of option (call or put), if any, in case of redemption or conversion/exchange and discount or premium thereof	:	Not applicable as the bond is non-convertible and fully redeemable
(k)	Rate of return	:	Floating rate bond with YTM floored at 7.00% and capped at 9.00%
(l)	Applicable tax rate	:	As per applicable Tax Laws of Bangladesh
(m)	Default protection mechanism (details of credit enhancement arrangement/ agreement, redemption reserve, sinking fund etc.), if Any	:	Not applicable
(n)	Type of collateral securities being offered, if any	:	Unsecured
(o)	Status of securities holders in case of priority of payment	:	First priority
(p)	Period within which securities to be issued	:	Within 6 (six) months of regulatory approval in Single or Multiple Tranches
(q)	Nature of tradability or listing in the stock exchange(s) (Main Board / ATB /any other platform, mentioning the name of the stock exchange)	:	As per regulatory approval
(r)	Others	:	Not Applicable

4. Particulars of the Trustee:

(a)	Name of the trustee	:	Sena Kalyan Insurance Company Limited
(b)	Paid-up capital of the trustee	:	BDT 240,000,000 as at December 31, 2020
(c)	Net worth of the trustee	:	BDT 506,203,422 as at December 31, 2020
(d)	Name of the issue(s) where performing as trustee	:	List attached in annexure
(e)	Others	:	Not Applicable

5. Particulars of the Credit Rating Company:

(a)	Name of credit rating company	:	Credit Rating Agency of Bangladesh (CRAB)
(b)	Credit rating status of the issuer or originator	:	Long Term Rating: AA Short Term Rating: ST2

		Outlook: Stable
(c)	Credit rating status of the issue	: Long Term Rating: AA3 (Hybd) Outlook: Stable
(d)	Date and validity of rating along with surveillance rating for the issuer or originator and for the issue	: Issuer Rating Validity: 30 June 2022 Issue Rating Validity: 30 September 2022
(e)	Latest default rate of the credit rating company	: 0% as on 2020
(f)	Average time to default of the rated category	: Not Applicable
(g)	Rating trigger, if any	: Not Applicable
(h)	Others	: Not Applicable

6. **Particulars of originators, if any:** Not applicable

7. **Particulars of other contractual parties:**

(a)	Name of the Mandated Lear Arranger	: Standard Chartered Bank acting through its Bangladesh Branch
(b)	Legal status of the Mandated Lear Arranger	: Foreign Commercial Bank
(c)	Details of contact information of the Mandated Lear Arranger	: Md. Maroof Ur Rahman Mazumder Executive Director & Head of Capital Markets, Bangladesh Address: Level 3, 67 Gulshan Avenue, Dhaka – 1212 Phone: + 88-02-8833003-4 ext. 53031 Fax: + 88-02-8837810 Mobile: + 880171-3009646 E-mail: md-marroofur.rahman@sc.com
(d)	Name of the issue managed by the Mandated Lear Arranger	: Pubali Bank Limited (Sub- Bond 7,500 Million) Southeast Bank Limited (Sub-Bond 5,000 Million) Dutch Bangla bank Limited (Sub-Bond 5,000 Million) Islami Bank Bangladesh Ltd (Islamic Sub-Bond 6,000 Million) Trust Bank Limited (Sub-Bond 4,000 Million) EXIM Bank Ltd (Sub-Bond 5,000 Million) IFIC Bank Ltd (2 nd Sub-Bond 5,000 Million) etc.
(e)	Others	: Not Applicable

6. DETAIL PLAN OF THE UTILIZATION OF PROCEEDS

Purpose of Issuance of the IFIC Bank Subordinated Bond:

As on 30 September 2021 IFIC Bank and its Subsidiaries had a Total Regulatory Capital of BDT 41,800.82 Million representing Capital to Risk Weighted Assets (CRAR) of the Bank was 13.90%. On a solo Basis IFIC Bank Limited had a total Regulatory Capital of 38,570.54 Million representing Capital to Risk Weighted Assets (CRAR) of the Bank was 13.11%.

The Issuer has planned to raise BDT 5,000,000,000 to generate liquidity to strengthen its Tier II Capital base. The fund raised through issuing the proposed bonds will provide the Bank additional Capital cushion in light of risk weighted Capital Adequacy Ratio and will help the Bank to grow its loans and advance portfolio and to open new branches. The issuance of the Subordinated bonds will allow the Bank to enhance its capital strength and continue to grow its Balance Sheet.

Utilization of Proceeds:

The bonds will qualify as a part of the Bank's Tier II capital and will help maintain healthy capital adequacy ratios in next few years. Besides, the fund will also be used for undertaking general business activities of the Bank, which include strengthening the loan portfolio of the Bank in Corporate, SME, Retail segments and treasury operations.

7. FEATURES OF THE DEBT SECURITY TO BE ISSUED

a. Basic Features of the Instrument

Issuer:	International Finance Investment and Commerce Bank Limited (“IFIC Bank Limited” or “IFIC”)																											
The Issue:	Non-Convertible Floating Rate Subordinated BDT 5,000 Million Bond																											
Mandated Lead Arranger:	Standard Chartered Bank (“SCB”) and also referred to as the “Mandated Lead Arranger” or the “MLA”																											
Arrangement Basis:	Best Efforts / Strictly Non-Underwritten																											
Purpose:	To strengthen Tier II Capital Base																											
Investors:	Local Financial Institutions, Insurance Companies, Funds, Corporate etc and any other eligible investors.																											
Currency:	Bangladeshi Taka (“BDT”)																											
Face Value:	Up to BDT 5,000 Million																											
Denomination:	Denomination of each lot of Bond is indicated at BDT 10,000,000 Face Value																											
Mode of Placement:	Private Placement																											
Issue Price:	100% at Par																											
Tenor:	7 years from the Issue Date																											
Expected Issue Date:	December 2021 or any other mutually agreeable date																											
Status of Debt:	Subordinated Non-Convertible																											
Security:	Unsecured																											
Form:	Registered																											
Listing:	Subject to regulatory approval																											
Credit Rating of the Issue:	Long Term Rating: AA3 (Hyb), Outlook: Stable																											
Redemption Schedule:	<p>20% of the total bond value to be redeemed at the end of each year starting from 3rd year and the repayment schedule is depicted below:</p> <table border="1"> <thead> <tr> <th>Issue Size (BDT)</th> <th colspan="2">5,000,000,000</th> </tr> <tr> <th>Years</th> <th>Repayment (BDT)</th> <th>Balance</th> </tr> </thead> <tbody> <tr> <td>End of 1st year</td> <td>-</td> <td>5,000,000,000</td> </tr> <tr> <td>End of 2nd year</td> <td>-</td> <td>5,000,000,000</td> </tr> <tr> <td>End of 3rd year</td> <td>1,000,000,000</td> <td>4,000,000,000</td> </tr> <tr> <td>End of 4th year</td> <td>1,000,000,000</td> <td>3,000,000,000</td> </tr> <tr> <td>End of 5th year</td> <td>1,000,000,000</td> <td>2,000,000,000</td> </tr> <tr> <td>End of 6th year</td> <td>1,000,000,000</td> <td>1,000,000,000</td> </tr> <tr> <td>End of 7th year</td> <td>1,000,000,000</td> <td>0</td> </tr> </tbody> </table>	Issue Size (BDT)	5,000,000,000		Years	Repayment (BDT)	Balance	End of 1 st year	-	5,000,000,000	End of 2 nd year	-	5,000,000,000	End of 3 rd year	1,000,000,000	4,000,000,000	End of 4 th year	1,000,000,000	3,000,000,000	End of 5 th year	1,000,000,000	2,000,000,000	End of 6 th year	1,000,000,000	1,000,000,000	End of 7 th year	1,000,000,000	0
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End of 7 th year	1,000,000,000	0																										
Trustee:	Sena Kalyan Insurance Company Limited																											
Coupon Rate:	To Be Determined as a sum of Benchmark Rate & Margin; However, during the tenor the yield [benchmark + margin] will be floored at 7.00% and capped at (benchmark + margin) 9.00%. Subject to approval from the regulatory authorities																											

<p>Benchmark Rate:</p>	<p>Benchmark Rate: The Benchmark rate shall be determined by following method:</p> <p>Average of most recent month's published highest fixed deposit rates (6 months tenor) of all Private Commercial Banks (excluding Islami banks and Foreign Banks). The issuer's 6 months tenor deposit rate to be considered at the time of calculating the average. The published deposit rate to be taken from Bangladesh Bank sources. This will be fixed semi-annually.</p> <p>The Benchmark rate will be fixed by the Trustee semi-annually on ("Interest Reset Date") the immediately preceding business day of the issuance and afterwards semi-annually throughout the tenor of the bond. For avoidance of doubt, the Benchmark Rate shall be calculated by the Trustee and notified to the Issuer and all Investors on every Interest Reset Date.</p>
<p>Margin:</p>	<p>2.00%</p>
<p>Transferability/Liquidity:</p>	<p>Freely transferable subject to the terms and conditions of the Bond documents.</p>
<p>Prepayment, Call, Refunding, Conversion features:</p>	<p>Not applicable</p>
<p>Late Redemption:</p>	<p>Incremental charge at the rate of 2% per annum payable by the Issuer to the Bondholders above the amount to be paid by the Issuer to the Bondholders on the Redemption Date for failure of the Issuer to make payment to the Bondholders on the Redemption Date.</p>
<p>Cost Related to the Issue:</p>	<p>Arrangement Fee: 0.50% of the Face Value Amount of the Bonds. Trustee Fee: BDT 300,000 plus applicable VAT for the 1st year and BDT 250,000 plus applicable VAT per annum for subsequent years till final redemption of bond Credit Rating Fee: BDT 150,000 per annum till final redemption of the bond. Application Fee to BSEC: BDT 10,000 Consent Fee to BSEC: 0.10% on the Face Value Miscellaneous: Other expenses related to the issue</p>
<p>Tax Features:</p>	<p>All payments made by the Issuer or under or in respect of the Trust Deed or the Bonds will be subject to any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Bangladesh or any political subdivision thereof or any authority thereof or therein having power to tax. The Issuer will not be Obligated pay any additional amounts in respect of such taxes, duties, assessments or governmental charges that may from time to time be deducted or withheld from such payments, but will</p>

	provide or procure the provision of original or authenticated tax receipts relating to any such deductions or withholdings to Bondholders.
Documentation:	Customary Capital Market documentation including force majeure, negative pledge, cross default and indemnity provisions.
Conditions Precedent:	In form and substance satisfactory to the MLA including without limitation: (i) due diligence having been conducted and completed, (ii) documentation for Financing and appropriate business description disclosure in the offering circular, (iii) receipt by the MLA of appropriate legal opinions from external counsel, (iv) the Issuer having obtained all relevant approvals for Financing.
Governing Law:	The laws of The People's Republic of Bangladesh
Enforcement of Charges over securities:	<p>At any time after the Bonds have become due and repayable, the Trustee may, and without further notice in writing, take such proceedings against the Issuer as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed, but it will not be bound to take any such proceedings unless (a) it shall have been so requested in writing by the holders of not less than $66\frac{2}{3}$ per cent. in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (b) it shall have been indemnified and/or secured to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.</p> <p>Notwithstanding anything as contained above and anywhere in the Trust Deed, the Trustee shall be free to disregard such foregoing provision and be bound to act on the instruction of a single holder of the Bonds if (a) the request from the holders representing $66\frac{2}{3}$ percent in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders cannot be met for any reason and (b) the Trustee shall have been indemnified and/or secured to its satisfaction by such single holder.</p>

8. DESCRIPTION OF COLLATERAL SECURITY AND TYPE OF CHARGES TO BE CREATED AGAINST ISSUE

The issue is an unsecured corporate bond hence no charge on assets is to be created. The issuer only owes the bondholders an indebtedness which is secured by claims over all present and future assets of the issuer subsequent to all secured lenders.

9. RIGHTS & OBLIGATIONS OF THE ISSUER

Covenant to Repay

The Issuer covenants with the Trustee that it will, as and when the Bonds or any of them become due to be redeemed or any principal on the Bonds or any of them becomes due to be repaid in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in Bangladesh Taka in Dhaka in immediately available freely transferable funds the principal amount of the Bonds or any of them becoming due for redemption or repayment on that date and shall (subject to the provisions of the Conditions) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions interest on the principal amount of the Bonds or any of them outstanding from time to time as set out in the Conditions provided that:

- A) if any payment of principal or interest in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the seventh day after notice has been given to the Bondholders in accordance with the Conditions that the full amount has been received by the Trustee to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions; and
- B) in any case where payment of the whole or any part of the principal amount due in respect of any Bond is improperly withheld or refused interest shall accrue at applicable interest rate for the Bond on the whole or such part of such principal amount from the date of such withholding or refusal until the date either on which such principal amount due is paid to the Bondholders or, if earlier, the seventh day after which notice is given to the Bondholders in accordance with the Conditions that the full amount payable in respect of the said principal amount is available for collection by the Bondholders such payment is in fact made.

The Trustee will hold the benefit of this covenant and the covenants as per Clause 11.3 of Trust deed (Covenant to comply with Trust Deed, Conditions and Schedules,) and Clause 11.4 (Covenants by the Issuer) on trust for the Bondholders.

Following an Event of Default

At any time after any Event of Default shall have occurred, the Trustee may:

by notice in writing to the Issuer, require it to make all subsequent payments in respect of Bonds to or to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, sub-clause 11.1.1 of Clause 11.1 of Trust Deed (Covenant to Repay) and (so far as it concerns payments by the Issuer) Clause of Trust Deed (Payment to Bondholders) shall cease to have effect.

Covenant to comply with Trust Deed, Conditions, Schedules and applicable law

The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the Trust Deed, the Conditions (including, without limitation, Condition 5 (Covenants)) and the other Schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in this Trust Deed, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, this Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents applicable to them.

The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the applicable law including but is not limited to Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021. The Issuer agrees that Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the applicable law and will be deemed to have notice of all of the provisions of the applicable law applicable to them.

The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions and the applicable law as if the same were set out and contained in this Trust Deed which shall be read and construed as one document with the Bonds.

Covenants by the Issuer

The Issuer hereby covenants with the Trustee that, so long as any of the Bonds remain outstanding, it will:

Books of account: At all times keep and procure that all its Subsidiaries keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow, subject to confidentiality obligations under applicable law, the Trustee and any person appointed by it free access to the same at all reasonable times and to discuss the same with responsible officers of the Issuer;

Event of Default: Give notice in writing to the Trustee forthwith upon becoming aware of any Event of Default and without waiting for the Trustee to take any further action;

Corporate Governance: Comply (and shall ensure that each member of the Group will) in all material respects with the corporate governance guidelines set out by the Bangladesh Bank and the Bangladesh Securities and Exchange Commission.

Information: So far as permitted by applicable law, at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and, in such form, as it shall require in relation to Issuer for the performance of its obligations under the Bond Documents;

Execution of further Documents: So far as permitted by applicable law, at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the provisions of this Trust Deed;

Notices to Bondholders: Send or procure to be sent to the Trustee not less than 5 (five) business days prior to the date of publication, one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice;

Notification of non-payment: Notify the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds or any of them, pay unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Bonds;

Notification of late payment: In the event of the unconditional payment to the Trustee of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith give notice to the Bondholders that such payment has been made;

Notification of redemption or repayment: 14 (Fourteen) days prior to the Redemption Dates or purchase in respect of any Bond, give to the Trustee notice in writing of the amount of such redemption or purchase pursuant to the Conditions and duly proceed to redeem or purchase such Bonds accordingly;

Authorised Signatories: Upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustee a list of the Authorised Signatories of the Issuer, together with certified specimen signatures of the same; and

Payments: Pay moneys payable by it to the Trustee hereunder without set off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by law will pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder.

10. RIGHTS & OBLIGATIONS OF THE TRUSTEE

Trustee's Rights

Applicable Law: Notwithstanding anything contained in this Trust Deed the Trustee shall have all such rights and powers granted to it under the applicable law including but is not limited to Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021.

Advice: The Trustee may in relation to this Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert (whether obtained by the Trustee, the Issuer, or any Subsidiary) and which advice or opinion may be provided on such terms (including as to limitations on liability) as the Trustee may consider in its sole discretion to be consistent with prevailing market practice with regard to advice or opinions of that nature and shall not be responsible for any Liability occasioned by so acting; any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, telex, cablegram or facsimile transmission;

Resolution or direction of Bondholders: the Trustee shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Bondholders;

Trustee not responsible for investigations: save as otherwise provided by applicable law, the Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in this Trust Deed, the Bonds, or any other agreement or document relating to the transactions herein or therein contemplated or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof;

Entry on the Register: the Trustee shall not be liable to the Issuer or any Bondholder by reason of having accepted as valid or not having rejected any entry on the Register later found to be forged or not authentic and can assume for all purposes in relation hereto that any entry on the Register is correct;

Events of Default: save as otherwise provided by applicable law, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and under this Trust Deed and no event has happened as a consequence of which any of the Bonds may become repayable; and

Right to Deduct or Withhold: notwithstanding anything contained in this Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whenever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under this Trust Deed (other than in connection with its remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising there from or any action of the Trustee in connection with the trusts of this Trust Deed (other than the remuneration herein specified) or otherwise, then the Trustee shall be entitled to make such deduction or withholding or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax from the funds held by the Trustee upon the trusts of this Trust Deed.

Liability: The Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed or the Bonds save in relation to its own gross negligence, wilful default or fraud. This Clause 6.1.8 shall survive the termination or expiry of this Trust Deed or the removal or termination of the Trustee.

Force Majeure: The Trustee shall not be liable for any failure or delay in the performance of its obligations under this Trust Deed or any other Bond Document because of circumstances beyond such Trustee's control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labour disputes, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by this Trust Deed or any other Bond Document, inability to obtain or the failure of equipment, or interruption of communications or computer facilities, and other causes beyond such Trustee's control whether or not of the same class or kind as specifically named above.

Immunities: The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Trust Deed shall extend to the Trustee's officers, directors and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of this Trust Deed and final payment of the Bonds. The Issuer acknowledges that in any proceedings taken in relation to this Trust Deed, it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

Professional charges: any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with

the trusts of this Trust Deed and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with this Trust Deed, in each case as agreed pursuant to the Fee Letter (including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person);

Expenditure by the Trustee: nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it; and

Trustee may enter into financial transactions with the Issuer: no Trustee and no director or officer of any corporation being a Trustee hereof shall by reason of the fiduciary position of such Trustee be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with the Issuer or any Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, or from accepting the trusteeship of any other debenture stock, debentures or securities of the Issuer or any Subsidiary or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, and neither the Trustee nor any such director or officer shall be accountable to the Bondholders or the Issuer or any Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustee and any such director or officer shall also be at liberty to retain the same for its or his own benefit.

Trustee Liability: The Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed or the Bonds save in relation to its own gross negligence, wilful default or fraud.

Right to Sue: The Trustee may sue and may be sued on behalf of the Bondholders.

Trustee's powers and duties

Applicable Law: Notwithstanding anything contained in this Trust Deed the Trustee shall have all such responsibility as set out in the applicable law including but is not limited to Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021.

Act for Bondholders: Subject to applicable law and terms and conditions of this Trust Deed, the Trustee shall act on behalf and for the exclusive interest of the Bondholders;

Monitoring: Trustee shall ensure that Issuer is observing the applicable law for the Bonds and the terms and conditions of the Bond Documents. As soon as the Trustee is aware of any breach by the Issuer it shall immediately inform the Bondholders and the Issuer of such breach;

Report to BSEC: Trustee shall submit an annual compliance report to the BSEC on the activities of the Issuer including repayment of dues to the Bondholders. When Trustee shall submit such report to the BSEC it shall provide copy to the Issuer and the Bondholders;

Grievances of the Bondholders: Upon receipt of a complaint from the Bondholders Trustee shall take necessary steps for redress of grievances of the Bondholders within one month of the date of receipt of the complaints and he shall keep the BSEC and the Issuer informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed;

Trustee's determination The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of this Trust Deed or contained in the Bonds is capable of remedy and if the Trustee shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer and the Bondholders;

Determination of questions: the Trustee as between itself and the Bondholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Trust Deed and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders;

Trustee's discretion: the Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by this Trust Deed or by operation of law, on reasonable ground have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof (save as otherwise provided by applicable law) but whenever the Trustee is under the provisions of this Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing;

Trustee's consent: any consent given by the Trustee for the purposes of this Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require;

Application of proceeds: the Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds;

Error of judgment: the Trustee shall not be liable for any error of judgment made in good faith applying due diligence and without negligence by any officer or employee of the Trustee assigned by the Trustee

to administer its corporate trust matters, save in relation to its own gross negligence, wilful default or fraud;

Agents: Subject to the provisions of the Trust Act 1882 and Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021, the Trustee may, in the conduct of the trusts of this Trust Deed instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money) with the consent of Issuer and the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person provided that the Trustee had exercised reasonable care in the appointment of such person;

Confidential information: the Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder confidential information or other information made available to the Trustee by the Issuer in connection with this Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information.

Determination of Interest Rate: the Trustee shall determine Applicable Interest Rate in accordance with Condition of the Bond.

Exercise of Discretion

Notwithstanding anything in this Trust Deed to the contrary, the Trustee shall not be obliged to exercise or consider exercising any discretion or consider making or make any determination (including, without limitation, any determination as to whether any fact or circumstance or activity or thing is material or substantial or complies with some such similar quantitative standard) or to consider taking or take any action whatsoever in connection with or under or pursuant to the Bonds unless directed to do so by the holders of not less than 662/3 percent in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution of Bondholders (subject in all cases to the Trustee having been indemnified or provided with security to its satisfaction and otherwise being satisfied that it is lawful for it to so exercise discretion, make a determination or otherwise take any action). Such direction shall specify the way in which the Trustee shall exercise such discretion or, as the case may be, make the determination or take the action to be taken by the Trustee.

The Trustee will be responsible for any loss, expense, damage, claim, cost, charge or liability which may be suffered as a result of any exercise or non-exercise of a discretion or the making or failure to make any determination or the taking or failure to take any action by the Trustee, acting on the directions of the Bondholders as aforesaid or pending the provision of such a direction.

11. RIGHTS & OBLIGATIONS OF THE ARRANGER

The Issuer has appointed Standard Chartered Bank acting through its Bangladesh Branch as the Mandated Lead Arranger of the proposed Bonds.

Rights and Obligations of the Arranger of the Non-Convertible Floating Rate Subordinated Bond include:

- a. Due diligence of the issue prior to submission of the proposed bonds to external parties;
- b. Coordinate and provide integral support for preparation of Information Memorandum and appointment of relevant parties;
- c. Ensure proper documentation completion and compliance with regulatory requirements, prior to submission to regulators;
- d. Engage with regulators and Issuer for approval of the bonds;
- e. Support due diligence of prospective investors for investing in the bonds;
- f. Complete documentation of the bonds prior to subscription of the bonds;
- g. Monitor compliance with conditions precedent prior to issuance of the bonds.

12. RIGHTS & OBLIGATIONS OF ELIGIBLE INVESTORS

Rights and Obligations of the eligible Investors of Non-Convertible Floating Rate Subordinated Bond are, inter alia:

- **Ownership of the Bond:** Each of the Issuer, the Trustee may deem and treat the registered holder of a Bond as the absolute owner of such Bond, free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate Holder of such Bond (whether or not the Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon or any notice of previous loss or theft of the Bond Certificate issued in respect of that Bond) for all purposes and, except as ordered by a court of competent jurisdiction or as required by applicable law, the Issuer, the Trustee and the Agents shall not be affected by any notice to the contrary.
- **Right to receive payment** – *Subject to terms and conditions of the Bond, each Bondholder shall have a right to receive payment of principal amount of the Bond on the redemption date and interest amount of the Bond on each Interest Payment Date.*
- **Transfer of Bonds** – *Subject to terms and conditions of the Bond Documents each Bondholder shall have the right to transfer the Bonds freely*
- **Basic Rights:** Basic rights of the Bondholders/Investors include but are not limited to: (i) secure methods of ownership registration; (ii) obtain relevant information on the company on a timely and regular basis; (iv) participate and vote in bondholders meetings.
- **Rights Subordinated:** The rights of the holders of Bonds against the Issuer (including for principal and interest) are subordinated and junior in right of payment to its Obligations (a) to its depositors, (b) under bankers' acceptances and letters of credit issued by the Issuer, (c) to Senior Creditors (including the Bangladesh Bank and the Deposit Insurance Trust Fund). In the event of any insolvency, receivership, conservatorship, reorganization, readjustment of debt or similar proceedings or any liquidation or winding up of or relating to the Issuer, whether voluntary or involuntary, all such Obligations of the Issuer shall be entitled to be paid in full before any payment shall be made to the Bondholders in respect of the Bonds. In the event of any such proceedings, after payment in full of all sums owing on such prior Obligations, the Bondholders and any other payment required to be made to a creditor in respect of indebtedness which ranks or is expressed to rank pari passu with the Bonds, shall be entitled to be paid from the remaining assets of the Issuer, the unpaid principal thereof and any unpaid premium, if any, and interest before any payment or other distribution, whether in cash, property or otherwise, shall be made on account of any capital stock or any Obligations of the Issuer ranking junior to the Bonds.

13. DESCRIPTION OF THE ISSUER: IFIC BANK LIMITED

International Finance Investment and Commerce Bank Limited (IFIC Bank) was established in 1976 as a joint venture between the Government of Bangladesh and sponsors in the private sector to form a finance company within the country and for setting up joint venture banks/financial institutions abroad. In 1983, the bank was converted into a full-fledged commercial bank, and currently the GoB holding 32.75% shares. IFIC Bank is listed on the Dhaka Stock Exchange and the Chittagong Stock Exchange. As of 30 September 2021, the bank has a network of 157 branches, 589 Uposhakhas, 39 ATM Boots with 53 ATMs and 403 global correspondent banking relationships, supported by 3,740 employees.

A. CAPITAL STRUCTURE

- **Authorized capital:** BDT 40,000,000,000 (as of 30 September 2021)
- **Paid-up capital:** BDT 17,008,675,610 (as of 30 September 2021)

Shareholding Structure

Type of Shareholder	30 September 2021		31 Dec 2020	
	No. of Shares	%	No. of Shares	%
Sponsors	69,933,264	4.11	66,603,111	4.11
Government (Director also)	557,009,592	32.75	530,485,326	32.75
Sub-total	626,942,856	36.86	597,088,437	36.86
Institutions	433,760,208	25.5	470,454,459	29.04
Foreign Investors	14,349,174	0.84	12,717,884	0.79
General Investors	625,815,323	36.80	539,613,088	33.31
Sub-total	1,073,924,705	63.14	1,022,785,431	63.14
Total	1,700,867,561	100	1,619,873,868	100.00

The Government is representing in the Board of the bank by three nominated Directors and as such, Sponsors & Directors are at present holding 36.86% shares of the Bank.

Particulars	As of 30 September 2021	
	Amount in BDT	% of Total Assets
Liabilities		
Borrowings from other banks, financial institutions and agents	14,913,336,063	3.6%
Subordinated Bond	6,400,000,000	1.6%
Deposits and other Accounts	325,701,156,606	79.6%
Other Liabilities	32,365,407,155	7.9%
Total Liabilities	379,379,899,825	92.7%
Paid up capital	17,008,675,610	4.16%
Statutory reserve	6,864,775,853	1.68%
General reserve	155,071,397	0.04%
Revaluation reserve against securities	49,443,201	0.01%
Revaluation reserve against fixed assets	115,314,704	0.03%
Foreign Currency translation reserve	96,259,657	0.02%
Surplus in profit and loss account	5,571,580,495	1.36%
Total Shareholders' Equity		7.30%

Particulars	As of 30 September 2021	
	Amount in BDT	% of Total Assets
	29,861,120,917	
Total Liabilities & Shareholders' Equity	409,241,034,472	100%

Total Regulatory Capital of IFIC as of 30 September 2021

Particulars	Amount in BDT
Total Assets (excluding off-balance sheet assets)	409,241,034,472
Total Risk weighted assets (RWA)	300,685,097,964
Total Common Equity Tier 1 (CET1) capital	28,639,495,448
Total Additional Tier-I Capital	-
Total admissible Tier 1 Capital	28,639,495,448
Total admissible Tier 2 Capital	13,161,320,668
Total Eligible Regulatory Capital (Tier 1 and 2)	41,800,816,116
Capital to Risk Weighted Assets Ratio (CRAR)	13.90%

B. BUSINESS OF THE ISSUER: IFIC BANK LIMITED

International Finance Investment and Commerce Bank Limited (IFIC Bank) is a banking company incorporated in the People's Republic of Bangladesh with limited liability. It was set up at the instance of the Government in 1976 as a joint venture between the Government of Bangladesh and sponsors in the private sector with the objective of working as a finance company within the country and setting up joint venture banks/financial institutions abroad. In 1983 when the Government allowed banks in the private sector, IFIC was converted into a full-fledged commercial bank. The Government of the People's Republic of Bangladesh, now, holds 32.75% of the share capital of the Bank. Sponsors/ directors with vast experience in their respective fields of trade and commerce own 4.11% of the share capital and the rest is held by Institutions both local & foreign and general public shareholders.

A total of 157 branches and 589 Uposhakhas of IFIC are dedicated in providing services to the clients with the help of a skilled and dedicated workforce. As one of the leading banks of the banking sector in the country, IFIC is always committed to the welfare and economic prosperity of the people and the community.

IFIC Bank recognizes customers as partners and aims at providing high quality products and services at a very competitive price. The Bank focuses on Customer Service Excellence (CSE) while providing those products and services with the optimum desire to gain total customer satisfaction and confidence. The Bank hopes to build reliability, trust and friendship through honesty and integrity for a healthy long-term alliance. The Bank takes charge of every client to make him/her an advanced partner through addressing his/ her banking needs and wants to provide best services at affordable prices. The Bank provides a professional, safe and enjoyable work environment for its employees that supports job enthusiasm, positive relationship and effective teamwork. The Bank provides clear directions to motivate the team to achieve the goals. The Bank seeks loyalty of its employees to the company by treating them with respect, understanding and recognition.

Cluster Management is considered as a new and highly efficient form of innovation support providers that channelizes specialized and customized business support services to enterprises. The high quality cluster

management team works relentlessly to ensure cluster excellence in the Bank where the efficient cluster Managers act as a driving force for the clusters. Their performance is very much linked to the professional expertise and the capability of the cluster managers who dispose of good cluster insight necessary for an efficient support to the cluster members.

Despite challenges in the banking sector due to the pandemic and fall in returns, IFIC adopted prudential policies and measures to strengthen its financial health in its quest to attain long term sustainable growth. The prime focus has been improving asset quality, secured investment, low cost deposits, optimum liquidity, recovering classified and written off loans, automation and process reengineering, upholding service excellence and rationalizing costs. As a result the bank's asset quality improved with steady growth in assets & deposits but reduced margins impacted revenue and profit growth. Brief of key indicators as of 30 September 2021 (standalone basis) are stated below:

- Balance sheet size reached at BDT 470,785 million including off balance sheet exposure
- Deposit growth 10.25%
- Loans & advances portfolio growth 12.29%
- NPL was reduced to 3.93% (Y2020: 3.97%)
- Net Interest Income BDT 4,563 million (Y2020: 2,864 million)
- Operating profit BDT 4,920 million (Y2020: 2,902 million)
- Profit before tax BDT 3,424 million (Y2020: 1,664 million)
- Net profit BDT 1,613 million (Y2020: 562 million)

IFIC Bank undertakes business activity through two main wings of Business Banking and Retail Banking. The Business Banking wing looks offers Trade Finance, SME & Agri Business, Corporate Business and Treasury Business of the bank. The Retail Banking wing looks after the bank's retail deposit and loan businesses and card businesses through its various branches. In 2019, IFIC established 35 Uposhakhas (grown to 589 as of 30 September 2021) across the country and launched IFIC Aamar Bank (Digital Banking Platform) and IFIC Shohoj Account to expand financial inclusion.

Since the inception of its journey, IFIC Bank has been playing the pioneering role among the private sector banks in establishing joint venture/overseas operations beyond the national boundary. The Bank has so far been able to set up joint venture operations in the Maldives, Oman, Nepal, Pakistan and UK. Bank's operation in the Maldives was, however, handed over to the Maldivian Government in 1992. The overseas joint venture operations have not only brought a positive image for the Bank in the international arena, but also contributed a lot to its profitability.

Overseas ventures of IFIC include the following:

→ **Nepal Bangladesh Bank Limited**

Nepal Bangladesh Bank Limited, a joint venture commercial bank between IFIC Bank Limited and the Nepali Nationals, started its operation with effect from 06 June 1994 in Nepal. The Bank has so far opened 100 (One hundred) branches at the different important locations in Nepal. IFIC Bank presently holds 40.91% shares in Nepal Bangladesh Bank Limited.

→ **Oman Exchange LLC**

Oman Exchange LLC, a joint venture between IFIC Bank Limited and the Omani Nationals, was established in 1985 to facilitate remittance by the Bangladeshi wage earners from the Sultanate

of Oman. IFIC Bank holds 49% shares in the Exchange Company and the balance 51% is held by the Omani sponsors. The operations of the branches are fully computerized having online system. The Exchange Company has a network of 12 (twelve) branches covering all the major cities/towns of Oman. In the meantime, the company has established direct remittance services with 9 (nine) countries, such as, Bangladesh, India, Indonesia, Nepal, Pakistan, Philippines, Qatar, Sri Lanka and U.A.E.

→ **MCB Bank Limited**

IFIC Bank had two branches in Pakistan, one in Karachi and the other in Lahore. Karachi Branch was opened on 26 April 1987 while the Lahore Branch was opened on 23 December 1993. To meet the Minimum Capital Requirement of the State Bank of Pakistan, the overseas branches of IFIC in Pakistan was merged with a reputed leasing company named National Development Leasing Corporation Ltd. (NDLC) and emerged as NDLC-IFIC Bank Limited with effect from 02 October 2003 and it was subsequently renamed as the NIB Bank Limited with effect from 28 November 2005. In 2017 NIB Bank Limited again merged with MCB Bank Limited and IFIC Bank now holds 175,508 shares of MCB Bank Limited.

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

IFIC Money Transfer (UK) Limited, a fully owned subsidiary exchange company of IFIC Bank was incorporated in UK and commenced its operation on 31 August 2011 to facilitate inward foreign remittance from the United Kingdom.

Correspondent Banking Relationship: Apart from the above, IFIC Bank Limited has a wide range of correspondent network across the world to facilitate smooth foreign trade transactions. The Bank maintains 26 (twenty-six) Standard Settlement Instructions (Nostro Accounts) involving 7 (seven) currencies, e.g. AUD, ACU-D, CHF, EUR, GBP, JPY and USD at important financial centers. Total correspondents of IFIC Bank stands at 403 (both local & foreign) as on 30 September 2021.

Subsidiaries: IFIC Bank has two local subsidiaries namely IFIC Securities Limited (**IFICSL**) and IFC Investment Limited (**IFICIL**).

IFICSL is devoted to the development of the Capital Market of the country through extending brokerage services to individual and institutional investors. IFICSL deals in buying, selling and trading of securities in the Capital Market. It aims at providing all sorts of brokerage and custodial services. IFICSL is a TREC holder of Dhaka Stock Exchange Limited.

IFIC Investment is devoted to establish, maintain, undertake, carry on, transact the business of merchant banking and other businesses as well as services related to capital market and to transact and do all matters and things on issue management, underwriting, portfolio management, asset management, capital market operation and other financial services including corporate advisory services, mergers & acquisition, equity investment, joint-venture sourcing, corporate restructuring, financial consultancy, corporate research, privatization and other related services in Bangladesh and overseas. The Company has already applied to Bangladesh Securities & Exchange Commission (BSEC) for Merchant Banking License.

C. BOARD OF DIRECTORS AND MANAGEMENT

Board of Directors

The Bank's Board comprises of 9 members including the Managing Director & CEO. and two Independent Directors. Mr. Salman F Rahman MP is the present Chairman of the Bank. The Board is involved in policy formulations, strategic direction setting, business plan approval, approval of financial position and results and review of various activities and also providing necessary directions to the management for conducting businesses in a competitive and profitable manner by managing risks and complying with the regulatory requirements. The Board has three sub committees i.e. Executive Committee, Audit Committee and Risk Management Committee.

Executive Committee (EC)

The Executive Committee of the Board has 3 members and is headed by Mr. A.R.M. Nazmus Sakib as Chairman. The Executive Committee reviews all the credit proposals beyond the delegation of management and approve loans, other than large loans (up to 5% of capital for new relationship and up to 10% of Capital for renewal & enhancement of existing relationship). It is also responsible for administration, investment aspect, expansion of business etc. The Board confirms the decision of all Executive Committee meetings and assesses the operational results. Company secretary acts as the secretary to the Committee.

Audit Committee

The Audit Committee of the Board was duly constituted by the Bank comprising of 3 members of the Board. The Committee is headed by Ms. Rabeya Jamali, Independent Director as Chairman as per the revised corporate governance guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC). The committee reviews and monitors regulatory compliance, financial reporting, internal control & internal audit functions, and other operational activities. Company secretary acts as the secretary to the Committee.

Risk Management Committee

The Risk Management Committee of the Board has 5 members and is headed by Mr. Md. Zafar Iqbal, ndc as Chairman. The Committee mainly reviews and discusses the observations and findings on Monthly Risk Management Paper (RMP) along with other relevant risk parameters related with credit portfolio, liquidity, market and operational risk management submitted through the Risk Management Division of the Bank on quarterly rest. The Committee also reviews the risk appetite capacity of the Bank commensurate with its capital base, stress test results and implementation of Bank's ICAAP etc. The decisions/resolutions of the Committee are submitted to Bangladesh Bank for regulatory compliance. The resolutions were also disseminated to all concerned of the Bank for ensuring compliance and implementation.

Board of Directors

Sl.	Name of the Board Member	Designation
1.	Mr. Salman F Rahman MP	Chairman
2.	Mr. Ahmed Shayan Fazlur Rahman	Vice Chairman
3.	Mr. Sudhangshu Shekhar Biswas	Independent Director
4.	Ms. Rabeya Jamali	Independent Director
5.	Mr. A.R.M. Nazmus Sakib	Director
6.	Ms. Quamrun Naher Ahmed	Director
7.	Mr. Md. Zafar Iqbal, ndc	Director
8.	Mr. Md. Golam Mostofa	Director
9.	Mr. Shah A Sarwar	Managing Director

Executive Committee

Sl.	Name of the Member	Designation
1.	Mr. A.R.M. Nazmus Sakib	Chairman
2.	Ms. Quamrun Naher Ahmed	Member
3.	Mr. Md. Golam Mostofa	Member

Audit Committee

Sl.	Name of the Member	Designation
1.	Ms. Rabeya Jamali	Chairman
2.	Mr. Sudhangshu Shekhar Biswas	Member
3.	Mr. Md. Zafar Iqbal, ndc	Member

Risk Management Committee

Sl.	Name of the Member	Designation
1.	Mr. Md. Zafar Iqbal, ndc	Chairman
2.	Ms. Rabeya Jamali	Member
3.	Mr. A.R.M. Nazmus Sakib	Member
4.	Ms. Quamrun Naher Ahmed	Member
5.	Mr. Md. Golam Mostofa	Member

Company Secretary acts as the secretary to the Board and the Sub-Committees.

Senior Management Team: The management of IFIC Bank is headed by the Managing Director & CEO, Mr. Shah A Sarwar since December 2012. The day to day strategy implementation and operational objective achievements are overseen by the senior management team of the bank. The Managing Director & CEO is supported by a group of experienced professionals comprising of Deputy Managing Directors and functional divisional heads. The team consists of highly experienced and qualified professionals who ensure compliance and revenue attainment of the bank's different businesses.

D. DESCRIPTION OF ENCUMBERED AND UNENCUMBERED ASSETS WITH VALUE THEREOF

The assets of IFIC Bank Limited are unencumbered. The value of the assets of IFIC Bank Limited (on standalone basis) comprises of Cash, Loans and Advances, Fixed Assets including premises, furniture and fixtures, etc. and as of 30 September 2021 is BDT 405,058,506,438 only, total value of which is unencumbered.

E. PROFILE OF BOARD OF DIRECTORS

Mr. Salman F Rahman MP

Chairman

Mr. Salman F Rahman MP is an eminent business personality of the country. He is the Vice-Chairman of BEXIMCO Group - the largest private sector group in Bangladesh. Founded in 1970 as a commodities trading company, the Group now has operations and investments across a wide range of industries including textiles, trading, marine food, real estate development, hospitality, construction, information and communication technologies, media, ceramics, aviation, pharmaceuticals and energy.

Mr. Rahman is the Honorable Member of the Parliament from Dhaka-1 Constituency and also an Adviser to the Prime Minister for the Private Industry and Investment sector in the rank of a Cabinet Minister without any financial perks.

He was the President of FBCCI, the apex organization of businessmen of the country. Currently, he is the Chairman of IFIC Bank Limited and Abahani Limited. He is also the Chairman of the Board of Governors of Bangladesh Enterprise Institute. He is associated with many social and charitable organizations.

Mr. Ahmed Shayan Fazlur Rahman

Vice Chairman

Mr. Ahmed Shayan Fazlur Rahman is the eminent young businessman represents the Beximco Group as Executive Director, the largest conglomerate in Bangladesh. He has completed his BBA with distinction from American University, Washington DC, USA. Mr. Rahman has 11 years of expertise in the various sectors like Pharmaceuticals, Fuel, Power & Energy, Textile, ICT & Telecom, etc. He plays a vital role in advising the Group in formulating current business strategies as well as future growth potentials. Mr. Rahman is the son of Mr. Salman F Rahman, Vice Chairman and founder of the Beximco Group.

Mr. Rahman is also instrumental in working with various international organizations and supporting charities both locally and internationally for the development of autism and other world issues. He is a Counselor of the Abahani Limited, the largest sporting club in Bangladesh. Being a great sports fan and advocate of promoting various sports in Bangladesh, Mr. Rahman has been instrumental in acquiring 100% of the Dhaka Dynamites franchise for the Bangladesh Cricket Premier League (BPL).

Mr. Rahman is the Chairman, Advisory Committee for Bangladesh, Prince of Wales Trust, British Asian Sector. He is also Honorary Consul General of the Republic of Kazakhstan in Bangladesh and Member, Executive Committee, SAARC Youth Chamber.

He is appointed as a Director to the Board of IFIC Bank Limited as the representative of M/s. New Dacca Industries Limited and currently, he is the Vice Chairman of the Bank.

Mr. Sudhangshu Shekhar Biswas

Independent Director

Mr. Sudhangshu Shekhar Biswas is a former Additional Secretary to the Government of the People's Republic of Bangladesh. He is appointed as an independent Director for the first term of three years with effect from 18 July 2021.

Mr. Biswas did his Honours and Masters in Economics from Rajshashi University. He also did a Certificate Course on Government Budgeting, Accounting & Auditing from CIPFA, London, UK.

He attended various international trainings, seminars and workshops on Public Private Partnership Course, Professional Development, Budgeting & Accounting System, Economic Development, Administration and Development, Local Government Development, Livestock Development Program held in USA, Canada, Australia, China, Singapore, Vietnam, Philippines and Thailand.

Mr. Biswas is a member of the Audit Committee of the Board of Directors of IFIC Bank Limited. He is the Director of IFIC Securities Limited, IFIC Money Transfer (UK) Limited, UK and also an Alternate Director of Oman Exchange LLC, a joint venture operation of the Bank in the Sultanate of Oman.

Ms. Rabeya Jamali

Independent Director

Ms. Rabeya Jamali is an Advocate of the Supreme Court of Bangladesh and also a Partner of Jamali & Morshed. She did her LL.B. (Honours) from the University of Dhaka, Dhaka, Bangladesh and LL.M. in Banking and Financial Law from the Boston University School of Law, Boston, MA, USA. She attended various workshops, seminars and conferences both at home and abroad. She is a member of the Bangladesh Supreme Court Bar Association.

Ms. Jamali has core expertise in Commercial Contracts, Construction Contracts, Joint Ventures, SPV for infrastructure development projects, Private Public Partnership (PPP) Projects, Telecommunication related infrastructure, Power and Energy, Company Law, Financial and Banking Laws, Securities Laws and related Arbitration.

Ms. Jamali is the Chairman/Chairperson of the Audit Committee and a member of the Risk Management Committee of the Board of Directors of IFIC Bank Limited. She is the Director of IFIC Money Transfer (UK) Limited, UK, IFIC Securities Limited and IFIC Investment Limited. She is also an Alternate Director of Nepal Bangladesh Bank Limited, Nepal.

Mr. A. R. M. Nazmus Sakib

Director

Mr. A. R. M. Nazmus Sakib is a Director to the Board of IFIC Bank Limited representing M/s. Trade next International Limited.

Mr. Sakib did his post-graduation in Botany and also obtained M.Sc. degree in Development Finance.

Mr. Sakib is the Chairman of Nepal Bangladesh Bank Limited, Nepal and IFIC Money Transfer (UK) Limited, UK. He is the Director of IFIC Investment Limited and Oman Exchange LLC, a joint venture operation of the Bank in the Sultanate of Oman.

Ms. Quamrun Naher Ahmed
Director

Ms. Quamrun Naher Ahmed, a former Additional Secretary of the Government, was nominated as a Director to the Board of IFIC Bank Limited on 30 March 2016 by the Ministry of Finance, Government of the People's Republic of Bangladesh.

Ms. Ahmed did her Honours and Masters in Economics from the University of Dhaka. She also obtained an M. Phil degree in Social Change from the University of Science and Technology, Norway. She attended various Training, Seminars and Conferences both at home and abroad.

Ms. Ahmed is the member of the Executive Committee, the Risk Management Committee and the Nomination and Remuneration Committee (NRC) of the Board of Directors of IFIC Bank Limited. She is the Chairman of IFIC Securities Limited. She is the Director of IFIC Money Transfer (UK) Limited, UK and Nepal Bangladesh Bank Limited, Nepal as well'

Mr. Md. Zafar Iqbal
Director

Mr. Md. Zafar Iqbal is an Additional Secretary to the Ministry of Public Administration, Government of the People's Republic of Bangladesh. He was nominated as a Director to the Board of IFIC Bank Limited on 10 March 2020 by the Ministry of Finance, Government of the People's Republic of Bangladesh.

Mr. Iqbal did his Honours and Masters in Accounting from the University of Dhaka. He also did his MBA with major in Finance from IBA of the University of Dhaka. Besides, Mr. Iqbal did his Graduate Certificate Course in Development Economics from the Australian National University, Canberra and completed his Masters in Economics from the University of Wollongong, New South Wales, Australia. He also completed his NDC Course from the National Defence College, Dhaka.

Mr. Iqbal has wide-ranging experience in organizing and attending national and international seminars, trainings, workshops on public administration & management, disbursement, harmonization, effectiveness and management of development assistance, good governance, innovation and change management held in the UK, Japan, India, Thailand and Singapore.

Mr. Iqbal is the Chairman of the Risk Management Committee and a member of the Audit Committee of the Board of Directors of IFIC Bank Limited. He is also the chairman of IFIC Investment Limited. He is the director of IFIC Money Transfer (UK) Limited, UK and an Alternate Director of Oman Exchange LLC, a joint venture operation of the Bank in the Sultanate of Oman.

Md. Golam Mostofa
Director

Mr. Md. Golam Mostofa is an Additional Secretary to the Ministry of Finance, Government of the People's Republic of Bangladesh. He was nominated as a Director to the Board of IFIC Bank Limited on 11 October 2021 by the Ministry of Finance, Government of the People's Republic of Bangladesh and the effective date of his joining on the Board is 21 October 2021.



Mr. Mostofa did his Honours and Masters in Economics from Dhaka University. He also did his MBA with major in Finance from Northern University Bangladesh. He participated in various training courses both at home and abroad.

Mr. Mostofa is the member of the Executive Committee and the Risk Management Committee of the Board of Directors of IFIC Bank Limited. He is the Director of IFIC Securities Limited, a fully owned subsidiary company of the Bank

F. PROFILE OF MANAGEMENT

Mr. Shah A Sarwar **Managing Director & CEO**

Mr. Mohammad Shah Alam Sarwar joined IFIC Bank Limited as Managing Director on 02 December 2012. He started his career as a Management Trainee of ANZ Grindlays Bank in 1982. Over the last 38 years in banking, Mr. Sarwar's career evolved as a well-rounded banker with adequate exposures in General Management, Client Coverage, Corporate Banking, Risk Management, Operations and IT Management.

He has core expertise in the creation of New Lines of Business, Process Re-engineering, Strategic and Change Management. He has got optimum exposure & training in all areas of Banking from Australia, USA, UK, Hong Kong, UAE, Singapore, Sri Lanka and Pakistan. He is a Six Sigma Black Belt holder and certified in Credit Accreditation Process, International Trade Skill Assessment, Credit Skill Assessment and Credit in Context Course.

Earlier, he sat on the Board of Grameen Bank as a Director nominated by Govt. of Bangladesh and held various senior management positions in multinational and private commercial banks such as Trust Bank Limited, Premier Bank Limited and Industrial Promotion & Development Company of Bangladesh Ltd., United Commercial Bank Ltd., American Express Bank Ltd., Standard Chartered Bank and ANZ Grindlays Bank.

With a distinctive academic record, he holds graduation with Honours and post-graduation degree in Economics from the University of Dhaka and an MBA degree from the Victoria University, Australia. He is a gold medal recipient as the best all-round cadet of the Faujdarhat Cadet Collage and a National Debate Champion

Mr. Shah Md. Moinuddin **DMD & Head of International Division**

Mr. Shah Md. Moinuddin, presently discharging responsibility as Deputy Managing Director and Head of International Division from March 01, 2015 joined IFIC Bank Limited on July 16, 1986 as Probationary Officer.

During his long association with IFIC Bank for about 33 years, he has shown his credibility and dynamic leadership holding different managerial positions in different capacities. Mr. Moinuddin was posted at different Branches in different capacities during his long career including Principal Branch and Federation Branch Manager of IFIC Bank Limited.

He completed his graduation & post-graduation from University of Dhaka major in Accounting.

Mr. Md. Nurul Hasnat
DMD & Head of Business

Mr. Nurul Hasnat has been discharging his responsibility as Deputy Managing Director and Head of Business since January 01, 2018. He joined IFIC Bank Limited as Executive Vice President on February 27, 2013.

Mr. Hasnat has 30 years long Banking experience which started in BCCI in February 1989. He also served in Eastern Bank, South East Bank and Trust Bank in different capacities. In IFIC Bank, he served as Branch Manager of Principal Branch, Federation Branch and Gulshan Branch and made notable contribution in their business portfolio.

Mr. Nurul Hasnat completed his post-graduation on Human Resource Management and also completed specialized courses on International Trade from School of Finance, United Kingdom.

Mr. Syed Mansur Mustafa
DMD & CCO

Mr. Syed Mansur Mustafa is holding the position of DMD & Chief Credit Officer of the Bank since July 03, 2018. Earlier he joined as Senior Executive Vice President on April 06, 2015. He started his career as Probationary Officer of AB Bank in 1996 and also served for Trust Bank.

Mr. Mustafa has an MBA from Institute of Business Administration and post-graduation in International Relation from the University of Dhaka.

Mr. Md. Monitur Rahman
DMD & COIT

Mr. Md. Monitur Rahman joined the Bank on August 30, 2018 as DMD and Chief of Operations & Information Technology.

Mr. Rahman has long 25 years of experience in Standard Chartered Bank and National Board of Revenue. His core expertise is Technology and Operational Governance, Infrastructure Development, Project Management and Service Quality for Customer.

Mr. Rahman has an MBA major in Finance from North South University and graduation major in Electrical & Electronic Engineering (EEE) from Bangladesh University of Engineering and Technology (BUET).

Mr. K. A. R. M. Mostofa Kamal
Head of Human Resource Management

Mr. Khan Abu Roushan Mohammad Mostofa Kamal joined IFIC Bank Limited on June 1, 2015 as Head of Human Resource Management.

Mr. Mostofa Kamal brings 34 years' rich experience from the Bangladesh Army. He served the Bangladesh Army as a senior professional in many different capacities and gathered experience in human resource management, business process, security and logistics in strategic level. He also has exposure in business projects and organizations with working experience as a member of the Management of Trust Bank Limited, Army Welfare Trust, Trust Technical Training Institute, Sena Kalyan Songstha and Radisson Blu Dhaka Water Garden, Dhaka. He also worked in the Kuwait Armed Forces on deputation.

Mr. Kamal has a Bachelor of Arts from Chittagong University and Masters in Defense Studies from the National University. He also completed his NDC and PSC. Apart from the above, he attended a number of seminar, workshop and trainings both at home and abroad.

Mr. Md. Rafiqul Islam

Head of Loan Performance Management

Mr. Md. rafiqul Islam has joined IFIC Bank Ltd. on December 2014. At present he is serving as SEVP & Head of Loan Performance Management of IFIC Bank Ltd. He has started his banking career as Probationary officer of AB Bank Ltd. in 1998. Later on he served in Trust Bank Ltd. in different mid-level position including Manager of Corporate Branch.

Mr. Islam has completed MBM. Prior to this he did M.A in English Literature from University of Dhaka.

Mr. M. Mozibar Rahman

Head of Internal Control & Compliance

Mr. M. Mozibar Rahman has been currently discharging the responsibility as Head of Internal Control & Compliance since October 18, 2020. He joined IFIC Bank Limited as Probationary Officer on 30th June 1986.

In his long association with IFIC Bank for about 34 years, Mr. Rahman held different key positions in the Bank, such as Branch Manager, Head of International Banking, Head of Managing Director's Secretariat, Head of Credit Administration etc.

Mr. Rahman completed his post-graduation on Human Resource Management from International Islamic University Chittagong (IIUC). He is a Diplomaed Associate of Institute of Bankers, Bangladesh (DAIBB).

Mr. Dilip Kumar Mandal

Chief Financial Officer

Mr. Dilip Kumar Mandal joined IFIC as Deputy Chief Financial Officer on 19 November 2014 and currently holding the position of Chief Financial Officer since 13 December 2015. Mr. Mandal's corporate and management experience encompasses nearly 15 years wherein he has served in various positions of progressively higher rank. His expertise lies in the field of Accounting Systems Development, Fiscal Management, Budgetary Control and Financial Reporting along with proven record of developing and implementing financial and operations controls to improve overall profitability of the organization.

Prior to joining IFIC, he served as Chief Financial Officer at Industrial Promotion and Development Company of Bangladesh Ltd. (IPDC) and Bangladesh Finance & Investments Co. Ltd. Before moving to corporate arena, Mr. Mandal worked at KPMG Bangladesh as a Senior Audit Supervisor. Mr. Mandal is a qualified Chartered Accountant and fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB). He has completed both his Masters and Bachelors in Accounting from University of Dhaka.

Mr. Mokammel Hoque

Company Secretary

Mr. Md. Mokammel Hoque, Company Secretary of IFIC Bank Limited, is also the Corporate Secretary of the Subsidiaries and Foreign Affiliates of the Bank. His former employers were United Commercial Bank Limited, Grameenphone Limited and Trust Bank Limited. Having degree with MDP on Competitive Business Strategy & Innovation, Master of Business Administration in Finance & Banking and Master of



Commerce in Management, he is the Fellow Chartered Secretary and Adjunct Faculty of ICSB. He attended various trainings/seminars/professional courses in the shape of future Board, corporate citizenship & cultural shift, RegTech for smart future, effectiveness of Board, toxic behavior evaluation, various strategies & corporate frameworks analysis, corporate governance – factor analysis, dispute & crisis management, the company secretary as change maker, agility into the boardroom, strategies to enhance mental wellbeing at work, challenges of various committees, company structure – present & future, etc. at home and abroad.

G. TOTAL ASSET, TANGIBLE ASSETS AND NET WORTH

Items	as of 30 September 2021
Total Asset	409,241,034,472
Tangible Asset	5,829,032,082
Net Worth	29,861,134,648

H. DESCRIPTION OF ASSETS AND LIABILITIES

Assets (as of 30 September 2021)

Cash, Bank Balances, Money at Call on Short Notice and Investments

Items	Total Asset	% of Total Asset
Cash	21,099,872,540	5.16%
Balance with other banks and financial institutions	5,987,461,188	1.46%
Money at call and on short notice	4,300,000,000	1.05%
Investments	63,216,191,460	15.45%
Loans and advances	293,842,919,107	71.80%
Fixed assets including premises, furniture and fixtures	7,596,563,802	1.86%
Other assets	13,049,551,575	3.19%
Non-banking Assets	148,474,800	0.04%
Total Assets	409,241,034,472	100.00%

Loans and Advances

Item	Amount in BDT
Loans, Cash Credit, Overdrafts etc.	
Inside Bangladesh	
Term loan industrial	19,335,257,248
Term loan consumer finance	175,293,992
Agricultural loan	350,564,407
Term loan women entrepreneur	31,165,834
Term loan-others	90,876,944,689
House building loans	53,699,295,324
Staff loan	1,100,631,944
Transport loan	56,891,832
Loan general	3,319,319,908
Demand loan	7,714,389,245
Overdrafts	69,655,784,550
Cash credit	22,555,217,730
Credit card finance	139,182,199
Loan against trust receipt (LTR)	3,039,871,406

Item	Amount in BDT
Lease finance	199,789,711
Margin loan	3,960,747,039
Outside Bangladesh	
Term Loan-Foreign Currency (OBU)	1,799,023,189
Bills Purchased and Discounted	
Payable in Bangladesh	15,133,681,240
Payable outside Bangladesh	699,867,620
Total Loans and Advances	293,842,919,107

Fixed Assets

Items	Amount in BDT
Land	2,423,609,559
Buildings and premises	1,902,617,204
Right of Use Assets	1,981,900,504
Wooden furniture	322,716,174
Steel furniture	133,312,431
Computer equipment	1,162,625,267
Electrical & gas equipment	1,271,660,218
Office equipment	347,294,435
Leasehold improvement	691,806,327
Vehicles	208,353,474
Soft furnishing	13,119,919
Software	1,120,365,197
Capital work in progress*	171,351,376
Total Cost	11,750,732,085
Less: Accumulated depreciation	4,154,168,284
Total Written Down Value	7,596,563,802
Total Fixed Assets	7,596,563,802

*Capital work in progress represents the amount paid for EKYC Solution, Computers, Router and Fusion Banking Essence.

Other Assets

Items	Amount in BDT
Stationery and stamps	42,564,602
Suspense account	1,124,569,918
Advance, deposits and prepayments	9,336,230,208
Accrued interest & other income receivable	1,561,177,810
Deferred tax assets	808,950,441
Dividend Receivable and others	176,058,596
Total Other Assets	13,049,551,575

Liabilities (as of 30 September 2021)

Borrowings from other banks, financial institutions and agents

Items	Amount in BDT
(a) Inside Bangladesh	14,725,000,083
(b) Outside Bangladesh	188,335,980
Total (a + b)	14,913,336,063

Deposits and Other Accounts

Items	Amount in BDT
Current accounts and other accounts	117,658,933,278
Bills Payable	2,038,833,262
Savings bank deposits	26,203,048,270
Fixed deposits	179,800,341,797
Total	325,701,156,606

Subordinated Debt

IFIC Bank 1st Subordinated Debt:

Items	Subscribed Amount in BDT	Outstanding Amount In BDT
Sonali Bank Limited	1,000,000,000	400,000,000
Janata Bank Limited	1,000,000,000	400,000,000
Rupali Bank Limited	1,000,000,000	400,000,000
Agrani Bank Limited	500,000,000	200,000,000
Total	3,500,000,000	1,400,000,000

IFIC Bank 2nd Subordinated Debt:

Items	Subscribed Amount in BDT	Outstanding Amount In BDT
Agrani Bank Limited	1,500,000,000	1,500,000,000
Janata Bank Limited	1,000,000,000	1,000,000,000
Dutch Bangla Bank Limited	1,000,000,000	1,000,000,000
Eastern Bank Limited	1,000,000,000	1,000,000,000
Mercantile Bank Limited	500,000,000	500,000,000
Total	5,000,000,000	5,000,000,000

Total outstanding of the IFIC bank Subordinated Debt: 6,400,000,000

Other Liabilities

Items	Amount in BDT
Specific provision for classified loans and advance	2,923,864,788
General provision for unclassified loans and advances	4,976,149,350
Special general provision COVID-19	1,200,000,000
Provision for loans and advance	9,100,014,138
Provision for off balance sheet items	585,171,318
Provision for diminution in value of investments	355,661,414
Provision for nostro account	10,734,525
Provision for other assets	469,068,286
Provision for loans, investments and other assets	10,520,649,681
Provision for taxation	10,277,495,572
Interest suspense accounts	9,544,496,868
Incentive bonus	1,090,182
Start-up fund	5,622,475
Lease Liability	973,894,722
Rebate to good borrowers	21,870,000
Interest payable on borrowing and bond	101,751,623
Accrued expenses	278,367,418
Withholding Tax payable to government	207,572,415
Withholding VAT payable to government	92,159,748
Excise duty payable to government	12,647,646
Revaluation of investment abroad	30,946,297
Payable against Govt Bond & Sanchaypatra	99,747,332
Others	197,095,175
	32,365,407,155

I. DESCRIPTION OF PREVIOUSLY ISSUED DEBT OR SECURITIES

i. Description of previously issued debt instruments:

IFIC Bank 1st Subordinated Bond:

The Bank has issued 1st unsecured, non-convertible, floating rate Subordinated Bond of BDT 3,500 Million on 29 May 2016 in the local market under Private Placement to strengthen the Bank's capital base (Tier-II Regulatory Capital) in line with the Basel framework of Bangladesh Bank. The tenure of the bond is 7 years of which principal has been redeemed annually in instalments of 20% per year commencing at the third (3rd) anniversary of the bond on 29 May 2019. The Bond was fully subscribed and upon redemption of BDT 2,100 million, current outstanding principal of the bond stands at BDT 1,400 million. The final maturity of the bond will be on 28 May 2023, at the end of seventh (7th) year from the Issue Date.

IFIC Bank 2nd Subordinated Bond:

The Bank has issued 2nd unsecured, non-convertible, floating rate Subordinated Bond of BDT 5,000 Million on 14 September 2021 in the local market under Private Placement to strengthen the Bank's Capital base (Tier II Regulatory Capital) in line with the BASEL framework of Bangladesh Bank. The tenure of the bond is 7 years of which principal will be redeemed annually in instalments of 20% per year commencing at the third (3rd) anniversary of the bond on 14 September 2024. The Bond was issued and fully subscribed on 14 September 2021 and the final maturity of the bond will be on 13 September 2028, at the end of seventh (7th) year from the Issue Date.

The compliance status of the issues as at 30 September 2021 is provided below:

Sl No	Name of the issue	Date of Consent	IM issue Date	Date of subscription	Maturity Period	Figure in BDT Million			Default, if any
						Issue & Subscription Amount	Redemption Amount	Outstanding amount	
1	Non-Convertible Subordinated Bond	28-Dec-15	28-Dec-15	29-May-16	28-May-23	3,500	2,100	1,400	None
2	Non-Convertible Subordinated Bond	30-Jun-21	05-Jul-21	14-Sep-21	13-Sep-28	5,000	-	5,000	None

The compliance status of the issue is provided below:

ii. Description of previously issued equity securities:

SL	Type of Issue	Year of Issue	Brief Description of the Issue
1	IPO	1986	The Bank raised BDT 7.80 Million through initial public offering in 1986 and issued 78,000 ordinary shares of BDT 100.00 each.
2	Rights Issue	1990	The Bank offered 1R:2 rights share (i.e. one rights share against two existing share held on the record date) in 1990 and raised BDT 44 Million where a total of 440,000 ordinary shares of BDT 100.00 each were issued by the Bank.
3	Rights Issue	2017	The Bank offered 1R:1 rights share (i.e. one rights share against one existing share held on the record date) in 2017 and raised BDT 5,638.22 Million where a total of 563,821,907 ordinary shares of BDT 10.00 each were issued by the Bank.

14. AUDITED FINANCIAL STATEMENTS OF THE ISSUER, IFIC BANK LIMITED

a. Balance Sheet (as of 30 September 2021)

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Balance Sheet
as at 30 September 2021

Particulars	Note	Amount in BDT	
		30 September 2021	31 December 2020
PROPERTY AND ASSETS			
Cash	3	21,099,872,540	18,496,393,531
Cash in hand (including foreign currency)	3.1	5,418,380,906	4,088,663,229
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	15,681,491,634	14,407,730,302
Balance with other banks and financial institutions	4	5,987,461,188	8,068,327,513
In Bangladesh	4.1	4,117,557,279	6,682,557,302
Outside Bangladesh	4	1,869,903,909	1,385,770,211
Money at call and on short notice	5	4,300,000,000	2,330,000,000
Investments	6	63,216,191,460	58,100,080,583
Government securities	6.1	51,974,111,543	46,979,431,855
Other investments	6.2	11,242,079,917	11,120,648,728
Loans and advances	7	293,842,919,107	261,697,427,473
Loans, cash credit, overdrafts etc.	7.1	278,009,370,247	247,051,243,375
Bills purchased and discounted	8	15,833,548,860	14,646,184,098
Fixed assets including premises, furniture and fixtures	9	7,596,563,802	7,537,124,576
Other assets	10	13,049,551,575	11,426,737,686
Non-banking assets	11	148,474,800	373,474,800
Total assets		409,241,034,472	368,029,566,161
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	12	14,913,336,063	13,021,794,012
Subordinated debt	13	6,400,000,000	2,100,000,000
Deposits and other accounts	14	325,701,156,606	296,341,568,095
Current deposit and other accounts		117,658,933,278	92,689,795,114
Bills payable		2,038,833,262	2,547,263,402
Savings bank deposits		26,203,048,270	25,343,706,980
Fixed deposits		179,800,341,797	175,760,802,599
Other liabilities	15	32,365,407,155	28,742,281,946
Total liabilities		379,379,899,825	340,205,644,052

Particulars	Note	Amount in BDT	
		30 September 2021	31 December 2020
Capital/Shareholders' equity			
Paid up capital	16.2	17,008,675,610	16,198,738,680
Statutory reserve	17	6,864,775,853	6,864,775,853
General reserve	18	155,071,397	155,071,397
Revaluation reserve against securities	19	49,443,201	107,849,126
Revaluation reserve against fixed assets	20	115,314,704	115,314,704
Foreign currency translation reserve	20.a	96,259,657	134,088,406
Surplus in profit and loss account	22	5,571,580,495	4,248,076,927
Attributable to equity holders		29,861,120,917	27,823,915,093
Non-controlling interest	23	13,731	7,016
Total shareholders' equity		29,861,134,648	27,823,922,109
Total liabilities and shareholders' equity		409,241,034,472	368,029,566,161
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	24	65,726,393,466	50,483,678,851
Acceptances and endorsements		26,156,452,990	16,350,951,601
Letters of guarantee		8,750,992,801	8,058,992,366
Irrevocable letters of credit		22,359,082,842	17,880,361,773
Bills for collection		8,459,864,833	8,193,373,111
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		65,726,393,466	50,483,678,851

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

b. Profit & Loss Account (as of 30 September 2021)

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Consolidated Profit and Loss Account
for the 3rd quarter ended 30 September 2021

Particulars	Note	Amount in BDT			
		1 January to 30 September 2021	1 January to 30 September 2020	1 July to 30 September 2021	1 July to 30 September 2020
Interest income	26	16,349,214,303	16,268,601,812	5,913,996,233	5,199,085,765
Interest paid on deposits, borrowings etc.	27	11,611,578,354	14,208,645,702	3,909,851,576	4,472,486,255
Net interest income		4,737,635,949	2,059,956,110	2,004,144,657	726,599,510
Investment income	28	3,181,651,801	2,661,418,416	1,097,926,696	855,362,715
Commission, exchange and brokerage	29	1,822,290,522	1,348,135,814	547,844,834	457,730,068
Other operating income	30	128,688,973	86,255,941	(109,911,764)	35,534,374
		5,132,631,296	4,095,809,971	1,535,859,766	1,348,627,157
Total operating income		9,870,267,245	6,155,766,081	3,540,004,423	2,075,226,666
Salary and allowances	31	2,109,564,468	1,877,864,616	729,642,908	643,708,156
Rent, taxes, insurance, electricity etc.	32	480,822,432	491,480,357	171,487,571	184,516,671
Legal expenses	33	11,840,440	8,159,077	2,890,778	3,426,120
Postage, stamp, telecommunication etc.	34	77,244,720	54,691,444	26,038,102	16,774,733
Stationery, printing, advertisement etc.	35	277,387,778	182,065,851	67,021,190	74,181,576
Managing Director's salary	36	18,870,250	17,327,500	6,330,750	5,782,500
Directors' fees	37	3,266,400	1,178,500	1,035,200	479,000
Auditors' fees	38	3,009,168	2,113,031	1,756,945	862,501
Depreciation and repair of bank's assets	39	892,727,326	565,615,679	308,267,333	201,017,780
Other expenses	40	827,550,731	731,050,140	316,395,501	255,763,383
Total operating expenses		4,702,283,713	3,931,546,195	1,630,866,277	1,386,512,420
Operating profit		5,167,983,532	2,224,219,886	1,909,138,147	688,714,246
Share of profit of joint ventures/associates	40.a	348,812,269	336,318,489	111,670,201	110,465,334
Profit before provision		5,516,795,801	2,560,538,374	2,020,808,348	799,179,579
Provision for loans, investments & other	41				
Provision for loans and advance		1,477,740,648	434,005,188	735,967,290	260,068,654
Provision for diminution in value of investments		1,185,653	(67,962,184)	3,587,067	(141,187,810)
Other provisions		16,686,622	47,721,338	9,943,975	29,231,608
Total provision		1,495,612,923	413,764,342	749,498,332	148,112,452
Profit/(Loss) before taxes		4,021,182,878	2,146,774,032	1,271,310,016	651,067,127
Provision for taxation	42				
Current tax		1,960,011,461	883,754,470	726,638,720	282,059,549
Deferred tax expense/(income)		(77,892,270)	39,914,218	(49,043,240)	11,543,213
		1,882,119,190	923,668,688	677,595,480	293,602,762
Net profit after taxation		2,139,063,688	1,223,105,344	593,714,536	357,464,365
Net profit after tax attributable to:					
Equity holders of the Bank		2,139,062,973	1,223,105,341	593,714,034	357,464,365
Non-controlling interest		715	3	502	-
		2,139,063,688	1,223,105,344	593,714,536	357,464,365
Earnings Per Share (EPS)	50	1.26	0.72	0.35	0.21

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

c. Cash Flow Statement (as of 30 September 2021)

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Consolidated Cash Flow Statement
for the 3rd quarter ended 30 September 2021

Amount in BDT

Particulars	1 January to 30 September 2021	1 January to 30 September 2020
A. Cash flows from operating activities		
Interest received	18,543,416,633	18,661,739,116
Interest payments	(11,349,909,778)	(14,062,650,807)
Dividend received	45,791,665	36,205,415
Fees and commission received	1,455,436,245	889,809,982
Recoveries of loans and advances previously written-off	134,470,143	65,799,320
Cash payments to employees	(2,129,006,536)	(1,895,192,116)
Cash payments to suppliers	(142,957,317)	(150,387,933)
Income taxes paid	(1,453,548,630)	(906,370,606)
Receipts from other operating activities	43 833,160,955	88,729,593
Payments for other operating activities	44 (1,895,737,734)	(1,402,396,774)
Operating cash flows before changing in operating assets and liabilities	4,041,115,646	1,325,285,190
Increase/(decrease) in operating assets and liabilities		
Statutory deposits	-	-
Loans and advances to other banks	-	-
Loans and advances to customers	(31,677,066,297)	(21,293,524,902)
Other assets	45 (171,942,035)	(141,680,908)
Deposits from other banks	1,532,601	(8,436,320,881)
Deposits from customers	29,968,378,045	33,261,111,620
Other liabilities	46 (543,633,174)	(165,699,650)
	(2,422,730,859)	3,223,885,278
Net cash flows from/(used in) operating activities	1,618,384,787	4,549,170,468
B. Cash flows from investing activities		
Net proceeds/(payments) from sale/(purchase) of Government securities	(5,052,637,513)	(4,504,960,277)
Net proceeds/(payments) from sale/(purchase) of securities	(121,431,189)	(299,295,814)
Purchase of property, plant & equipment	(742,241,518.83)	(787,164,238)
Proceeds from sale of property, plant & equipment	213,971,031	936,159
Net cash flows from/(used in) investing activities	(5,702,339,190)	(5,590,484,170)
C. Cash flows from financing activities		
Borrowing from other banks, financial institutions and agents	6,191,542,051	3,373,923,013
Payment against lease obligation	(79,987)	(113,837,371)
Net cash flows from/(used in) financing activities	6,191,462,064	3,260,085,642
D. Net increase/(decrease) in cash (A+B+C)	2,107,507,661	2,218,771,940
E. Effects of exchange rate changes on cash and cash equivalents	385,553,123	459,039,591
F. Opening balance of cash and cash equivalents	28,898,170,044	24,606,978,576
G. Closing balance of cash and cash equivalents (D+E+F)	31,391,230,828	27,284,790,107
Closing cash and cash equivalents	47	
Cash in hand	5,418,380,906	3,851,994,084
Balance with Bangladesh Bank and its agents bank	15,681,491,634	14,093,353,548
Balance with other banks and financial institutions	5,987,461,188	6,596,441,575
Money at call and on short notice	4,300,000,000	2,740,000,000
Prize bonds	3,897,100	3,010,900
	31,391,230,828	27,284,790,107

d. Cash Flow Statement (as of 30 September 2021)

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Statement of Changes in Equity
for the 3rd quarter ended 30 September 2021

Amount in BDT

Particulars	Paid up capital	Statutory reserve	General reserve	Revaluation reserve against securities	Revaluation reserve against fixed assets	Foreign currency translation reserve	Surplus in profit and loss account	Non-controlling interest	Total
Balance as at 1 January 2021	16,198,738,680	6,864,775,853	155,071,397	107,849,126	115,314,704	134,088,406	4,248,076,927	7,016	27,823,922,109
Impact of changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance as at 1 January 2021	16,198,738,680	6,864,775,853	155,071,397	107,849,126	115,314,704	134,088,406	4,248,076,927	7,016	27,823,922,109
Surplus/(deficit) on account of revaluation of investments	-	-	-	(58,405,925)	-	-	-	-	(58,405,925)
Effect of foreign currency translation	-	-	-	-	-	(37,828,749)	-	-	(37,828,749)
Net gain and losses not recognized in the profit and loss account	16,198,738,680	6,864,775,853	155,071,397	49,443,201	115,314,704	96,259,657	4,248,076,927	7,016	27,727,687,435
Addition during the period								6,000	6,000
Net profit for the period	-	-	-	-	-	-	2,139,062,973	715	2,139,063,688
Bonus share issued for the year 2020	809,936,930	-	-	-	-	-	(809,936,930)	-	-
Transfer to Start-up fund of Y2020	-	-	-	-	-	-	(5,622,475)	-	(5,622,475)
Balance as at 30 September 2021	17,008,675,610	6,864,775,853	155,071,397	49,443,201	115,314,704	96,259,657	5,571,580,495	13,731	29,861,134,648
Balance as at 1 January 2020	14,726,126,080	6,531,903,475	155,071,397	50,121,137	115,314,704	43,867,936	4,920,565,744	6,880	26,542,977,353
Impact of changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance as at 1 January 2020	14,726,126,080	6,531,903,475	155,071,397	50,121,137	115,314,704	43,867,936	4,920,565,744	6,880	26,542,977,354
Surplus/(deficit) on account of revaluation of investments	-	-	-	41,917,101	-	-	-	-	41,917,101
Effect of foreign currency translation	-	-	-	-	-	(129,887,677)	-	-	(129,887,677)
Net gain and losses not recognized in the profit and loss account	14,726,126,080	6,531,903,475	155,071,397	92,038,238	115,314,704	(86,019,741)	4,920,565,744	6,880	26,455,006,777
Net profit for the period	-	-	-	-	-	-	1,223,105,318	26	1,223,105,344
Bonus share issued for the year 2019	1,472,612,600	-	-	-	-	-	(1,472,612,600)	-	-
Balance as at 30 September 2020	16,198,738,680	6,531,903,475	155,071,397	92,038,238	115,314,704	(86,019,741)	4,671,058,463	6,906	27,678,112,121

For detailed Audited Financials as at 30 September 2021, please see Annexure 2

15. BRIEF OVERVIEW AND COMPARATIVE FINANCIAL STATEMENTS

IFIC Bank is a banking company incorporated in the People's Republic of Bangladesh with limited liability. It was set up at in 1976 as a joint venture between the Government of Bangladesh and sponsors in the private sector with the objective of working as a finance company within the country and setting up joint venture banks/financial institutions aboard. In 1983 when the Government allowed banks in the private sector, IFIC was converted into a full-fledged commercial bank. A total of 157 branches and 589 Uposhakhas of IFIC are dedicated in providing services to the clients with the help of a skilled and dedicated workforce.

Comparative financial statements for last three years of IFIC Bank Limited is given below.

Balance Sheet

Particulars	30 September 2021	31 December 2020	31 December 2019	31 December 2018
PROPERTY AND ASSETS				
Cash	21,099,872,540	18,496,393,531	18,056,029,773	16,020,741,583
Cash in hand (including foreign currency)	5,418,380,906	4,088,663,229	2,872,338,679	2,899,030,289
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	15,681,491,634	14,407,730,302	15,183,691,094	13,121,711,294
Balance with other banks and financial instit	5,987,461,188	8,068,327,513	5,637,834,204	8,118,980,917
In Bangladesh	4,117,557,279	6,682,557,302	4,014,719,294	6,823,590,588
Outside Bangladesh	1,869,903,909	1,385,770,211	1,623,114,910	1,295,390,329
Money at call and on short notice	4,300,000,000	2,330,000,000	910,000,000	3,970,000,000
Investments	63,216,191,460	58,100,080,583	47,216,443,756	32,664,400,101
Government securities	51,974,111,543	46,979,431,855	41,369,255,890	27,258,506,647
Other investments	11,242,079,917	11,120,648,728	5,847,187,866	5,405,893,454
Loans and advances	293,842,919,107	261,697,427,473	232,523,441,067	210,932,291,735
Loans, cash credit, overdrafts etc.	278,009,370,247	247,051,243,375	221,562,693,268	198,670,768,028
Bills purchased and discounted	15,833,548,860	14,646,184,098	10,960,747,799	12,261,523,707
Fixed assets including premises, furniture a	7,596,563,802	7,537,124,576	6,430,431,620	5,445,835,394
Other assets	13,049,551,575	11,426,737,686	9,606,537,605	9,003,060,522
Non-banking assets	148,474,800	373,474,800	373,474,800	373,474,800
Total assets	409,241,034,472	368,029,566,161	320,754,192,825	286,528,785,052
LIABILITIES AND CAPITAL				
Liabilities				
Borrowing from other banks, financial	14,913,336,063	13,021,794,012	8,215,860,335	9,969,432,278
Subordinated debt	6,400,000,000	2,100,000,000	2,800,000,000	3,500,000,000
Deposits and other accounts	325,701,156,606	296,341,568,095	258,180,418,372	226,259,493,148
Current deposit and other accounts	117,658,933,278	92,689,795,114	56,902,055,915	40,880,141,888
Bills payable	2,038,833,262	2,547,263,402	1,840,433,536	2,066,079,056
Savings bank deposits	26,203,048,270	25,343,706,980	23,299,407,700	24,711,065,947
Fixed deposits	179,800,341,797	175,760,802,599	176,138,521,221	158,602,206,257
Other liabilities	32,365,407,155	28,742,281,946	25,014,936,765	23,122,200,254
Total liabilities	379,379,899,825	340,205,644,052	294,211,215,472	262,851,125,680
Capital/Shareholders' equity				
Paid up capital	17,008,675,610	16,198,738,680	14,726,126,080	13,387,387,350
Statutory reserve	6,864,775,853	6,864,775,853	6,531,903,475	5,696,418,313
General reserve	155,071,397	155,071,397	155,071,397	155,071,397
Revaluation reserve against securities	49,443,201	107,849,126	50,121,137	13,108,847
Revaluation reserve against fixed assets	115,314,704	115,314,704	115,314,704	115,314,704
Foreign currency translation reserve	96,259,657	134,088,406	43,867,936	43,292,875
Surplus in profit and loss account	5,571,580,495	4,248,076,927	4,920,565,744	4,267,059,068
Attributable to equity holders	29,861,120,917	27,823,915,093	26,542,970,473	23,677,652,554
Non-controlling interest	13,731	7,016	6,880	6,818
Total shareholders' equity	29,861,134,648	27,823,922,109	26,542,977,353	23,677,659,372
Total liabilities and shareholders' equity	409,241,034,472	368,029,566,161	320,754,192,825	286,528,785,052

Profit & Loss Statements

Particulars	1 January to 30 September 2021	1 January to 31 December 2020	1 January to 31 December 2019	1 January to 31 December 2018
Interest income	16,349,214,303	21,170,256,030	24,478,436,655	19,011,904,653
Interest paid on deposits, borrowings etc.	11,611,578,354	18,292,521,314	18,028,004,167	14,404,699,530
Net interest income	4,737,635,949	2,877,734,717	6,450,432,488	4,607,205,123
Investment income	3,181,651,801	3,501,469,298	2,458,206,971	2,044,196,628
Commission, exchange and brokerage	1,822,290,522	1,558,776,252	1,698,099,119	1,616,290,324
Other operating income	128,688,973	605,362,198	434,472,898	491,185,391
	5,132,631,296	5,665,607,748	4,590,778,988	4,151,672,343
Total operating income	9,870,267,245	8,543,342,465	11,041,211,476	8,758,877,466
Salary and allowances	2,109,564,468	2,560,507,662	2,576,223,530	2,580,872,443
Rent, taxes, insurance, electricity etc.	480,822,432	418,605,546	579,414,593	780,871,636
Legal expenses	11,840,440	10,712,980	10,070,711	12,493,496
Postage, stamp, telecommunication etc.	77,244,720	73,869,808	63,669,117	63,263,272
Stationery, printing, advertisement etc.	277,387,778	358,974,150	440,303,684	377,063,537
Managing Director's salary	18,870,250	20,975,250	15,720,000	15,120,000
Directors' fees	3,266,400	1,892,000	1,854,500	1,911,000
Auditors' fees	3,009,168	3,051,750	3,509,093	1,990,133
Charges on loan losses	-	-	758,054,030	109,642,716
Depreciation and repair of bank's assets	892,727,326	1,070,408,309	741,346,537	484,602,840
Other expenses	827,550,731	1,065,997,697	873,877,546	736,982,153
Total operating expenses	4,702,283,713	5,584,995,153	6,064,043,341	5,164,813,226
Operating profit	5,167,983,532	2,958,347,312	4,977,168,135	3,594,064,240
Share of profit of joint ventures/associates	348,812,269	522,479,151	553,833,085	400,125,308
Profit before provision	5,516,795,801	3,480,826,463	5,531,001,220	3,994,189,548
Provision for loans, investments & other				
Provision for loans and advance	1,477,740,648	1,498,673,893	774,041,752	820,009,910
Provision for diminution in value of investments	1,185,653	(300,613,649)	130,186,221	178,461,306
Other provisions	16,686,622	35,971,496	42,052,379	36,959,400
Total provision	1,495,612,923	1,234,031,740	946,280,352	1,035,430,616
Profit/(Loss) before taxes	4,021,182,878	2,246,794,722	4,584,720,868	2,958,758,932
Provision for taxation				
Current tax	1,960,011,461	975,923,486	1,721,922,569	1,100,427,296
Deferred tax expense/(income)	(77,892,270)	137,874,939	35,067,669	208,827,364
	1,882,119,190	1,113,798,425	1,756,990,238	1,309,254,660
Net profit after taxation	2,139,063,688	1,132,996,297	2,827,730,630	1,649,504,272
Net profit after tax attributable to:				
Equity holders of the Bank	2,139,062,973	1,132,996,161	2,827,730,568	1,649,504,123
Non-controlling interest	715	136	62	149
	2,139,063,688	1,132,996,297	2,827,730,630	1,649,504,272
Profit available for appropriation:				
Retained earnings brought forward from previous	4,017,551,810	4,920,565,744	4,267,059,068	-
Add: Net profit after tax (attributable to equity hold	2,139,062,973	1,132,996,161	2,827,730,568	1,649,504,123
	6,156,614,782	6,053,561,905	7,094,789,636	6,273,299,582
Appropriations:				
Statutory reserve	-	332,872,378	835,485,162	571,877,584
General reserve	-	-	-	-
Dividend	809,936,930	1,472,612,600	1,338,738,730	1,434,362,930
	809,936,930	1,805,484,978	2,174,223,892	2,006,240,514
Retained surplus	5,346,677,852	4,248,076,927	4,920,565,744	4,267,059,068
Earnings Per Share (EPS)	1.26	0.70	1.75	1.12

Cash Flow Statements

Particulars	1 January to 30 September 2021	1 January to 31 December 2020	1 January to 31 December 2019	1 January to 31 December 2018
Cash flows from operating activities				
Interest received	18,543,416,633	24,404,994,090	26,971,611,707	20,836,219,004
Interest payments	(11,349,909,778)	(19,444,860,529)	(16,740,005,553)	(12,955,875,376)
Dividend received	45,791,665	105,135,607	211,291,220	48,101,207
Fees and commission received	1,455,436,245	1,567,381,555	1,698,099,119	1,668,289,873
Recoveries of loans and advances previously written-off	134,470,143	161,055,817	601,783,125	165,713,392
Cash payments to employees	(2,129,006,536)	(2,831,594,912)	(2,582,443,530)	(2,606,492,443)
Cash payments to suppliers	(142,957,317)	(386,808,355)	(486,915,656)	(460,646,290)
Income taxes paid	(1,453,548,630)	(1,261,407,373)	(1,702,545,421)	(1,119,101,633)
Receipts from other operating activities	833,160,955	567,756,329	438,702,331	495,324,043
Payments for other operating activities	(1,895,737,734)	(1,703,770,755)	(1,648,751,205)	(1,716,485,152)
Operating cash flows before changing in operating assets	4,041,115,646	1,177,881,474	6,760,826,137	4,355,046,625
Increase/(decrease) in operating assets and liabilities				
Statutory deposits	-	-	-	-
Loans and advances to other banks	-	-	-	-
Loans and advances to customers	(31,677,066,297)	(31,668,464,339)	(23,122,311,754)	(27,338,068,246)
Other assets	(171,942,035)	(422,065,491)	(198,632,806)	204,015,482
Deposits from other banks	1,532,601	(8,448,134,949)	(3,167,323,151)	(8,875,257,126)
Deposits from customers	29,968,378,045	47,606,024,704	33,804,194,781	33,534,508,943
Other liabilities	(543,633,174)	333,961,325	(183,655,716)	402,549,407
	(2,422,730,859)	7,401,321,250	7,132,271,354	(2,072,251,540)
Net cash flows from/(used in) operating activities	1,618,384,787	8,579,202,724	13,893,097,492	2,282,795,086
Cash flows from investing activities				
Net proceeds/(payments) from sale/(purchase) of Government securities	(5,052,637,513)	(5,552,113,576)	(14,072,890,953)	(3,309,748,707)
Net proceeds/(payments) from sale/(purchase) of securities	(121,431,189)	(4,668,979,098)	(82,932,707)	(81,973,557)
Purchase of property, plant & equipment	(742,241,518.83)	(937,430,303)	(632,524,390)	(2,195,800,256)
Proceeds from sale of property, plant & equipment	213,971,031	2,327,116	2,609,682	2,474,163
Net cash flows from/(used in) investing activities	(5,702,339,190)	(11,156,195,861)	(14,785,738,368)	(5,585,048,358)
Cash flows from financing activities				
Borrowing from other banks, financial institutions and agents	6,191,542,051	6,966,197,110	(2,453,571,943)	1,495,851,530
Payment against lease obligation	(79,987)	(194,051,377)	(137,348,282)	(2,839,044)
Net cash flows from/(used in) financing activities	6,191,462,064	6,772,145,733	(2,590,920,225)	1,493,012,486
Net increase/(decrease) in cash (A+B+C)	2,107,507,661	4,195,152,596	(3,483,561,101)	(1,809,240,786)
Effects of exchange rate changes on cash and cash equivalents	385,553,123	96,038,871	(21,451,422)	(23,814,371)
Opening balance of cash and cash equivalents	28,898,170,044	24,606,978,576	28,111,991,100	29,945,046,257
Closing balance of cash and cash equivalents (D+E+F)	31,391,230,828	28,898,170,044	24,606,978,577	28,111,991,100
Closing cash and cash equivalents				
Cash in hand	5,418,380,906	4,088,663,229	2,872,338,679	2,899,030,289
Balance with Bangladesh Bank and its agents bank	15,681,491,634	14,407,730,302	15,183,691,094	13,121,711,294
Balance with other banks and financial institutions	5,987,461,188	8,068,327,513	5,637,834,204	8,118,980,917
Money at call and on short notice	4,300,000,000	2,330,000,000	910,000,000	3,970,000,000
Prize bonds	3,897,100	3,449,000	3,114,600	2,268,600
	31,391,230,828	28,898,170,044	24,606,978,577	28,111,991,100

16. RATIOS FOR THE LAST THREE YEARS

Key Ratios of IFIC Bank Limited (standalone) for the last five years have been presented below.

Ratios	Sept 2021	2020	2019	2018
Credit Deposit Ratio	82.84%	82.40%	84.08%	86.83%
Debt to Equity Ratio	14.13	13.41	11.89	11.80
Debt to Total Assets Ratio	0.93	0.93	0.92	0.92
Operating Profit Margin %	23.24%	10.86%	16.11%	15.12%
Net Profit Margin %	7.62%	2.10%	7.69%	6.09%
Cost to Income Ratio %	48.50%	65.6%	54.0%	56.7%
Return on Assets – ROA%	0.42%	0.2%	0.8%	0.6%
Return on Equity – ROE%	6.21%	2.23%	9.94%	7.4%
Non Performing Loan %	3.93%	3.97%	5.37%	6.16%
Tier I Capital Ratio %	8.71%	9.42%	10.28%	9.80%
Tier II Capital Ratio %	4.39%	2.82%	2.52%	2.83%
Capital Adequacy Ratio %	13.11%	12.24%	12.80%	12.63%
Earnings Per Share (EPS) in BDT	0.95	0.35	1.51	1.07
Price Earnings Ratio	16.87%	43.79	6.56	10.22
Net Asset Value/Share (NAV) in BDT	15.74%	15.57	15.18	15.02
Dividend Coverage Ratio	N/A	0.69	1.66	1.17

17. CREDIT RATING SUMMARY OF THE ISSUE AND ISSUER

Credit Rating of Issuer: IFIC Bank Limited

Date of Declaration	Valid Till	Rating Type	Long Term	Short Term	Rated By	Outlook
30 June 2021	30 June 2022	Entity Rating	AA	ST-2	ECRL*	Stable

*ECRL- Emerging Credit Rating Limited

Rating Rational:

Emerging Credit Rating Limited (ECRL) has affirmed AA (Pronounced as Double A) long term credit rating and ST-2 short term credit rating to International Finance Investment and Commerce Bank Limited (hereinafter referred to as "IFICBL" or "The Bank") based on audited financials of FY2017-2020 and other available information up to the date of rating declaration. The outlook on the rating is Stable. The ratings are consistent with ECRL's methodology for this type of company.

The rating reflects the strengths of the bank which is backed by favorable growth of loans & advances, wide network of branches and experienced management team. However, ECRL is concerned about the deficit of Capital to Risk Weighted Asset Ratio (CRAR) with conservation buffer which was below the regulatory requirement, significant decline in post-tax profit, high level of large loan and reschedule loan and additional provision required in next three years to cover up the deficit. Moreover, ECRL is concerned about the real scenario of NPL which will take place after the withdrawal of classification bar imposed by BB for the pandemic time.

Covid-19 pandemic has critically worsened overall economic and business environment in the country over a year. The banking industry has been facing many challenges like slow growth of credit, recovery of loans and advance, excess liquidity, gloomy business performances of business entities due to the Covid-19 pandemic throughout the year 2020. Moreover, the second wave of the Covid-19 pandemic might further jeopardize the overall economic and business environment in the country like the previous year. With a view to facilitating the existing business environment and to help the sector to recover from the impact of Covid-19, Bangladesh Bank relaxed the loan classification for the year 2020 (Jan-Dec) and also for the quarter April to June 2021 to facilitate businesses of the country and to encourage participation of the banks in disbursing loans to affected business.

BB has also increased the cap of ADR/IDR by 2% to increase the lendable fund and to increase liquidity of the bank, BB has reduced the CRR (Cash reserve requirement) from 5% to 3.5% on daily basis and 5.5% to 4% on bi-weekly basis and repurchase rate (repo) reduced to 4.75% from 5.25%, reverse repo rate to 4% from 4.75%. These initiatives improved the liquidity position of banks. The banking sector is infiltrated with all-time high excess liquidity of BDT 2,047 billion as on December 2020 due to low credit growth and also initiatives taken by the regulator. The year was started with excess liquidity of BDT 1,034 billion (end of January 2020) but at the end of the year the excess liquidity became almost double.

The asset book of the bank soared to BDT 363,411.77 million in FY2020 experiencing a 14.66% growth during the period as opposed to a growth of 11.97% in FY2019. Historically significant component of overall assets base of the bank, gross loans, witnessed a favorable growth of 14.03% in FY2020 in comparison to previous year growth of 10.47% and finally stood at BDT 260,650.29 million. In addition to this, the bank also enlarged its investment portfolio over the last three years which has also recorded a

growth of 15.87% in the FY2020 compare to prior financial year which encompasses 14.51% of total assets profile.

Though the Non-Performing Loan (NPL) of the bank shrank by BDT 1,919.71 million or 15.65% to BDT 10,345.76 million but this has occurred as the bank had to suspend the usual practice of classifying loan in accordance with the central bank's directive (From Jan to Dec) amidst Covid-19 outbreak in 2020. As a result, the NPL ratio of the bank moderately decreased to 3.97% in FY2020 (FY2019: 5.37%; FY2018: 6.16%). Notably, such NPL ratio is slightly below compared to the industry's average NPL ratio for private commercial bank (industry NPL/NPI ratio 4.82% as at December 31, 2020). However, after the moratorium period ended, it is expected that the NPL would increase in the forthcoming years as so many businesses are facing difficulty to operate their business. By the end of FY2020 sub-standard, doubtful and bad loans comprised of 26.90%, 4.48% and 68.63% of overall NPLs respectively. Moreover, it has been observed that in FY2020, BDT 4,360.02 million loans was in bad/loss status for more than two years representing 42.14% of total bad/loss loans which is a concerning factor for the bank as it might be difficult to recover that significant amount of loan in upcoming period.

Besides, the bank has rescheduled BDT 39,855.91 million loans in the FY2020 which is 25.00% higher than the prior financial year and the bank did not write off any bad loan during the year. The reschedule loan was 15.29% of the loan book of the bank while NPLs and rescheduled loans together represented 19.26% of the loan book in FY2020 as compared to 19.31% in the FY2019. On the other hand, the bank's exposure to large loans (exceeding 10% of bank's capital) has been the highest in FY2020 compare to prior three financial years which accounted for 58.43% of the bank's gross loans and advances which was 46.10% in the prior financial year adding another matter of concern for the bank. Though the bank has maintained provision against total loans and advances amounted to BDT 7,406.27 million in the FY2020 but according to Bangladesh Bank letter dated on 31 March 2021 the bank has provision shortfall of BDT 3,785.00 million against other unclassified loans and advances which is required to maintain by 2023.

In FY2020, the bank has a deficit of CRAR with conservation buffer of BDT 664.88 million due to decrease in retained earning which has hindered the growth of Tier-I capital and ultimately the growth of total eligible capital whereas risk-weighted assets grew by 12.22% and thus the CRAR of the bank edge down to 12.24% in FY2020 from 12.80% in the prior year which is slightly below than the regulatory ceiling of minimum capital requirement with capital conservation buffer of 12.50% of total risk weighted assets. Moreover, this is likely that the risk weighted assets of the bank will further increase after the relaxation of classification of the loans and the situation would even worsen if the net interest income consistently falls due to the pandemic situation and impact of interest cap. As per correspondence with the management, the bank is in a process of issuing Subordinated Bond of BDT 5,000 Million, for which they have already received NOC from Bangladesh Bank and approval from BSEC is under process. Besides, the Board of Directors of the Bank has also approved the issuance of BDT 10,000 million perpetual Bond as additional Tier I capital of the Bank for further expansion of the Business, application of which is under process. Upon inclusion of these bonds CRAR of the Bank will be increased with substantial limits.

IFICBL's deposit base has improved gradually over the years and in FY2020, bank's total deposit base recorded a good growth of 14.71%; highest in last three years whereas the credit portfolio experienced a growth of 14.03%, resulted in loan to deposit ratio decreased to 82.75% in FY2020 from 84.08% in FY2019, well below than the ceiling for loan to deposit ratio not more than 87% for General Banks as per the Bangladesh Bank's directive. To ensure the optimum profitability the bank is trying to reorganize its deposit mix, as a result the bank's concentration on high cost deposits i.e. Fixed Deposit is gradually decreasing whereas the bank is more concentrating on low cost deposits like current deposit which is reflected by its deposit mix over the last three years.

In the FY2020, IFICBL has maintained CRR and SLR as per regulatory requirement whereas the bank accounted a surplus CRR of BDT 1,351.15 million and a surplus SLR of BDT 15,703.93 million indicating that the bank has excess liquidity to manage its position in stressful situation. However, as per liquidity statement, the bank had liquidity gap of BDT 20,096.59 million in 1-3 month bucket, BDT 34,886.08 million in 3-12 months bucket and BDT 14,647.33 million in above 5 years bucket respectively but considering the cumulative liquidity gap, there was net cumulative surplus of BDT 25,216.95 million at the end of FY2020.

In terms of profitability, in FY2020 the bank did not perform well as indicated by significant decline in net interest income due to the impact of interest cap imposed by BB, Covid-19 pandemic situation as well as high competition among the banks. During the year 2020, interest income of the bank squeezed remarkably by 13.37% to stand at BDT 21,159.06 million due to implementation of maximum 9% interest rate on loans and advances. On the other hand, the interest paid on deposits and borrowings experienced an increase of 1.48% in FY2020 amounted to BDT 18,294.76 million; as a consequence the net interest income lowered to BDT 2,864.30 million from BDT 6,397.88 million in FY2019, a significant 55.23% fall in FY2020. To cope with the adverse impact of interest rate cap the bank marginally increased its investments in government securities & shares by 15.87% than a year ago; as a result the bank's income from investment rose by 31.54% to BDT 3,454.71 million in FY2020 and the non-interest income of IFICBL has finally grew by 17.76% to BDT 5,560.30 million in FY2020 from BDT 4,721.86 million in FY2019.

And due to significant fall of net interest income, total operating income of the bank experienced a fall of 24.24% in FY2020 and for the first time among the reported years, non-interest income became the major income source with encompasses 66.00% (FY2019: 42.46%) of total operating income whereas the net interest income, core income of the bank comprised 34.00% of total operating income in the same period as compared to 57.54% in FY2019. The shift has happened due to the interest rate cap as well as ongoing Covid-19 pandemic. Whereas, total operating income of the bank has shrank by 24.24%, operating cost of the bank shrank by only 7.94% resulted the cost to income ratio of the bank reach to 65.56% in FY2020 from 53.95% in FY2019.

Profit before provision and taxes of the bank decreased to BDT 2,901.65 million in FY2020 with a declining rate of 43.33% from the previous year due to negative growth in net interest income along with high operating expenses during the year. On the other hand, provision expenses of the bank increased by 31.21% due to maintaining a large amount of specific general provision against the loans facilities for which payment was deferred during to Covid-19 as per BB's directive. In contrast, due to recording a large amount of tax expenses eventually narrowed the net profit of the bank significantly by 76.99% to stand at BDT 562.25 million in the FY2020 derived from decrease in operating income of the bank particularly the net interest income which is a major concern for potential growth of the bank.

ECRL views IFICBL's outlook as Stable considering the current business position, asset quality and experience of management. However, ECRL is concerned about the decline in net interest income caused by implementation of interest rate cap and uncertainty related to Covid-19 pandemic.

Credit Rating of the Issue: Floating Rate Non-Convertible Subordinated Bond

Date of Declaration	Valid Till	Rating Type	Long Term	Rated By	Outlook
03 November 2021	30 September 2022	Initial	AA3(Hyb)	CRAB	Stable

*CRAB- Credit Rating Agency of Bangladesh Limited

Credit Rating Report of IFIC Bank Limited 3rd Floating Rate Non-Convertible Subordinated Bond has been done by Credit Rating Agency of Bangladesh Limited based on Audited Financial Statement up to September 30, 2021 and other relevant quantitative as well as qualitative information up to the date of rating declaration.

Rating Rationale:

Credit Rating Agency of Bangladesh Limited (CRAB) has assigned “AA3 (Hyb)” (pronounced Double A three hybrid) rating in the long term to the IFIC Bank Ltd. issue of floating rate non-convertible subordinated bond III (up to BDT 5,000 million), in line with CRAB’s standard notching practices. The assignment of the final rating follows the completion of the bond issuance and receipts of documents conforming to the information received at the time of issuing this rating. According to the basic features of the bond provided to CRAB, the bonds will be permanently redeemed to zero at the end of 7th year after issue. The rating outlook is stable, reflecting the outlook on the issuer’s credit rating. CRAB performed the rating based on audited financial statement of the Bank as of 30 September 2021 and other relevant information up to the date of rating declaration.

The Bank is planning to issue floating rate non-convertible subordinated bond III worth (up to BDT 5,000.0 million) having denomination of each BDT 10.0 million. Coupon rate of the Bank will be determined as an average Fixed Deposit Rates of 6 months of all Private Commercial Schedule Banks (except Islami banks and foreign banks) with a margin of 2.00% p.a., ranging 7.00% to 9.00% upon regulatory approval. The final maturity of the Bonds will be at the end of seventh year of the Bonds from the Issue Date. The subordinated bond has been structured for Tier 2 own fund eligibility according to BB regulation.

The issue may be closed in tranches, however regulatory approval will be taken for full Facility Amount. Issue amount of a tranche will be a minimum of BDT 2,000.0 million. Issuer will make necessary regulatory disclosure for the full amount of BDT 5,000.0 million post their internal approval from the competent authority.

The subordinated debt has been structured for Tier 2 own fund eligibility according to BB regulation. According to CRAB methodology, the subordinated bond is classified as capital due to regulatory override within CRAB’s risk based capital calculation and is classified as debt for the agency’s financial leverage calculations. The new issue is expected by CRAB to increase financial leverage on pro-forma basis to 13.32x from 13.24x based on 30 September 2021 figures.

The rating reflects the Bank’s strength in large branch network and substantial shareholding of the government (around 32.75% shares). On the other hand, principal concerns of the Bank are continuation of previous NPL and marginal risk weighted capital adequacy.

For detailed Credit Rating Report of the Issue, please see Annexure 3.

18. LATEST DEFAULT MATRIX AND TRANSITION STATISTICS OF CRC

CRAB Rating's Default Matrix:

CRAB RATINGS' DEFAULT STUDY-2020

Rating Category	1-Year Default Rate	3-Year Cumulative Default Rate (CDR)
AAA	0.00%	0.00%
AA	0.00%	0.00%
A	0.00%	0.00%
BBB	0.00%	0.00%
BB	0.00%	0.00%
B	0.00%	0.00%
CCC	0.00%	0.00%

CRAB Rating's Transition Matrix (2019-2020)

CRAB RATINGS' TRANSITION MATRIX (2019-2020)							
Previous Year Rating	Rating after 1 year						
	AAA	AA	A	BBB	BB	B	CCC
AAA	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AA	0.00%	97.22%	2.78%	0.00%	0.00%	0.00%	0.00%
A	0.00%	3.76%	93.55%	2.69%	0.00%	0.00%	0.00%
BBB	0.00%	0.00%	2.43%	95.74%	1.83%	0.00%	0.00%
BB	0.00%	0.00%	0.00%	12.90%	87.10%	0.00%	0.00%
B	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%
CCC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Each row corresponds to a previous rating.

Each column corresponds to a rating after 1 year.

19. DESCRIPTION OF THE TRUSTEE: SENA KALYAN INSURANCE COMPANY LIMITED (SKICL)

Company Overview

Sena Kalyan Insurance Company is a concern of Sena Kalyan Sangstha (SKS) of Bangladesh Armed Forces. Born through the Great War of Liberation, Bangladesh Armed Forces have earned a time tested confidence of the people of the country and with that sky high image, Sena Kalyan Insurance Company Limited is designed to serve all sections of the people by upholding the principles of transparent perception and corporate practices in the field of insurance. This new member of the Insurance Industry of Bangladesh commenced its business since 10 September 2013 and has already emerged as a viable and very promising general insurance company in the country. The shareholding structure of the company is institutional, which is unique in our industry. The Board of Directors is composed of ex-officio Senior military officers.

The Chairman of the Board is a serving Major General of Bangladesh Army, who is also the chairman of Sena Kalyan Sangstha. All the shares of the company is owned by Sena Kalyan Sangstha, which has already emerged as one of the viable business organizations in Bangladesh: This feature is a special point of trust and confidence of our valued partners. The Chief of Army Staff of Bangladesh Army is the chairman of the Board of Trustee and thus it adds value to our transparent dealing with the valued partners. It is worth mentioning here that we are the insurer of US Bangla Airlines and very promptly handled the claims of 2018 US-Bangla crash in Nepal.

Vision, Mission and Core Values

Vision: Sena Kalyan Insurance Company Limited will strive towards uploading the principles of transparent perception and corporate practices thus turning to be a viably profitable oriented insurance company in the country.

Mission: To pursue ongoing endeavours to become a leading insurance company by providing innovative products and customer friendly services through highly motivated team of dedicated professionals and ensure profits for the sponsors and shareholders.

Core Values:

- Trust
- Integrity
- Professionalism

Board of Directors:

- 1) Chairman : Major General Mohammed Saidul Islam ndc, psc
- 2) Vice Chairman : Air Cadre M Moyeenuddin, ndc, afwc, psc
- 3) Member : Brig Gen M A Mohy, psc
- 4) Member : Brig Gen Mirza Md Enamul Haque, ndc
- 5) Member : Brig Gen Md Mustafa Kamal, SGP
- 6) Member : Brig Gen Md Jamal Hossain, ndc, afwc, psc
- 7) Member : Brig Gen Md Shaheen Iqbal, afwc, psc
- 8) Member : Brig Gen Shafique Shamim, psc (Retd), MDS, MBA, CII (Cert)
- 9) Member : M. M. Mostafa Bilal, Independent Director
- 10) Member : Ahamed Ihteyaz Thamid, Independent Director

Executives of the Head Office:

- Chief Executive Officer : Brig Gen Shafique Shamim, psc (Retd), MDS, MBA, CII (Cert)
- Head of Marketing Department : Lt Col AKM Nazimul Islam, psc (Retd)
- Head of Underwriting Department : Pronab Kumar Saha
- Head of Accounts Department : Maloy Kumar Saha
- Head of Claim & Re-insurance Dept : Tajul Islam

- Head of HR & Admin Department : Sqn Ldr Md Mostafa Zaman (Retd)
- Head of Information & technology Dept : Mohammad Shakhawat Hossain

Capital Structure:

Capital structure: The company started its business with a paid-up capital of BDT 240.00 Million against an authorized capital of Tk. 1000.00 Million being sponsored by Sena Kalyan Sangstha. Shareholding Structure: SKICL has a unique institutional shareholding structure, shown below:

Sl.	Name	No of Shares
1.	Sena Kalyan Sangstha (SKS) Represented by: Major General Mohammed Saidul Islam ndc, psc	23,999,994
2.	Air Cadre M Moyeenuddin, ndc, afwc, psc Nominated Director by SKS	1
3.	Brig Gen M A Mohy, psc Nominated Director by SKS	1
4.	Brig Gen Mirza Md Enamul Haque, ndc Nominated Director by SKS	1
5.	Brig Gen Md Mustafa Kamal, SGP Nominated Director by SKS	1
6.	Brig Gen Md Jamal Hossain, ndc, afwc, psc Nominated Director by SKS	1
7.	Brig Gen Md Shaheen Iqbal, afwc, psc Nominated Director by SKS	1
Total		24,000,000

Classes of Business:

We transact in all types of General Insurance Business. The company's policies are liberal contracts free from restrictive conditions and the premiums charged are strictly moderated consistent with absolute security. Businesses being transacted are as follows:

Fire Business

1. Fire and its allied perils Insurance: Riot, Strike & Damage, Flood, Cyclone, Earthquake (Fire & Shock), Malicious Damage, Explosion, Aircraft Damage, Impact Damage and Bursting of pipes etc.
2. Industrial All Risks Insurance (IAR)
3. Commercial General Liability, Excess Liability
4. Hotel Owners' All Risks Insurance (HOAR)
5. Household Insurance (Fire & Earthquake)
6. Power Plant Operational Package Insurance (PPOPI)

Marine Insurance

1. Marine Cargo Import (Steamer/Powered Vessel, Rail/Lorry/Truck, Air)
2. Marine Cargo Export (Steamer/Powered Vessel, Rail/Lorry/Truck, Air)
3. Inland Transit Insurance (Rail/Road, Water Borne)/ Goods in Transit Insurance)
4. Marine Hull (Comprehensive, Total Loss Only (TLO, Sue & Labour, Salvage)
5. Shipbuilders' Insurance Policy

Engineering Insurance

1. Boiler and Pressure Vessel Insurance (BPV)
2. Cold Storage Comprehensive Insurance
3. Construction/Contractors' All Risks Insurance (CAR)/ Erection All Risks Insurance (EAR)
4. Machinery Breakdown Insurance (MBD)
5. Electronic Equipment Insurance (EEI)
6. Deterioration of Stock (DOS)

Motor Insurance (Comprehensive & Act Only Liability Insurance)

1. Private Vehicle (PV)
2. Commercial Vehicle (CV)
3. Motorcycle (MC)

Aviation Insurance

1. Hull, Spares & Equipment Insurance (CSL)
2. Liability/Excess Liability Insurance [TPL, PLL, CLL & CPA]
3. Hull War & Hull deductible Insurance

Miscellaneous/ Accident/ Liability Insurance

1. Overseas Mediclaim (Business & Holidays; Studies & Employment: OMP)
2. Burglary & House Breaking Insurance (BG)
3. Money Insurance (Cash-in-Business premises in strong room vault/safe, A.T.M. Booth and/or on counter & Cash in Transit) for scheduled Banks.
4. Personal Accident Insurance (Individual & Group) (PA)
5. Peoples' Personal Accident (Individual & Group) (PPA)
6. Fidelity Guarantee Insurance (FG), Professional Indemnity Insurance (PII)
7. Commercial General Liability & Excess Liability Insurance (CGL)
8. Automobile Liability Insurance, Public & Product Liability Insurance
9. Workmen's Compensation Insurance
10. Cash in Safe, Cash on Counter & Cash in Transit for other than scheduled Banks
11. Safe Deposit Box (Bank Lockers) All Risks Insurance (SDB)
12. Directors' & Officers' liability Insurance
13. Bankers' Blanket Bond , Electronic & Computer Crime Insurance
14. Livestock/ Cattle Insurance Policy

Re-Insurance Protection

SKICL has started to give financial safety & security of its client. The company has good Treaty arrangement with Sadharan Bima Corporation and from the very beginning has been taking proper re-insurance protection from them. At present, hundred percent of the total portfolios of the company is re-insured with the state-owned Sadharan Bima Corporation, Bangladesh, the only re-insurer of the country. Besides, SKICL obtains Facultative re-insurance beyond its Treaty from SBC and is looking for in the coming days to arrange reinsurance coverage with some noted overseas Re-insurers.

Claim Settlement:

SKICL believes that prompt settlement of claims is the most important strategy to procure insurance business and earn confidence from the clients. Bearing this strategy in mind, priority is given to provide prompt services to the clients in the event of loss of their properties under the scope of respective Insurance Policy. It is SKICL's vision to settle the Insurance Claim within the shortest possible time with entire satisfaction of the clients. The company commenced business at the later part of 2013 and by now has settled about 341 claims of various types while 86 claims are in the process of settlement.

SKICL's Commitment:

- a) Prudent Underwriting.
- b) 100% Re-Insurance protection.
- c) Prompt Settlement of Claim.
- d) Friendly relations with valued clients.

Financial Highlights of SKICL in the last three audited years is provided below:

Detail in BDT	31 Dec 2020	31 Dec 2019	31 Dec 2018
Authorised Capital	1,000,000,000	1,000,000,000	1,000,000,000
Paid-up Capital	240,000,000	240,000,000	240,000,000
Total Assets	978,292,139	747,002,325	520,578,109
Net Worth	506,203,422	434,414,777	349,234,833
Revenue	580,522,233	576,092,516	363,870,416
Gross Profit	66,824,517	75,490,878	10,871,916
Net Profit after Tax	94,275,660	98,284,035	37,846,671
Cash Flow from Operating Activities	221,715,530	232,450,624	53,470,326
Cash and Cash Equivalents	793,496,960	631,300,820	418,233,547

List of Issuances in which SKICL is acting as Trustee:

SI	Name of Issuer	Name of Issue	Maturity Period	IM Issue Date	Date of Completion of Subscription	Issue Amount	Disbursement Amount	Repayment Amount	Outstanding	Default, if any	Remarks
1	Trust Bank Ltd Bond-III	Redeemable, Non convertible, Unsecured, Subordinated	26-10-2023	Oct-16	27/10/2016	400 Crore	400 Crore	160 Crore	240 Crore	None	Compliant
2	Trust Bank Ltd Bond-IV	Fully Redeemable, Non-Convertible, Unsecured, Subordinated	19-12-2025	Nov-18	19/12/2018	500 Crore	500 Crore	0	500 Crore	None	Compliant
3	Flamingo Fashions Limited	Non convertible, Unsecured, Zero Coupon	30-09-2021	Jun-17	26/04/2018	250 Crore	116.83 Crore	116.83 Crore	0	None	Trustee has been completed nicely
4	Durable Plastics Limited	Fully Redeemable, Non-Convertible, Unsecured, Zero Coupon	04-10-2022	Jan-18	04-10-18	150 Crore	50 Crore	37.50 Crore	12.50 Crore	None	Compliant
5	Rangpur Metal Ind. Limited	Non convertible, Secured, Fully Redeemable, Fixed Rate, Zero Coupon	25-03-2025	May-18	30/04/2019	100 Crore	100 Crore	50.20 Crore	49.80 Crore	None	Compliant
6	Export Import Bank of Bangladesh Ltd	Non Convertible Unsecured Floating Rate Mudaraba Subordinated Bond	15.06.2028	Jun-21	16.06.2021	500 Crore	500 Crore	0	500 Crore	None	Compliant
7	SAJIDA Foundation	Non Convertible Unsecured Fully Redeemable Green Zero Coupon Bond	Fund not yet disbursed			100 Crore	N/A	N/A	N/A	N/A	N/A
8	IFIC Bank Ltd	Non Convertible Redeemable Subordinated Bond	13.09.2028	Jul-21	14.09.2021	500 Crore	500 Crore	0	500 Crore	None	Compliant
9	BURO Bangladesh	Non-convertible Unsecured Sustainable Finance Zero Coupon	Fund not yet disbursed			150 Crore	N/A	N/A	N/A	N/A	N/A
10	Dutch Bangla Bank Ltd	Non-convertible Unsecured Floating Rate 4th Subordinated	Application process is running			500 Crore	N/A	N/A	N/A	N/A	N/A

For the Due Diligence Certificate of Trustee, please see Annexure 4.

20. MODUS OPERANDI OF THE ISSUE

1. Application Procedure:

The Bonds shall be distributed 100% through private placement. Each Investor (Bondholder) shall enter into a separate Subscription Agreement with respect to their investment with the Issuer and shall be bound by the terms and conditions contained in the Subscription Agreement and the Trust Deed containing in details the rights and obligations of the Investor(s).

2. Allotment:

On the Closing Date, to be determined, the Issuer shall allot and issue the Bonds to the Investor(s). The Bonds will be allotted according to the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021.

3. Refund:

Not applicable at the time of Issuance. However, subject to receiving proper consent from the regulatory authorities Refund in relation to the subscription may be possible upon mutual agreement between the Issuer and each Bondholder.

4. Transfer:

Bonds are transferable subject to the Terms and Conditions set out in the Trust Deed.

5. Repayment and Redemption features of the Bond:

Coupon on the Bonds shall be paid on semi-annual basis on the Interest Payment Dates. The Interest Payment Dates shall be determined depending upon the Issue Date. Unless previously redeemed or purchased or cancelled, the principal of the Bonds will amortize, and paid annually on a pro rata basis to the Bondholders in instalments of 20% per year commencing at the third anniversary of the Bonds from the Issue Date. The final maturity of the Bonds will at the end of seventh year from the Issue Date of the Bonds.

6. Details of conversion or exchange option:

Not Applicable

21. DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS



ANNEXURE - I

Declaration about the responsibility of the directors, including the CEO of the issuer or originator in respect of the information memorandum

[See rule 4(2)(a)]

This information memorandum has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this information memorandum to enable the investors to make a well-informed decision for investment.



Shah A Sarwar
Managing Director & CEO

Date: 24 November 2021

IFIC Bank Limited

Head Office: IFIC Tower, 61 Purana Paltan, GPO Box: 2229, Dhaka-1000, Bangladesh
IP Phone No. : 09666716250 (Hunting), Fax: 880-2- 9554102, Swift: IFIC BD DH, E-mail: info@ificbankbd.com, Customer Care Center: 16255

www.ificbank.com.bd



22. DETAILS OF FEES STRUCTURE AND EXPENSES

The issuance of this bond will incur following fees and expenses:

Fee Type	Party to be Paid	Fee Structure/Amount
Regulatory Fees	Bangladesh Securities and Exchange Commission	<ul style="list-style-type: none"> • Application Fee: BDT 10,000 • Consent Fees: 0.10% on the Face Value
Arrangement Fee	Standard Chartered Bank	0.50% of the Face Value Amount of bond
Trustee Fee	Sena Kalyan Insurance Company Limited	BDT 300,000 for the 1 st year and BDT 250,000 per annum for subsequent years till final redemption of bond
Credit Rating Fee	Credit Rating Information and Services Limited	BDT 150,000 per annum till final redemption of bond
Legal Expenses	Lex Juris	BDT 150,000
Interim Audit fee	M.J Abedin & Co	BDT 1,000,000
Miscellaneous	Other Expenses	As required related to the issuance of the Bond.e.g. Application fee, Bond Registration fee, Trustee Registration fee, ATB Expenditure, Listing Expenditure etc.

All fees are quoted net of applicable VAT.

ANNEXURE 1: ISSUE APPLICATION AS PER SCHEDULE A

IFIC/HO/FAD/2021/11/20531

24 November 2021

The Chairman

Bangladesh Securities & Exchange Commission
Securities Commission Bhaban
E-6/C, Agargaon
Sher-e-Bangla Nagar Administrative Area
Dhaka-1207, Bangladesh

Subject: Application for Approval of 3rd Non-convertible Unsecured Floating Rate Subordinated Bond of BDT 5,000 Million for International Finance Investment and Commerce Bank Limited (IFIC Bank)

Dear Sir,

International Finance Investment and Commerce Bank Limited (**IFIC Bank**) was established in 1976 as a joint venture between the Government of Bangladesh and sponsors in the private sector to form a finance company within the country and for setting up joint venture banks/financial institutions abroad. After 1983, the bank was converted into a full-fledged commercial bank, with the Government of Bangladesh holding 32.75% shares. IFIC Bank is listed on the Dhaka Stock Exchange and the Chittagong Stock Exchange. As at 30 September 2021, a total of 157 branches, 589 Uposhakhas, 53 ATMs and 403 global correspondent banking relationships, supported by 3,740 employees of IFIC Bank are dedicated in providing services to clients. As one of the leading banks of the banking sector in the country, IFIC is always committed to the welfare and economic prosperity of the people and the community.

We are pleased to inform you that the Board of Directors of IFIC Bank has decided to issue BDT 5,000,000,000 Non-Convertible Unsecured Floating Rate Subordinated Bond upon compliance with internal regulations and receipt of consent from the Bangladesh Securities and Exchange Commission (**BSEC**).

Total size of the Issue will be BDT 5,000,000,000 divided into 500 Bonds with face value of BDT 10,000,000 each at par. Standard Chartered Bank, Bangladesh will act as the Mandated Lead Arranger and Sena Kalyan Insurance Company Limited as the Trustee. Details of the issue as per Schedule "A" Part- I of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 are given below.

1. Particulars of the Issuer, IFIC Bank Limited

(a)	Name of the Issuer	:	International Finance Investment and Commerce Bank Limited (IFIC Bank)
(b)	Legal status of the issuer	:	Public limited company (listed), private commercial bank
(c)	Details of Contact Information	:	Name: Dilip Kumar Mandal FCA Position: Chief Financial Officer (CFO) Head Office: IFIC Tower 61 Purana Paltan Dhaka-1000, Bangladesh Phone +88009666716250 (Ext:120) Mobile: +8801713069990
(d)	Date of incorporation	:	October 08, 1976
(e)	Date of commencement of business	:	October 08, 1976
(f)	Authorized capital	:	BDT 40,000,000,000 as at 30 September 2021
(g)	Paid-up capital	:	BDT 17,008,675,610 as at 30 September 2021
(h)	Total equity	:	BDT 29,861,134,648 as at 30 September 2021
(i)	Total liabilities	:	BDT 379,379,899,825 as at 30 September 2021
(j)	Total assets	:	BDT 409,241,034,472 as at 30 September 2021
(k)	Others	:	Not Applicable

2. Particulars of Issue Manager/ Mandated Lead Arranger (MLA):

(a)	Name of the issue manager/ MLA	:	Standard Chartered Bank acting through its Bangladesh Branch
(b)	Legal status of the issue manager/ MLA	:	Foreign Commercial Bank
(c)	Details of contact information of the issue manager/MLA	:	Md. Maroof Ur Rahman Mazumder Executive Director & Head of Capital Markets, Bangladesh Address: Level 3, 67 Gulshan Avenue, Dhaka – 1212 Phone: + 88-02-8833003-4 ext. 53031 Fax: + 88-02-8837810 Mobile: + 880171-3009646 E-mail: md-marroofur.rahman@sc.com
(d)	Name of the issue managed by the issue manager/MLA	:	List attached in annexure
(e)	Others	:	Not Applicable

3. Particulars of the Issue:

(a)	Name of the issue	:	IFIC Bank 3 rd Non-convertible Subordinated Floating Rate Bond
(b)	Type of instruments to be issued	:	Non-convertible Unsecured Floating Rate Fully Redeemable Subordinated Bond
(c)	Purpose of the issue	:	The issuance is to generate liquidity to strengthen Tier II capital of the bank.
(d)	Number of securities and total size of the issue to be offered	:	500 bonds for total issue amount of BDT 5,000,000,000
(e)	Face value and issue price of securities mentioning discount or premium thereof	:	Face value and issue price of each Bond is BDT 10,000,000
(f)	Coupon rate /discount rate and YTM	:	To Be Determined as a sum of Benchmark Rate & Margin; however, during the tenor the yield [benchmark + margin] will be floored at 7.50% and capped at 10.50%
(g)	Tenor or maturity	:	7 years
(h)	Details of conversion/ exchange option features	:	Not applicable as the bond is non-convertible
(i)	Mode of redemption or conversion/ exchange	:	20% of the total bond value to be redeemed at the end of each year starting from 3 rd year.
(j)	Mode of option (call or put), if any, in case of redemption or conversion/exchange and discount or premium thereof	:	Not applicable as the bond is non-convertible and fully redeemable
(k)	Rate of return	:	Floating rate bond with YTM floored at 7.50% and capped at 10.50%
(l)	Applicable tax rate	:	As per applicable Tax Laws of Bangladesh
(m)	Default protection mechanism (details of credit enhancement arrangement/ agreement, redemption reserve, sinking fund etc.), if Any	:	Not applicable
(n)	Type of collateral securities being offered, if any	:	Unsecured
(o)	Status of securities holders in case of priority of payment	:	First priority

(p)	Period within which securities to be issued	:	Within 6 (six) months of regulatory approval in Single or Multiple Tranches
(q)	Nature of tradability or listing in the stock exchange(s) (Main Board / ATB /any other platform, mentioning the name of the stock exchange)	:	As per regulatory approval
(r)	Others	:	Not Applicable

4. Particulars of the Trustee:

(a)	Name of the trustee	:	Sena Kalyan Insurance Company Limited
(b)	Paid-up capital of the trustee	:	BDT 240,000,000 as at December 31, 2020
(c)	Net worth of the trustee	:	BDT 506,203,422 as at December 31, 2020
(d)	Name of the issue(s) where performing as trustee	:	List attached in annexure
(e)	Others	:	Not Applicable

5. Particulars of the Credit Rating Company:

(a)	Name of credit rating company	:	Credit Rating Agency of Bangladesh (CRAB)
(b)	Credit rating status of the issuer or originator	:	Long Term Rating: AA Short Term Rating: ST2 Outlook: Stable
(c)	Credit rating status of the issue	:	Long Term Rating: AA3 (Hybd) Outlook: Stable
(d)	Date and validity of rating along with surveillance rating for the issuer or originator and for the issue	:	Issuer Rating Validity: 30 June 2022 Issue Rating Validity: 30 September 2022
(e)	Latest default rate of the credit rating company	:	0% as on 2020
(f)	Average time to default of the rated category	:	Not Applicable
(g)	Rating trigger, if any	:	Not Applicable
(h)	Others	:	Not Applicable

6. Particulars of originators, if any: Not applicable

7. Particulars of other contractual parties: Not applicable

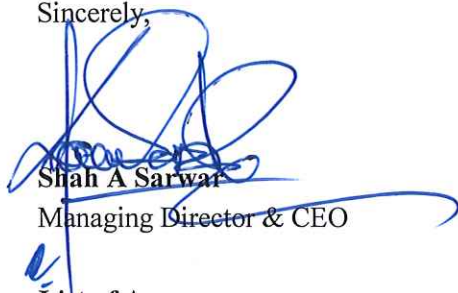
In accordance to the Bangladesh and Securities Commission (Issuance of Debt Securities), Rules 2021, we are applying to the esteemed Commission for the consent of issuing BDT 5,000 Million Non-Convertible Unsecured Floating Rate Subordinated Bond. Please find enclosed herewith the draft IM along with supporting documents furnished in Annexure, as per rules for your kind perusal.

We also enclose herewith a Pay Order No. AA 0165988 dated 2 November 2021 for BDT 10,000.00 (Ten Thousand only), in favor of “Bangladesh Securities and Exchange Commission” with other supporting documents as listed in the annexure below.

We shall furnish further information to meet any queries that you may have.

We shall appreciate assistance and guidance from Bangladesh Securities and Exchange Commission in obtaining the consent for the proposed debt issuance.

Sincerely,



Shah A Sarwar
Managing Director & CEO

List of Annexures:

1. Pay Order of BDT 10,000 only dated 2 November 2021 as application fee
2. Copy of RJSC Certified Memorandum and Articles of Association
3. Copy of RJSC Certified Certificate of Incorporation and Certificate of Commencement of Business
4. Copy of RJSC Certified Particulars of Directors (Form XII)
5. Copy of RJSC Certified Return of Allotment of Shares (Form XV) and Annual Summary of Share Capital (Schedule X)
6. Copy of RJSC Certified Form VI
7. Original Auditors' Report dated September 30, 2021
8. Details of outstanding debt securities
9. Purpose for issuance of debt securities and Plan to Use of Proceeds thereof
10. Resolution of the Board of Directors for issuance of debt securities
11. Copy of Disclosures of Price Sensitive Information
12. Credit Rating Report of the Issuer
13. Original Credit Rating Report of the Issue
14. Auditor's Certificate regarding total Paid-up capital of Issuer
15. Short Description of the Business of Issuer
16. Draft Information Memorandum prepared as per Schedule 'B'

17. Draft Deed of Trust prepared as per Schedule 'C'
18. Due Diligence Certificate of the Trustee as per Schedule 'D';
19. Repayment Schedule of the debt securities
20. Undertaking of Issuer and its directors for obtaining CIB report from Bangladesh Bank (2 sets)
21. List of Issuances in which Sena Kalyan Insurance Company Limited is acting as Trustee
22. List of Issuances in which Standard Chartered Bank has acted as Mandated Lead Arranger
23. Copy of Agreement with Credit Rating Agency for Periodic and Surveillance rating of the issue till maturity
24. Status report on investment from special fund.
25. Deferral request for submitting Clearance Certificate of Bangladesh Bank and copy of Registration Certificate to be issued by BSEC to the trustee to act as trustee to the bond issue



**ANNEXURE 2: AUDITED FINANCIAL STATEMENTS OF IFIC BANK
LIMITED AS OF 30 SEPTEMBER 2021**

**Independent Auditor's Report
To the Shareholders of IFIC Bank Limited
Report on the Audit of the Consolidated and Separate Financial Statements**

Opinion

We have audited the consolidated financial statements of IFIC Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of IFIC Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 30 September 2021 and the consolidated and separate profit and loss accounts, consolidated and separate cash flow statements and consolidated and separate statements of changes in equity for the period then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying 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 the separate financial position of the Bank as at 30 September 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.1.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* and the guidelines issued by Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with IESBA Code and the Institute of Chartered Accountants (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
1. Measurement of provision for loans and advances	
<p>The process of estimating provision for loans and advances associated with credit risk is judgmental and complex. While estimating such provisions certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none"> • Future business performance of the borrower; • Key assumptions relating to further business performance of the borrower; • Market value of the collateral; • Ability to repossess collateral; and • Recovery rates. <p>Furthermore, these provisions are processed manually using the voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank (the central bank of Bangladesh) issued time to time.</p> <p>Due to high level of judgment involved and using some manual process in estimating the provision for loans and advances, we considered this to be a key audit matter.</p> <p>At period end the Group and the Bank reported total gross loans and advances of BDT 293,843 million (2020: BDT 261,697 million) and BDT 292,671 million (2020: BDT 260,650 million) respectively and provision for loans and advances of BDT 8,933 million (2020: BDT 7,638 million) and BDT 8,702 million (2020: BDT 7,406 million) respectively.</p> <p>See note no 2.1, 2.2.1.3, 7 and 15 to the financial statements</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; and • Review of quarterly Classification of Loans (CL) <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the companies general and specific provisions; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; and • Finally, assessed the appropriateness of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

2. Recognition of interest income from loans and advances	
<p>Recognition of interest income has significant and wide influence on financial statements.</p> <p>Recognition and measurement of interest income has involvement of complex IT environment.</p> <p>We identify recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of interest by management to meet specific targets or expectations.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans and advances.</p> <p>We performed test of operating effectiveness on automated control in place to measure and recognize interest income.</p> <p>We have also performed substantive procedure to check whether interest income is recognized completely and accurately.</p> <p>We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank</p>

See note no 2.1 and 26 to the financial statements

guidelines.

3. Loans and advances

Loans and advances are the main element of financial statements of the Bank. Income of the Bank is mainly dependent on the portfolio of loans and advances. Management performance is highly dependent on the target achievement of loans and advances. Loan disbursement requires robust documentation followed by approval from appropriate level of authority.

We have identified loans and advances as key audit matter because there is an inherent risk of fraud in disbursement of loans and advances by management to meet specific targets or expectations.

See note no 2.1 and 7 to the financial statements

We tested the design and operating effectiveness of key controls focusing on credit appraisal, loan disbursement procedures and monitoring process of loans and advances.'

We have performed procedure to check whether the Bank has ensured appropriate documentation as per Bangladesh Bank regulations and the Bank's policy before disbursement of loans and advances. In addition, we have performed procedure to check whether the loans and advances is recorded completely and accurately and that are existed at the reporting date.

Furthermore, we have assessed the appropriateness of disclosure against Bangladesh Bank guidelines.

Other Matter

The consolidated financial statements of the Group and also separate financial statements of the Bank as at and for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 31 March 2021.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and the separate financial statements of the Bank in accordance with IFRSs as explained in note 2.1, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Group and 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.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank to cease operations, or has no realistic alternative but to do so.





Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal controls of the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 2020, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- i) 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;
- ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and Internal Control:
 - a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - b) 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 Group and its related entities (other than matters disclosed in these financial statements)
- iii) financial statements for the period ended 30 September 2021 of two of the subsidiaries namely, IFIC Securities Limited and IFIC Investments Limited have been audited by us and the financial statements of the subsidiary IFIC Money Transfer (UK) Limited is unaudited. However, the results of all three subsidiaries have been properly reflected in the consolidated financial statements;
- iv) 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;
- v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

- vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of accounts and returns;
- vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- ix) adequate provisions have been made for advance and other assets which are, in our opinion, doubtful of recovery as explained in Note 15.1 and 15.2;
- x) the information and explanation required by us have been received and found satisfactory;
- xi) we have reviewed over 80% of the risk weighted assets of the bank and spent over 1,020 person hours; and
- xii) Capital to Risk-Weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the period ended 30 September 2021.

The engagement partner on the audit resulting in this independent auditor's report is **Hasan Mahmood**.

Dated, Dhaka
28 October 2021



Hasan Mahmood, Partner
Enrolment no: 564
M. J. Abedin & Co.
Chartered Accountants
Firm Registration no: N/A

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Balance Sheet
as at 30 September 2021

Amount in BDT

Particulars	Note	30 September 2021	31 December 2020
PROPERTY AND ASSETS			
Cash	3	21,099,872,540	18,496,393,531
Cash in hand (including foreign currency)	3.1	5,418,380,906	4,088,663,229
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	15,681,491,634	14,407,730,302
Balance with other banks and financial institutions	4	5,987,461,188	8,068,327,513
In Bangladesh	4.1	4,117,557,279	6,682,557,302
Outside Bangladesh	4	1,869,903,909	1,385,770,211
Money at call and on short notice	5	4,300,000,000	2,330,000,000
Investments	6	63,216,191,460	58,100,080,583
Government securities	6.1	51,974,111,543	46,979,431,855
Other investments	6.2	11,242,079,917	11,120,648,728
Loans and advances	7	293,842,919,107	261,697,427,473
Loans, cash credit, overdrafts etc.	7.1	278,009,370,247	247,051,243,375
Bills purchased and discounted	8	15,833,548,860	14,646,184,098
Fixed assets including premises, furniture and fixtures	9	7,596,563,802	7,537,124,576
Other assets	10	13,049,551,575	11,426,737,686
Non-banking assets	11	148,474,800	373,474,800
Total assets		409,241,034,472	368,029,566,161
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	12	14,913,336,063	13,021,794,012
Subordinated debt	13	6,400,000,000	2,100,000,000
Deposits and other accounts	14	325,701,156,606	296,341,568,095
Current deposit and other accounts		117,658,933,278	92,689,795,114
Bills payable		2,038,833,262	2,547,263,402
Savings bank deposits		26,203,048,270	25,343,706,980
Fixed deposits		179,800,341,797	175,760,802,599
Other liabilities	15	32,365,407,155	28,742,281,946
Total liabilities		379,379,899,825	340,205,644,052
Capital/Shareholders' equity			
Paid up capital	16.2	17,008,675,610	16,198,738,680
Statutory reserve	17	6,864,775,853	6,864,775,853
General reserve	18	155,071,397	155,071,397
Revaluation reserve against securities	19	49,443,201	107,849,126
Revaluation reserve against fixed assets	20	115,314,704	115,314,704
Foreign currency translation reserve	20.a	96,259,657	134,088,406
Surplus in profit and loss account	22	5,571,580,495	4,248,076,927
Attributable to equity holders		29,861,120,917	27,823,915,093
Non-controlling interest	23	13,731	7,016
Total shareholders' equity		29,861,134,648	27,823,922,109
Total liabilities and shareholders' equity		409,241,034,472	368,029,566,161

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Balance Sheet
as at 30 September 2021

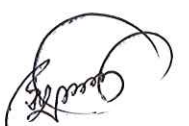
Amount in BDT

Particulars	Note	30 September 2021	31 December 2020
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	24	65,726,393,466	50,483,678,851
Acceptances and endorsements		26,156,452,990	16,350,951,601
Letters of guarantee		8,750,992,801	8,058,992,366
Irrevocable letters of credit		22,359,082,842	17,880,361,773
Bills for collection		8,459,864,833	8,193,373,111
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		65,726,393,466	50,483,678,851


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



Managing Director &
CEO

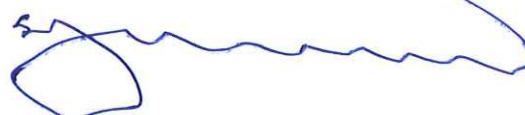


Director



Director

Director



Hasan Mahmood, Partner
Enrolment no: 564
M. J. Abedin & Co.
Chartered Accountants
Firm Registration no: N/A

Dhaka, 28 October 2021



INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Profit and Loss Account
for the 3rd quarter ended 30 September 2021

Amount in BDT

Particulars	Note	1 January to 30 September 2021	1 January to 30 September 2020	1 July to 30 September 2021	1 July to 30 September 2020
Interest income	26	16,349,214,303	16,268,601,812	5,913,996,233	5,199,085,765
Interest paid on deposits, borrowings etc.	27	11,611,578,354	14,208,645,702	3,909,851,576	4,472,486,255
Net interest income		4,737,635,949	2,059,956,110	2,004,144,657	726,599,510
Investment income	28	3,181,651,801	2,661,418,416	1,097,926,696	855,362,715
Commission, exchange and brokerage	29	1,822,290,522	1,348,135,614	547,844,834	457,730,068
Other operating income	30	128,688,973	86,255,941	(109,911,764)	35,534,374
		5,132,631,296	4,095,809,971	1,535,859,766	1,348,627,157
Total operating income		9,870,267,245	6,155,766,081	3,540,004,423	2,075,226,666
Salary and allowances	31	2,109,564,468	1,877,864,616	729,642,908	643,708,156
Rent, taxes, insurance, electricity etc.	32	480,822,432	491,480,357	171,487,571	184,516,671
Legal expenses	33	11,840,440	8,159,077	2,890,778	3,426,120
Postage, stamp, telecommunication etc.	34	77,244,720	54,691,444	26,038,102	16,774,733
Stationery, printing, advertisement etc.	35	277,387,778	182,065,851	67,021,190	74,181,576
Managing Director's salary	36	18,870,250	17,327,500	6,330,750	5,782,500
Directors' fees	37	3,266,400	1,178,500	1,035,200	479,000
Auditors' fees	38	3,009,168	2,113,031	1,756,945	862,501
Depreciation and repair of bank's assets	39	892,727,326	565,615,679	308,267,333	201,017,780
Other expenses	40	827,550,731	731,050,140	316,395,501	255,763,383
Total operating expenses		4,702,283,713	3,931,546,195	1,630,866,277	1,386,512,420
Operating profit		5,167,983,532	2,224,219,886	1,909,138,147	688,714,246
Share of profit of joint ventures/associates	40.a	348,812,269	336,318,489	111,670,201	110,465,334
Profit before provision		5,516,795,801	2,560,538,374	2,020,808,348	799,179,579
Provision for loans, investments & other	41				
Provision for loans and advance		1,477,740,648	434,005,188	735,967,290	260,068,654
Provision for diminution in value of investments		1,185,653	(67,962,184)	3,587,067	(141,187,810)
Other provisions		16,686,622	47,721,338	9,943,975	29,231,608
Total provision		1,495,612,923	413,764,342	749,498,332	148,112,452
Profit/(Loss) before taxes		4,021,182,878	2,146,774,032	1,271,310,016	651,067,127
Provision for taxation	42				
Current tax		1,960,011,461	883,754,470	726,638,720	282,059,549
Deferred tax expense/(income)		(77,892,270)	39,914,218	(49,043,240)	11,543,213
		1,882,119,190	923,668,688	677,595,480	293,602,762
Net profit after taxation		2,139,063,688	1,223,105,344	593,714,536	357,464,365
Net profit after tax attributable to:					
Equity holders of the Bank		2,139,062,973	1,223,105,341	593,714,034	357,464,365
Non-controlling interest		715	3	502	-
		2,139,063,688	1,223,105,344	593,714,536	357,464,365
Earnings Per Share (EPS)	50	1.26	0.72	0.35	0.21

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

Managing Director &
CEO

Director

Director

Director

Dhaka, 28 October 2021

Hasan Mahmood, Partner
Enrolment no: 564
M. J. Abedin & Co.
Chartered Accountants
Firm Registration no: N/A



INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Cash Flow Statement

for the 3rd quarter ended 30 September 2021

Amount in BDT

Particulars	1 January to 30 September 2021	1 January to 30 September 2020
A. Cash flows from operating activities		
Interest received	18,543,416,633	18,661,739,116
Interest payments	(11,349,909,778)	(14,062,650,807)
Dividend received	45,791,665	36,205,415
Fees and commission received	1,455,436,245	889,809,982
Recoveries of loans and advances previously written-off	134,470,143	65,799,320
Cash payments to employees	(2,129,006,536)	(1,895,192,116)
Cash payments to suppliers	(142,957,317)	(150,387,933)
Income taxes paid	(1,453,548,630)	(906,370,606)
Receipts from other operating activities	43 833,160,955	88,729,593
Payments for other operating activities	44 (1,895,737,734)	(1,402,396,774)
Operating cash flows before changing in operating assets and liabilities	4,041,115,646	1,325,285,190
Increase/(decrease) in operating assets and liabilities		
Statutory deposits	-	-
Loans and advances to other banks	-	-
Loans and advances to customers	(31,677,066,297)	(21,293,524,902)
Other assets	45 (171,942,035)	(141,680,908)
Deposits from other banks	1,532,601	(8,436,320,881)
Deposits from customers	29,968,378,045	33,261,111,620
Other liabilities	46 (543,633,174)	(165,699,650)
	(2,422,730,859)	3,223,885,278
Net cash flows from/(used in) operating activities	1,618,384,787	4,549,170,468
B. Cash flows from investing activities		
Net proceeds/(payments) from sale/(purchase) of Government securities	(5,052,637,513)	(4,504,960,277)
Net proceeds/(payments) from sale/(purchase) of securities	(121,431,189)	(299,295,814)
Purchase of property, plant & equipment	(742,241,518.83)	(787,164,238)
Proceeds from sale of property, plant & equipment	213,971,031	936,159
Net cash flows from/(used in) investing activities	(5,702,339,190)	(5,590,484,170)
C. Cash flows from financing activities		
Borrowing from other banks, financial institutions and agents	6,191,542,051	3,373,923,013
Payment against lease obligation	(79,987)	(113,837,371)
Net cash flows from/(used in) financing activities	6,191,462,064	3,260,085,642
D. Net increase/(decrease) in cash (A+B+C)	2,107,507,661	2,218,771,940
E. Effects of exchange rate changes on cash and cash equivalents	385,553,123	459,039,591
F. Opening balance of cash and cash equivalents	28,898,170,044	24,606,978,576
G. Closing balance of cash and cash equivalents (D+E+F)	31,391,230,828	27,284,790,107
Closing cash and cash equivalents	47	
Cash in hand	5,418,380,906	3,851,984,084
Balance with Bangladesh Bank and its agents bank	15,681,491,634	14,093,353,548
Balance with other banks and financial institutions	5,987,461,188	6,596,441,575
Money at call and on short notice	4,300,000,000	2,740,000,000
Prize bonds	3,897,100	3,010,900
	31,391,230,828	27,284,790,107



INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Statement of Changes in Equity
for the 3rd quarter ended 30 September 2021

Particulars	Amount in BDT								
	Paid up capital	Statutory reserve	General reserve	Revaluation reserve against securities	Revaluation reserve against fixed assets	Foreign currency translation reserve	Surplus in profit and loss account	Non-controlling interest	Total
Balance as at 1 January 2021	16,198,738,680	6,864,775,853	155,071,397	107,849,126	115,314,704	134,088,406	4,248,076,927	7,016	27,823,922,109
Impact of changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance as at 1 January 2021	16,198,738,680	6,864,775,853	155,071,397	107,849,126	115,314,704	134,088,406	4,248,076,927	7,016	27,823,922,109
Surplus/(deficit) on account of revaluation of investments	-	-	-	(58,405,925)	-	-	-	-	(58,405,925)
Effect of foreign currency translation	-	-	-	-	-	(37,828,749)	-	-	(37,828,749)
Net gain and losses not recognized in the profit and loss account	16,198,738,680	6,864,775,853	155,071,397	49,443,201	115,314,704	96,259,657	4,248,076,927	7,016	27,727,687,435
Addition during the period	-	-	-	-	-	-	-	6,000	6,000
Net profit for the period	-	-	-	-	-	-	2,139,062,973	715	2,139,063,688
Bonus share issued for the year 2020	809,936,930	-	-	-	-	-	(809,936,930)	-	-
Transfer to Start-up fund of Y2020	-	-	-	-	-	-	(5,622,475)	-	(5,622,475)
Balance as at 30 September 2021	17,008,675,610	6,864,775,853	155,071,397	49,443,201	115,314,704	96,259,657	5,571,580,495	13,731	29,861,134,648
Balance as at 1 January 2020	14,726,126,080	6,531,903,475	155,071,397	50,121,137	115,314,704	43,867,936	4,920,565,744	6,880	26,542,977,353
Impact of changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance as at 1 January 2020	14,726,126,080	6,531,903,475	155,071,397	50,121,137	115,314,704	43,867,936	4,920,565,744	6,880	26,542,977,354
Surplus/(deficit) on account of revaluation of investments	-	-	-	41,917,101	-	-	-	-	41,917,101
Effect of foreign currency translation	-	-	-	-	-	(129,887,677)	-	-	(129,887,677)
Net gain and losses not recognized in the profit and loss account	14,726,126,080	6,531,903,475	155,071,397	92,038,238	115,314,704	(86,019,741)	4,920,565,744	6,880	26,455,006,777
Net profit for the period	-	-	-	-	-	-	1,223,105,318	26	1,223,105,344
Bonus share issued for the year 2019	1,472,612,600	-	-	-	-	-	(1,472,612,600)	-	-
Balance as at 30 September 2020	16,198,738,680	6,531,903,475	155,071,397	92,038,238	115,314,704	(86,019,741)	4,671,058,463	6,906	27,678,112,121



INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Balance Sheet
as at 30 September 2021

Amount in BDT

Particulars	Note	30 September 2021	31 December 2020
PROPERTY AND ASSETS			
Cash	3	21,099,640,630	18,492,529,970
Cash in hand (including foreign currency)	3.1	5,418,148,996	4,084,799,668
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	15,681,491,634	14,407,730,302
Balance with other banks and financial institutions	4	6,773,566,850	8,895,390,969
In Bangladesh	4.1	4,919,053,142	7,511,869,424
Outside Bangladesh	4	1,854,513,708	1,383,521,545
Money at call and on short notice	5	4,300,000,000	2,330,000,000
Investments	6	57,320,149,515	52,722,425,470
Government securities	6.1	51,974,111,543	46,979,431,855
Other investments	6.2	5,346,037,972	5,742,993,615
Loans and advances	7	292,671,425,826	260,650,289,525
Loans, cash credit, overdrafts etc.	7.1	276,837,876,966	246,004,105,427
Bills purchased and discounted	8	15,833,548,860	14,646,184,098
Fixed assets including premises, furniture and fixtures	9	7,550,727,546	7,495,172,120
Other assets	10	15,194,521,271	12,452,484,222
Non-banking assets	11	148,474,800	373,474,800
Total assets		405,058,506,438	363,411,767,076
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial Institutions and agents	12	14,913,336,063	13,021,794,012
Subordinated debt	13	6,400,000,000	2,100,000,000
Deposits and other accounts	14	326,736,265,433	296,369,024,858
Current deposit and other accounts		118,693,864,472	92,715,704,209
Bills payable		2,038,833,262	2,547,263,402
Savings bank deposits		26,203,048,270	25,343,706,980
Fixed deposits		179,800,519,429	175,762,350,267
Other liabilities	15	30,243,027,693	26,703,993,226
Total liabilities		378,292,629,189	338,194,812,095
Capital/Shareholders' equity			
Paid up capital	16.2	17,008,675,610	16,198,738,680
Statutory reserve	17	6,864,775,853	6,864,775,853
General reserve	18	155,071,397	155,071,397
Revaluation reserve against securities	19	49,443,201	107,849,126
Revaluation reserve against fixed assets	20	115,314,704	115,314,704
Surplus in profit and loss account	21	2,572,596,483	1,775,205,220
Total shareholders' equity		26,765,877,248	25,216,954,980
Total liabilities and shareholders' equity		405,058,506,438	363,411,767,076



INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Balance Sheet
as at 30 September 2021

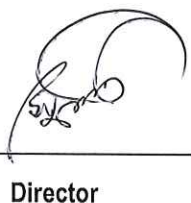
Amount in BDT

Particulars	Note	30 September 2021	31 December 2020
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	24	65,726,393,466	50,483,678,851
Acceptances and endorsements		26,156,452,990	16,350,951,601
Letters of guarantee		8,750,992,801	8,058,992,366
Irrevocable letters of credit		22,359,082,842	17,880,361,773
Bills for collection		8,459,864,833	8,193,373,111
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		65,726,393,466	50,483,678,851

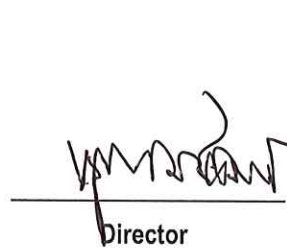
These financial reports should be read in conjunction with the annexed notes.



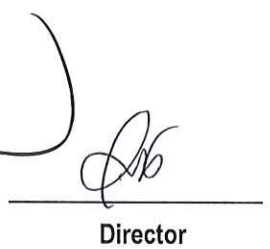
Managing Director &
CEO



Director



Director



Director



Hasan Mahmood, Partner
Enrolment no: 564
M. J. Abedin & Co.
Chartered Accountants
Firm Registration no: N/A

Dhaka, 28 October 2021



INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Profit and Loss Account
for the 3rd quarter ended 30 September 2021

Amount in BDT

Particulars	Note	1 January to 30 September 2021	1 January to 30 September 2020	1 July to 30 September 2021	1 July to 30 September 2020
Interest income	26	16,175,676,500	16,250,476,527	5,673,543,035	5,191,763,448
Interest paid on deposits, borrowings, etc.	27	11,612,588,608	14,208,648,868	3,909,918,529	4,472,486,255
Net interest income		4,563,087,892	2,041,827,659	1,763,624,506	719,277,193
Investment income	28	3,112,822,211	2,658,387,850	1,066,026,158	855,263,043
Commission, exchange and brokerage	29	1,752,718,186	1,306,523,839	529,959,636	435,518,637
Other operating income	30	125,547,809	83,070,160	52,527,083	33,751,205
		4,991,088,206	4,047,981,849	1,648,512,877	1,324,532,885
Total operating income		9,554,176,098	6,089,809,508	3,412,137,383	2,043,810,078
Salary and allowances	31	2,091,063,320	1,860,855,169	723,417,249	637,954,833
Rent, taxes, insurance, electricity, etc.	32	478,264,396	488,657,663	170,431,982	183,906,205
Legal expenses	33	10,219,772	4,645,623	2,373,917	1,443,528
Postage, stamp, telecommunication, etc.	34	76,819,902	54,309,349	25,905,989	16,432,771
Stationery, printing, advertisement, etc.	35	277,079,069	181,751,867	66,894,731	74,074,065
Managing Director's salary	36	18,870,250	17,327,500	6,330,750	5,782,500
Directors' fees	37	1,832,000	1,008,000	648,000	424,000
Auditors' fees	38	2,970,835	1,820,833	1,756,945	862,501
Depreciation and repair of bank's assets	39	884,313,797	558,758,925	304,322,582	198,794,828
Other expenses	40	792,814,586	717,692,005	306,859,474	250,774,954
Total operating expenses		4,634,247,928	3,886,826,933	1,608,941,618	1,370,450,186
Profit/(Loss) before provision		4,919,928,170	2,202,982,575	1,803,195,765	673,359,892
Provision for loans, investments and other assets	41				
Provision for loans and advance		1,477,740,648	434,005,188	735,967,290	260,068,654
Provision for diminution in value of investments		1,185,653	(67,962,184)	3,587,067	(140,402,715)
Other provisions		16,686,622	47,721,338	9,943,975	29,231,608
Total Provision		1,495,612,923	413,764,342	749,498,332	148,897,547
Profit/(Loss) before taxes		3,424,315,247	1,789,218,233	1,053,697,433	524,462,345
Provision for taxation	42				
Current tax		1,888,550,000	880,000,000	698,550,000	280,000,000
Deferred tax expense/(income)		(77,185,421)	40,886,529	(49,084,461)	11,934,976
		1,811,364,579	920,886,529	649,465,539	291,934,976
Net profit after taxation		1,612,950,668	868,331,704	404,231,893	232,527,369
Earnings Per Share (EPS)	50	0.95	0.51	0.24	0.14


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


Managing Director
& CEO


Director


Director


Director


Hasan Mahmood, Partner
Enrolment no: 564
M. J. Abedin & Co.
Chartered Accountants
Firm Registration no: N/A

Dhaka, 28 October 2021



INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Cash Flow Statement

for the 3rd quarter ended 30 September 2021

Amount in BDT

Particulars	Note	1 January to 30 September 2021	1 January to 30 September 2020
A. Cash flows from operating activities			
Interest received		18,456,818,830	18,643,613,831
Interest payments		(11,350,920,032)	(14,088,954,168)
Dividend received		44,078,266	33,499,729
Fees and commission received		1,368,678,188	851,404,598
Recoveries of loans and advances previously written-off		134,470,143	65,799,320
Cash payments to employees		(2,109,933,570)	(1,878,182,669)
Cash payments to suppliers		(149,090,318)	(150,387,933)
Income taxes paid		(1,417,013,935)	(895,508,754)
Receipts from other operating activities	43	762,903,599	85,218,932
Payments for other operating activities	44	(1,856,299,488)	(1,354,099,571)
Operating cash flows before changing in operating assets and liabilities		3,883,691,683	1,312,403,313
Increase/(decrease) in operating assets and liabilities			
Statutory deposits		-	-
Loans and advances to other banks		-	-
Loans and advances to customers		(31,422,390,620)	(21,285,405,117)
Other assets	45	(746,200,239)	(143,698,443)
Deposits from other banks		1,532,601	(8,436,320,881)
Deposits from customers		30,174,534,246	33,200,514,237
Other liabilities	46	(438,431,276)	(156,411,736)
		(2,430,955,287)	3,178,678,060
Net cash flows from/(used in) operating activities		1,452,736,396	4,491,081,373
B. Cash flows from investing activities			
Net proceeds/(payments) from sale/(purchase) of Government securities		(5,052,637,513)	(4,504,960,277)
Net proceeds/(payments) from sale/(purchase) of securities		396,955,644	(299,513,050)
Purchase of property, plant & equipment		(730,798,977)	(781,321,158)
Proceeds from sale of property, plant & equipment		213,971,031	936,159
Investment in subsidiary		(399,994,000)	-
Net cash flows from/(used in) investing activities		(5,572,503,816)	(5,584,858,326)
C. Cash flows from financing activities			
Borrowing from other banks, financial institution and agents		6,191,542,051	3,373,923,013
Payment against lease obligation		(79,987)	(112,476,946)
Net cash flows from/(used in) financing activities		6,191,462,064	3,261,446,067
D. Net increase/(decrease) in cash (A+B+C)		2,071,694,644	2,167,669,114
E. Effects of exchange rate changes on cash and cash equivalents		384,039,997	455,119,242
F. Opening balance of cash and cash equivalents		29,721,369,939	24,585,059,982
G. Closing balance of cash and cash equivalents (D+E+F)		32,177,104,580	27,207,848,337
Closing cash and cash equivalents			
Cash in hand	47	5,418,148,996	3,847,302,610
Balance with Bangladesh Bank and its agents bank		15,681,491,634	14,093,353,548
Balance with other banks and financial institutions		6,773,566,850	6,524,181,279
Money at call and on short notice		4,300,000,000	2,740,000,000
Prize bonds		3,897,100	3,010,900
		32,177,104,580	27,207,848,337

The reconciliation of cash flows from operating activities (solo basis) has been disclosed in note 48 of these financial statements.

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Statement of Changes in Equity

for the 3rd quarter ended 30 September 2021

Particulars						Amount in BDT	
	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 2021	16,198,738,680	6,864,775,853	155,071,397	107,849,126	115,314,704	1,775,205,220	25,216,954,980
Impact of changes in accounting policy	-	-	-	-	-	-	-
Restated balance as at 1 January 2021	16,198,738,680	6,864,775,853	155,071,397	107,849,126	115,314,704	1,775,205,220	25,216,954,980
Surplus/deficit on account of revaluation of investments	-	-	-	(58,405,925)	-	-	(58,405,925)
Net gain and losses not recognized in the income statement	16,198,738,680	6,864,775,853	155,071,397	49,443,201	115,314,704	1,775,205,220	25,158,549,055
Net profit for the period	-	-	-	-	-	1,612,950,668	1,612,950,668
Bonus share issued for the year 2020	809,936,930	-	-	-	-	(809,936,930)	-
Transfer to Start-up fund of Y2020	-	-	-	-	-	(5,622,475)	(5,622,475)
Balance as at 30 September 2021	17,008,675,610	6,864,775,853	155,071,397	49,443,201	115,314,704	2,572,596,483	26,765,877,248
Balance as at 1 January 2020	14,726,126,080	6,531,903,475	155,071,397	50,121,137	115,314,704	3,018,442,662	24,596,979,455
Impact of changes in accounting policy	-	-	-	-	-	-	-
Restated balance as at 1 January 2020	14,726,126,080	6,531,903,475	155,071,397	50,121,137	115,314,704	3,018,442,662	24,596,979,455
Surplus/deficit on account of revaluation of investments	-	-	-	41,917,101	-	-	41,917,101
Net gain and losses not recognized in the income statement	14,726,126,080	6,531,903,475	155,071,397	92,038,238	115,314,704	3,018,442,662	24,638,896,556
Net profit for the period	-	-	-	-	-	868,331,704	868,331,704
Bonus share issued for the year 2019	1,472,612,600	-	-	-	-	(1,472,612,600)	-
Balance as at 30 September 2020	16,198,738,680	6,531,903,475	155,071,397	92,038,238	115,314,704	2,414,161,766	25,507,228,260



INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Liquidity Statement

Maturity Analysis of Assets and Liabilities

as at 30 September 2021

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)	7,445,271,444	119,396,927	119,396,927	-	13,415,575,333	21,099,640,630
Balance with other banks and financial institutions	6,606,712,184	166,854,666	-	-	-	6,773,566,850
Money at call and on short notice	4,300,000,000	-	-	-	-	4,300,000,000
Investment	5,216,344,930	3,194,614,822	6,019,156,608	21,710,940,234	21,179,092,921	57,320,149,515
Loans and advances	77,704,194,082	25,014,814,540	45,896,568,351	72,914,809,740	71,141,039,113	292,671,425,826
Fixed assets including premises, furniture and fixture	-	755,072,755	1,132,609,132	3,020,291,018	2,642,754,641	7,550,727,546
Other assets	3,035,944,597	5,522,163,940	2,529,953,831	1,472,031,923	2,634,426,980	15,194,521,271
Non-banking assets	-	-	-	148,474,800	-	148,474,800
Total assets	104,308,467,237	34,772,917,650	55,697,684,849	99,266,547,715	111,012,888,987	405,058,506,438
Liabilities						
Subordinated debt	-	-	700,000,000	3,700,000,000	2,000,000,000	6,400,000,000
Borrowing from other banks, financial institutions and agents	1,333,687,911	3,980,645,863	9,105,545,539	359,710,362	133,746,387	14,913,336,063
Deposits and other accounts	47,223,032,265	68,650,872,609	63,234,903,821	30,926,880,852	116,700,575,887	326,736,265,433
Other liabilities	2,008,578,889	660,396,040	4,955,009,449	2,827,380,414	19,791,662,901	30,243,027,693
Total liabilities	50,565,299,065	73,291,914,512	77,995,458,809	37,813,971,629	138,625,985,175	378,292,629,190
Net liquidity	53,743,168,172	(38,518,996,862)	(22,297,773,960)	61,452,576,086	(27,613,096,188)	26,765,877,248



Notes to the Financial Statements

As at and for the period ended 30 September 2021

1. Reporting Entity

1.1. IFIC Bank Limited

International Finance Investment and Commerce Bank Limited (hereinafter referred to as "the Bank" / "IFIC Bank"), 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 within the country and setting up joint venture banks/financial institutions abroad. In 1983 when the Government allowed to open up banking in the private sector, the finance company was converted into a full fledge commercial bank. The Government of the People's Republic of Bangladesh, now, holds 32.75% of the share capital of the Bank. Directors and Sponsors having vast experience in the field of trade and commerce own 4.11% of the share capital and the rest is held by Institutions both local & foreign and General Shareholders.

Its shares are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The Bank has 157 branches, 589 Uposhakhas and 39 ATM booths with 53 ATMs as at 30 September 2021.

The principal activities of the Bank are to provide all types of commercial banking services, within the stipulations laid down by the Banking Companies Act 1991 as amended and directives as received from Bangladesh Bank and other regulatory authorities from time to time, through its Branches, Uposhakhas and Alternative Delivery Channels like ATM Booths and Internet Banking, Digital Channel etc.

1.2. Off-shore Banking Unit (OBU)

Off-shore Banking Unit (OBU) is a separate business unit of IFIC Bank Limited. The Bank obtained permission for OBU operations from Bangladesh Bank vide its letter no. BRPD (P-3) 744 (104)/2009-4233 dated 17 November 2009 and commenced its operation from 10 May 2010. The operation of OBU is governed under prudential regulations of Bangladesh Bank and solo basis Financial Statements of the Bank have been prepared treating OBU as a business line in equivalent Bangladeshi Taka as per BRPD circular no 2 dated 25 February 2019, a separate Financial Statements has been prepared for OBU which are shown in *Annexure-L*.

1.3. Subsidiaries of the Bank

1.3.1. IFIC Securities Limited [IFICSL]

IFIC Securities Limited, a fully owned subsidiary company of IFIC Bank Limited was incorporated as a public limited company and acquired membership of Dhaka Stock Exchange Limited for brokerage transaction. The main objectives of this subsidiary are buying, selling and settling of securities on behalf of investors and its own portfolio as well as other related services. The registered

office of IFICSL located at IFIC Tower, 61, Purana Paltan, Dhaka – 1000.

1.3.2. IFIC Money Transfer (UK) Limited

IFIC Money Transfer (UK) Limited is a fully owned subsidiary of IFIC Bank incorporated as a private limited company with Companies House of England and Wales under registration no. 07379137 on 16 September 2010 and obtained its Money Laundering registration on 17 January 2011 issued by HM Customs and Excise. The company got registration from Financial Conduct Authority (FCA) [previously it was 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 principal activities of the company is remitting/transfer money and related services on behalf of its customers.

1.3.3. IFIC Investment Limited [IFICIL]

IFIC Investment Limited, a fully owned subsidiary company of IFIC Bank Limited was incorporated as a public limited company. The main objectives of this subsidiary are merchant banking operation which is yet to start. The registered office of IFICSL located at IFIC Tower, 61, Purana Paltan, Dhaka – 1000.

1.4. Associates of the Bank

1.4.1. Nepal Bangladesh Bank Limited [NBBL], Nepal

Nepal Bangladesh Bank Limited, a joint venture commercial bank between IFIC Bank Limited and Nepali Nationals, started operation with effect from 06 June 1994 in Nepal. The Bank has so far opened 99 (Ninety Nine) branches at different important locations in Nepal. IFIC Bank presently holds 40.91% shares in NBBL and has a Management & Technical Service Agreement to provide technical know-how and professional knowledge to strengthen the smooth function of NBBL. NBBL is listed with Nepal Stock Exchange Limited.

1.4.2. Oman Exchange LLC, Oman

Oman Exchange LLC, an exchange company incorporated under the laws of the Sultanate of Oman in 1985 as a joint venture between IFIC Bank and Omani Nationals. The principal activities of the company is, to remit/transfer money/fund to the different parts of the world including Bangladesh and related services. IFIC holds 49% shares of Oman Exchange LLC and the rest 51% shares is held by the Omani sponsors. The registered office is located Building no. 4699, Way no. 4567, Hamriya, PO Box 114, Post code 994, Hey Al Mina, Hamriya, Muscat, Sultanate of Oman.

1.5. MCB Bank Ltd, Pakistan

MCB Bank Limited is one of the largest Banks in Pakistan listed on Pakistan Stock Exchange. IFIC Bank had two branches in Pakistan, one at Karachi (in 1987) and the other at Lahore (in 1993). IFIC Pakistan operation was merged with NDLC on 02 October 2003 and renamed it NDLC-IFIC Bank Limited. It was subsequently renamed as NIB Bank Limited with effect from 28 November 2005. In 2017 NIB Bank Limited merged with MCB Bank Limited and IFIC's holding diluted significantly due to this merger. Now IFIC holds very minimal share in MCB Bank Limited.

2. Basis of Preparation and Significant Accounting Policies

2.1. Basis of preparation

2.1.1. Statement of compliance

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is formed in 2017 and has since then adopted the International Accounting Standards (IAS) International Financial Reporting Standards (IFRS) as the applicable Financial Reporting Standards with effect from 2 November 2020

Accordingly, the Financial Statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the requirements of the Banking Companies Act 1991 (as amended up to date), the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

In case any requirement of the Banking Companies Act 1991 and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs and IASs, the requirement of the Banking Companies Act 1991 and provisions and circulars issued by Bangladesh Bank shall prevail.

Material departures from the requirements of IFRS in preparing these financial statements are as follows:

i. Investment in shares and securities

IAS/IFRS: As per requirements of IFRS 9: *Financial Instruments*, classification and measurement of investment in shares and securities will depend on the entity's business model and its contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit and loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13: *Fair Value Measurement*) at the period-end is taken to profit and loss account or other comprehensive income, respectively.

Bangladesh Bank: As per Banking Regulation & Policy Department (BRPD) circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued on the basis of period end market price and Net Assets Value

(NAV) of last audited balance sheet, respectively. In addition to that Department of Of-site Supervision (DOS) of Bangladesh Bank vide its circular letter no. 03 dated 12 March 2015 directed that investment in mutual fund (closed end) will be revalued at lower of cost and (higher of market value and 85% of NAV). Provision should be made for any loss arising from diminution in value of investment on portfolio basis; otherwise investments are recognized at cost.

ii. Revaluation gains/losses on Government securities

IAS/IFRS: As per requirement of IFRS 9: *Financial Instruments*, where securities will fall under the category of 'fair value through profit or loss account', any change in the fair value of assets is recognized through the profit and loss account. Securities designated as amortized cost are measured at effective interest rate method and interest income is recognized through the profit and loss account.

Bangladesh Bank: Held for Trading (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 to be recognized as other reserves in equity. 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. Held to Maturity (HTM) securities which have not matured as at the balance sheet date are amortized at year end and gains or losses on amortization are recognized in other reserve as part of equity.

iii. Repo and reverse repo transactions

IAS/IFRS: As per IFRS 9: *Financial Instruments*, when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a loan and the underlying asset continues to be recognized at amortized cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank: As per DOS circular letter no. 6 dated 15 July 2010 and subsequent clarification in DOS circular no. 2 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transaction and the financial asset is derecognized in the seller's book and recognized in the buyer's book. In addition to that as per DMD circular letter no. 7 dated 29 July 2012, non-primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS), whereby such banks may carry out collateralized repo arrangements with Bangladesh Bank. Here the selling bank accounts for the arrangement as a loan, thereby continuing to recognize the asset.

iv. Provision on loans and advances/investments

IAS/IFRS: As per IFRS 9: *Financial Instruments*, an entity shall recognize an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 5 dated 29 May 2013, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 1 dated 20 February 2018 and BRPD circular No. 3 dated 21 April 2019 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 loans has to be provided at 20%, 50% and 100% respectively depending on the duration of past due of loans and advances. Again general provision at 1% is required to be provided for off-balance sheet exposures as per BRPD circular no. 10 dated 18 September 2007, BRPD circular no. 7 dated 21 June 2018 and BRPD circular no. 13 dated 18 October 2018. Provision for Short-Term Agricultural and Micro-Credits has to be provided at the rate of 5% for 'sub-standard' and 'doubtful' loans and at the rate of 100% provision for the 'bad/Loss' loans. As per BRPD circular no. 4 dated 29 January 2015, 1% additional provision has to be maintained for large restructured loan and also 1% additional provision has to be maintained against the facilities for which payment was deferred during the year 2020 due to COVID-19 pandemic under purview of BRPD Circular No. 56 dated 10 December 2020. Such provision policies are not specifically in line with those prescribed by IFRS 9.

v. Recognition of interest in suspense

IAS/IFRS: Loans and advances to customers are generally classified at amortized cost as per IFRS 9 and interest income is recognized by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortized cost of these loans and advances.

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.

vi. Other comprehensive income

IAS/IFRS: As per IAS 1: *Presentation of Financial Statements*, 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 are the elements of OCI 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.

vii. Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categories, recognize, measure and presentation of financial instruments different from as prescribed by IFRS 9. As such full disclosure and presentation requirements cannot be made in the financial statements as per IFRS 7: *Financial Instruments Disclosures* and IAS 32: *Financial Instruments: Presentation*.

viii. Financial guarantees

IAS/IFRS: As per IFRS 9: *Financial Instruments*, financial guarantees are contracts that requires 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 term of debt instruments. Financial guarantee liabilities are recognized initially at their fair value and amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and loss allowance determined expected credit loss under IFRS 9. Financial guarantees are prescribed to be included in other liabilities.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, financial guarantees such as Letter of Credit, Letter of Guarantee should be treated as Off-balance items. No liability is recognized for the guarantee except the cash margin.

ix. Cash and cash equivalent

IAS/IFRS: Cash and cash equivalents items should be reported as cash item as per IAS 7: *Statement of Cash Flows*.

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. Treasury bills, Bangladesh Bank bills and prize bonds are shown under investments in the balance sheet. However, in the Cash Flow Statement, money at call and on short notice and prize bonds are shown as cash and cash equivalents beside cash in hand, balance with Bangladesh Bank and other banks.

x. Non-banking asset

IAS/IFRS: No indication of Non-banking asset is found in any IAS/IFRS.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 and BRPD circular no. 22 dated 20 September 2021, there is

a separate balance sheet item named Non-banking assets shown in the standard template of the balance sheet.

xi. Cash flow statement

IAS/IFRS: As per IAS 7: *Statements of Cash Flows*, 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 no. 14 dated 25 June 2003, Cash Flow Statement is the mixture of direct and indirect methods.

xii. Balance with Bangladesh Bank: (Cash Reserve Requirement - CRR)

IAS/IFRS: As per IAS 7: *Statements of Cash Flows*, 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 including CRR is treated as cash and cash equivalents.

xiii. Presentation of intangible asset

IAS/IFRS: Intangible asset must be identified, recognized and disclosed in the financial statements as per IAS 38: *Intangible Assets*.

Bangladesh Bank: There is no regulation for disclosure of intangible assets in BRPD circular no. 14 dated 25 June 2003.

xiv. Off-balance sheet items

IAS/IFRS: There is no concept of off-balance sheet items in any IAS/IFRS; 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 no. 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.

xv. Disclosure of appropriation of profit

IAS/IFRS: There is no requirement to show appropriation of profit on the face of Profit and Loss Account.

Bangladesh Bank: As per BRPD circular no. 14, dated 25 June 2003, an appropriation of profit should be disclosed on the face of profit and Loss Account.

xvi. Loans and advances net off provision

IAS/IFRS: As per IFRS 9, loans and advances shall be presented at amortized cost net off any write down for impairment (expected credit losses that result from all possible default events over the life of the financial instruments).

Bangladesh Bank: As per BRPD circular no. 14, provision for loans, advances and investments are presented separately as liability and cannot be netted off against the outstanding balance of loans, advances and investment.

xvii. Presentation of Financial Statement

IAS/IFRS: As per IAS 1 financial statements shall comprise statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, cash flow statement, adequate notes comprising summary of accounting policies and other explanatory information. As per para 60 of IAS 1, the entity shall also present current and non-current assets and liabilities as separate classifications in its statement of financial position.

Bangladesh Bank: Bangladesh Bank vide it BRPD circular no. 14 dated 25 June 2003 directed all banks to prepared their financial statements in the prescribed template comprising balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement and certain disclosures therein are guided by the First Schedule (section 38) of the Banking Companies Act 1991. (Amendment up to date) and BRPD circular no. 14 dated 25 June 2003. In that prescribed template there is no scope to present assets and liabilities under current and noncurrent classifications.

[Also refer to (note 2.2.11 Compliance of International Financial Reporting Standards (IFRSs)]

2.1.2. Going concern

The accompanying financial statements have been prepared on a going concern assumption that the Bank is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the Bank has neither the intension nor the need to liquidate or curtail materially the scale of its operation. The accompanying financial statements do not include any adjustments should the Bank be unable to continue as a going concern.

The management of the Bank has calculated all the ratios related to the maintenance of regulatory requirements of capital & liquidity such as CRAR, LCR, NSFR, CRR & SLR and assessed adequacy of bank's liquidity as per structured liquidity profile to determine bank's shock absorbent capacity in different distress scenario. All the ratios and results thus calculated reveal that Bank is running well above the level of different parameters set by the respective guidelines of Bangladesh Bank. The rating outlook of the Bank as assigned by the rating agency Emerging Credit Rating Limited (ECRL) is 'stable'. The management do not see any issue with respect to going concern due to recent pandemic COVID-19. Besides, the management is not aware of any material uncertainty that may cast significant doubt upon the Bank's ability to continue as a going concern.

2.1.3. Functional and presentation currency

The financial statements 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 one of subsidiaries namely IFIC Money Transfer (UK) Limited is US Dollar (USD) and Great Britain Pound (GBP) respectively. Functional currency for two associates – Oman Exchange LLC and Nepal

Bangladesh Bank Limited is Omani Rial and Nepalese Rupee respectively. Financial information presented in BDT has been rounded off to nearest integer, except otherwise indicated. The financial statement and information of the subsidiaries and joint venture/associates whose functional currency is different than that of IFIC Bank Limited has been translated in the presentation currency i.e. BDT as per IAS 21: *The Effects of Changes in Foreign Exchange Rates*, where applicable.

2.1.4. Materiality and aggregation

Each material item considered as significant and has been presented separately in the financial statements. No assets has been set off against any liability other than IFIC General Account and 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 or as directed by Bangladesh Bank.

2.1.5. Comparative information

Accounting policies have been consistently applied by the bank and are consistent with those used in the previous period. Comparative amounts in the financial statements have been reclassified and rearranged to conform to the current period's presentation. The Bank did not restate its comparative figures which affect the related implications of IAS 1: *Presentation of Financial Statements*.

2.1.6. Reconciliation of inter-bank and inter-branch account

Books of Accounts with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled on regular basis and there are no material differences which may affect the financial statements significantly.

The Bank doesn't have any un-reconciled entries related to inter-branch transactions as on the reporting date.

2.1.7. 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 IAS 21: *The Effect of Changes in Foreign Exchange Rates*. Monetary assets and liabilities in foreign currencies are converted into Taka at spot exchange rate at the reporting date. Foreign exchange differences are generally recognized in the profit and loss account.

Foreign operations

The results of financial statements of the Bank whose functional currency is not Bangladesh Taka are translated into Bangladesh taka as follows:

- a. Assets and liabilities for each statement of balance sheet have been translated at the closing rate on the date of balance sheet.
- b. Income and expenses for the profit and Loss account have been translated at monthly average rate.

2.1.8. Reporting period

These consolidated financial statements cover the period from 1 January to 30 September 2021. The reporting period of the subsidiaries namely IFIC Securities Limited and IFIC Money Transfer (UK) Limited and one of the associates Oman Exchange LLC is in line with that of the parent i.e. IFIC Bank Limited. The reporting period of the subsidiary IFIC Investments Limited covers the period from 30 November 2020 (which is the Company's date of incorporation) to 30 September 2021. The reporting period of Nepal Bangladesh Bank Limited is as per Nepalese Calendar Year and hence the financial statements for the period ended 17 October 2021 have been considered for consolidation purposes. The operating results of Nepal Bangladesh Bank Limited have been adjusted proportionately in line with the reporting period of IFIC Bank Limited as consolidation adjustments.

2.1.9. Date of authorization

The Board of Directors has authorized these financial statements for public issue on 28 October 2021.

2.1.10. Use of estimates and judgments

In the preparation of the financial statements of the Bank in conformity with IFRSs 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.

Key estimates are as follows:

- Provision for loans, advances and investments ;
- Revaluation of land & buildings;
- Deferred tax assets/liabilities;
- Useful life of depreciable assets;
- Measurement of defined benefit obligation (Provision for gratuity);
- Provision / accruals for expenses;
- Provision for current taxation;
- Lease Liabilities and Right of Use Assets;

Changes in accounting estimates

Changes are reflected in the assumptions when they occur in accordance with IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors*. During the period, the bank has not adopted any change of accounting estimates.

2.1.11. Basis of consolidation

The consolidated financial statements include the financial statements of IFIC Bank Limited and its subsidiaries, IFIC Securities Limited operating in Bangladesh and IFIC Money Transfer (UK) Limited operating in United Kingdom as those of a single economic entity. The separate financial statements are derived by combining the financial statements of main operation of IFIC Bank Limited as Domestic Banking Unit and the financial statements of Off-shore Banking Unit (OBU) in equivalent BDT denomination as per BRPD circular no 2 dated 25 February 2019.

The consolidated and separate financial statements have been prepared in accordance with IAS 27: *Separate Financial Statements* and IFRS 10: *Consolidated Financial Statements*. The consolidated financial statements are prepared to a common period ended 30 September 2021. The reporting period of Nepal Bangladesh Bank Limited is different from that of the IFIC, necessary adjustments have been made to the financial results at the time of 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.

Subsidiaries

Subsidiaries are all entities over which the bank has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. A parent of a subsidiary should present consolidated financial statements according to IAS 27: *Separate financial statements* and IFRS 10: *Consolidated Financial Statements*. The financial statements of subsidiary are included in the consolidated financial statements from the date that control effectively commences until the date that the control effectively 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.

Associates

An associate is an enterprise in which the investor has significant influence and which is neither subsidiary nor a joint venture of the investor (IAS 28: *Investments in Associates*). Significant influence is the power to participate in the financial and operating policy decisions of the investee but there is no control over those policies. Investment in associate is accounted for in the financial statements under the "equity method" as per the direction of Bangladesh Bank. Under the equity method, the investment is initially recorded at cost and the carrying amount is increased or decreased to recognize the investor's share of the profits and losses of the investee after the date of acquisition. The investor's share of the investee's profit or loss is recognized in the investor's profit and loss account. Distributions received from an investee reduce the carrying amount of the investment.

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.

2.1.12. Basis for preparation of 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. The bank used following basis for preparation of liquidity statement:

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

2.1.13. Basis of provision, contingent liabilities, contingent assets

The Bank recognizes provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No provision is recognized for -

- a. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or
- b. Any present obligation that arises from past events but is not recognized because-
 - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for except in the extremely rare circumstances where no reliable estimate can be made. Contingent assets are not

recognized in the financial statement since this may result in the recognition of income that may never be realized."

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 Bangladesh Bank as the prime regulator or local laws where the entities are operated.

2.2.1. Assets and basis of their valuation

2.2.1.1. Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, cash at bank, 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.

2.2.1.2. Investment

All 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. 5 dated 26 May 2008 and DOS circular no. 5 dated 28 January 2009. Details of the valuation methods of investment are given below:

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 Account or discount is booked to reserve until maturity/disposal.

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

Investment held in this category are acquired principally for the purpose of selling and purchasing in short trading. After initial recognition, investments are revalued weekly on mark to market basis. Decrease in the book value is recognized in the profit and loss account and any increase is transferred to revaluation reserve account.

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 in line with

Bangladesh Bank requirement. Realized gain 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. Provision arising from diminution in value of investment recognized in profit and loss accounts as per Bangladesh Bank guidelines.

v. Investment in subsidiary

Investment in subsidiary is accounted for under the cost method of accounting and presented in the Bank's consolidated financial statements as that of a single economic entity in accordance with the IAS 27: *Separate Financial Statements* and IFRS 10: *Consolidated Financial Statements*.

vi. Investment in associates

Investment in associates are accounted for using the equity method (equity accounted investees) in the consolidated financial statements as per IAS 28: *Investment in Associates*. Under this method, the investment is initially recorded at cost and the increase and decreases on the carrying amount is recognized in investor's share of the profit & losses of the investee after the date of acquisition. The consolidated financial statements include the IFIC's share of the profit and loss of equity accounted investees, after adjustments to align the accounting policies with those of the IFIC Bank Limited, from the date that significant influence commences until the date that significant influence ceases.

2.2.1.3. Loans and advances

- i. Loans and advances are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not sell in the normal course of business. It has been stated at gross value as per requirements of the Banking Companies Act, 1991.
- ii. Provision for loans and advances are made in line with the direction contained in the BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 5 dated 29 May 2013, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 4 dated 29 January 2015, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 1 dated 20 February 2018, BRPD circular no. 7 dated 21 June 2018, BRPD circular no. 13 dated 18 October 2018 and BRPD circular No. 3 dated 21 April 2019 issued by Bangladesh Bank. As per BRPD circular no. 4 dated 29 January 2015, 1% additional provision has to be maintained for restructured large loan and also as per BRPD circular no. 56 dated 10 December 2020, facilities for which payment was deferred during COVID-19. The rates of provision by classification of loans and advances are disclosed in note number 15.1.1 and 15.2.1 of the financial statements.
- iii. Interest on unclassified loans and advances (except those of rescheduled and stay order accounts) is recognized as

income on accrual basis, interest on classified loans and advances (including rescheduled and stay order accounts) is credited to interest suspense account. However actual recovery of interest on rescheduled, stay order accounts and classified loan credited to income account as per instruction of BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December, BRPD circular no. 16 dated 18 November 2014 and BRPD Circular No. 56 dated 10 December 2020.

- iv. The Bank are providing concessional interest rate to its' good borrowers.
- v. Loans and advances are written off from the books of accounts in line with the BRPD circular no. 01 dated 06 February 2019 issued by Bangladesh Bank. These write off will not undermine/affect the claim amount against the borrower.
- vi. Provision on off balance sheet exposures Bank recognized 1% General Provision on the off balance sheet exposures in line with the directives of Bangladesh circular BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012 considering the exemption as provided through BRPD circular no. 10 dated 18 September 2007, BRPD circular no. 1 dated 03 January 2018, BRPD circular no. 7 dated 21 June 2018 and BRPD circular no.13 dated 18 October 2018.

2.2.1.4. Fixed assets and depreciation

Acquisition through outright purchase and Lease

- i. Fixed assets are stated at cost/revalued amount less accumulated depreciation for those acquired through outright purchase except Land. Land is initially measured at cost and then recognized at revalued amount. The bank has charged depreciation using straight line method considering the following useful life:

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

- ii. Land/Building is initially recognized at cost and subsequently carried at revalued amount following revaluation model as per IAS 16: *Property, plant and equipment*. The Bank regularly reviews if the fair value of Land/Building is materially different from its carrying amount or book value and if it is observed that there is material differences between carrying amount and fair value then complete revaluation by professional

valuer is carried out and any changes in fair value over cost is adjusted in revaluation reserve account in equity.

- iii. Depreciation on fixed assets except Land is charged from when the assets become ready to be used and no depreciation is charged in the month of asset is disposed.
- iv. Depreciation is comprised of both from fixed assets and leased assets as per IFRS 16: *Leases* (note 2.2.1.7). As per the new standard, previously recognized rental expenses would be replaced with depreciation expenses.
- v. Assets that take some time to get it ready for use such as construction or improvement of building or implementation of new system etc. are initially kept as capital work in progress and once ready/available for use then it is transferred to respective category of fixed assets and calculation of depreciation starts accordingly.

2.2.1.5. 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 IAS 38: *Intangible Assets*. Intangible assets acquired separately are recorded on initial recognition at costs and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditure on intangible asset

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

Amortization of intangible asset

Intangible assets are amortized on straight line method to the profit and loss account from the year when the asset is available for use. Intangible asset i.e. acquisition cost of the computer application software is amortized over its useful life which is usually 10 years or among the period of license of the concerned software.

2.2.1.6. Impairment of assets

An asset is impaired when its carrying amount exceeds its recoverable amount as per IAS 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.

2.2.1.7. Leases

IFRS 16: *Leases* has come into force on 1 January 2019, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). As Bangladesh Bank (BB) has no other alternative regulation or guidance regarding the same, IFIC Bank applied IFRS 16 in its financial statements where the Bank measured the lease liability at the present value of the remaining lease payments, discounted it using the bank's incremental borrowing rate at the date of initial application, and recognized a right-of-use asset at the date of initial application on a lease by lease basis.

Right-of-use assets (ROU)

The Bank recognizes right-of-use assets at the date of initial application of IFRS 16. The ROU asset is initially measured at cost at the amount of the lease liability plus any initial direct costs incurred by the lessee and depreciated using the straight line methods from the commencement date (from the beginning of 2019) to the earlier of the end of the useful life of the right of use asset or the end of the lease term.

Lease Liability

At the commencement date of lease, the bank recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term using incremental borrowing rate at the date of initial application. Lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments.

Short-term lease and leases of low value assets

The Bank has elected not to recognize ROU assets and lease liabilities for leases of low value assets and short term leases for which the lease term ends within 12 months of the date of initial application. The Bank recognizes lease payments associated with these lease as an expense.

The impact of the new standard on lessees' financial statements are:

- An increase in recognized assets and liabilities;
- More lease expenses recognized in early periods of lease, and less in the later periods of a lease;
- A shift in lease expense classification from rental expenses to interest expense and depreciation

2.2.1.8. Subordinated Bond

The Bank issued 1st Non-Convertible, Redeemable, Unsecured Floating Rate Subordinated Bond of BDT 3,500,000,000 with 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/ 14B (P)/2016-

938 dated 8 February 2016. The tenure of the bond is 7 years and the redemption of the Bond has been started from the year 2019 and the Bond will be fully redeemed in the year 2023.

The Bank issued 2nd Non-Convertible, Redeemable, Unsecured Floating Rate Subordinated Bond of BDT 5,000,000,000 with approval of Bangladesh Bank vide letter no. BRPD(BFIS)661/14B(P)/2021-4427 dated 30 May 2021 and Bangladesh Securities and Exchange Commission vide letter no. BSEC/CI/DS-144/2021/442 dated 30 June 2021. The bond was fully subscribed on 14 September 2021. The tenure of the bond is 7 years and will be fully redeemed in the year 2028.

2.2.1.9. Other liabilities

Other liabilities comprise items such as provision for loans and advances, investment, other assets, provision for taxes, interest payable, interest suspense, lease liability and accrued expenses. Other liability is recognized in the balance sheet according to the guideline of Bangladesh Bank, IAS and IFRS, Income Tax Ordinance 1984 and internal policies of the bank. Provisions and accrued expenses are recognized in the financial statements when the bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

i. Provision for loans and advances

The rates of provision by classification of loans and advances are disclosed in note number 15.1.1 and 15.2.1 of the financial statements. Summary of the same as follows:

Types of loans and advances		Provision				
		STD	SMA	SS	DF	BL
Consumer Finance	Housing Finance (HF)	1%	1%	20%	50%	100%
	Professional	2%	2%	20%	50%	100%
	Other than HF & prof. to set up business	5%	5%	20%	50%	100%
Loan to broker house, merchant banks, stock dealers etc.		2%	2%	20%	50%	100%
Short-term agri-credit and micro credit		1%	1%	5%	5%	100%
Small and medium enterprise finance		0.25%	0.25%	20%	50%	100%
Others		1%	1%	20%	50%	100%
Loan under Deferral during COVID 19		1%				
Off-balance sheet		1%				

ii. Provision for taxation

Income tax on profit for the period comprises current and deferred tax and is based on the applicable tax law in Bangladesh. It is recognized in the Profit and Loss Account.

a. Current tax

Current tax is the tax expected to be paid on the taxable profit for the period, calculated using tax rates as prescribed in the Income Tax Ordinance (ITO) 1984 and relevant Statutory Regulatory Orders (SRO) and any adjustment (excess or deficit) in respect of previous years. Currently the income tax rate applicable for banks is 37.50%. The estimation of current tax provision involves making judgments regarding admissibility of certain expenses as well as estimating the amount of other expenses for tax purposes.

b. Deferred tax

The Bank accounted for deferred tax assets or liabilities based on deductible or taxable temporary differences between the carrying amount of its assets and liabilities used for the financial reporting and its tax base as per IAS 12: *Income Taxes*, Income Tax Ordinance (ITO) 1984 and BRPD circular no. 11 dated 12 December 2011 issued by the Bangladesh Bank. Deferred tax assets, including specific provision on doubtful and bad/loss against the classified loans and advances, the tax effects of income tax losses and credits available to be carried forward, are recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses and credits can be utilized. Deferred tax assets and liabilities are reviewed at each reporting date and are measured at the prevailing tax rate as per tax laws that are expected to be applied when assets are realized and liabilities are settled. Any unrecognized deferred tax assets and liabilities are reassessed if that has become probable that future taxable profit or loss will be available on which it could be used or settled.

As there is no significance difference between Solo and consolidated basis deferred tax, the Bank does not disclosed consolidated deferred tax separately.

iii. Provision for diminution in value of investment

Provision for diminution of value of quoted shares and mutual funds (closed-end), placed under other liability, has been made on portfolio basis (gain net off) following DOS circular no. 4 dated 24 November 2011 and DOS circular letter no. 3 dated 12 March 2015 respectively. In case of unquoted shares, provision has been made based on available latest Net Asset Value (NAV) of respective number of units.

Provision against investment in associate/joint venture have been calculated and maintained if cost is higher than lower of NAV or market value as the case may be in line with the instructions of Bangladesh Bank.

iv. Provision for Nostro Account

Provision has been made against unsettled nostro transactions as per circular letter number FEPD (FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank. In line with this circular management of the Bank review the outstanding entries of nostro accounts on

quarterly basis and certified by the Bank's external auditors on a semi-annual basis.

v. Provision for Off-balance sheet items

In line with the BRPD Circular number 10, 14, 01, 07 and 13 dated 18 September 2007, 23 September 2012, 03 January 2018, 21 June 2018 and 18 October 2018 respectively, general provision at the rate 0% to 1% has been made against off balance sheet exposures (mainly contingent assets/liabilities).

2.2.1.10. Employee benefits

i. Short-term employee benefits

Short-term employee benefits are employee benefits which fall due wholly within 12 months after the end of the period in which the employees render the related service including salaries, bonuses and other allowances. Payments are charged as an expense in the profit and loss account as they fall due. Payments due are accrued as a liability in "Provisions for liabilities and charges" on an undiscounted basis.

ii. Post-employment benefits

Post-employment benefits are employee benefits, which are payable after the completion of employment as per respective plan:

Provident fund (Defined Contributory Plan)

"Defined Contribution Plan" is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal constructive obligation to pay further amounts. Provident fund benefits are given to the staff of the bank in accordance with the registered Provident fund rules. The commissioner of Income Tax, Dhaka has approved the Provident Fund as a recognized fund within the meaning of section 2(52) read with the provisions of part - B of the First Schedule of Income Tax Ordinance 1984. The recognition took effect from 20 May 1987. The fund is operated by a Board of Trustees consisting of 05 (five) members of the bank. All confirmed employees of the bank are contributing 10% of their basic salary as subscription of the fund. The bank also contributes equal amount of the employees' contribution to the fund. Upon completion of 5 years of service length after confirmation employees are entitled to 100% of employer's contribution along with his/her own contribution. Interest earned from the investments is credited to the members' account on half yearly basis.

Gratuity Fund (Defined Benefit Plan)

Gratuity fund benefits are given to the staff of the bank in accordance with the approved Gratuity fund rules. National Board of Revenue has approved the Gratuity fund as a recognized Gratuity fund on 8 October 2007. The fund is operated by a Board of Trustees consisting of 6 (six) members of the bank. Employees are entitled to Gratuity benefit after completion of minimum 10 (ten) years of service in the Company. The Gratuity is calculated on the basis of average basic pay earned during immediately preceding 12 months and is payable at the different applicable rate

on the year of service as defined in the "IFIC Bank Employees' Gratuity Fund" which is a funded Gratuity Fund.

Worker's Profit Participation Fund (WPPF)

Consistent with the industry practice and in accordance with the Banking Companies Act 1991, no provision has been made for WPPF.

iii. Other Employee Benefits

Life Insurance

The objective of the scheme is to provide death or permanent disability benefits to its confirmed employees and their families based on the designation as defined in Insurance Coverage Scheme of the Bank.

Hospitalization Insurance

The Bank has introduced a health insurance scheme to its confirmed employees and their spouse with 2 (two) children at rates provided in the Insurance Coverage Scheme of the Bank.

Mandatory Annual leave / Leave Fare Assistance

The provision for leave fare assistance represents the current outstanding liability to employees at the balance sheet date. Leave Fare Assistance (LFA) is a non-recurring benefit for all permanent employees of the Bank who are entitled to annual leave. According to Bangladesh Bank policy all permanent employees have to avail 15 consecutive days of mandatory leave and LFA will be given in this / for the leave period.

Subsidized loan scheme

IFIC has scheme to provide Salary Over Draft and Staff House Building Loan to its eligible staff as per policy of the Bank.

2.2.2. Income

Revenue recognition

i. Interest income

In terms of the provision of the IFRS-15 interest income is recognized on an accruals basis, interest on loans and advances ceases to be taken into income when such advances are classified, kept in interest suspense account under liabilities. Interest on classified advances is accounted for to income account on realization basis as per Bangladesh Bank guidelines.

ii. Investment income

Income on investments is recognized on accrual basis. Investment income includes interest on treasury bills, treasury bond and term placement with other banks and financial institutions. Capital gain/loss on investment is recognized at the time of realization.

iii. Dividend income on shares

Dividends are recognized as income when the Bank's right to receive payment of the dividend is established and probable that the economic benefits associated with the dividend will flow to the

Bank and the amount of the dividend can be measured reliably as per IFRS 9: *Financial Instruments*.

iv. Fees and commission income

Fees and commission includes benefits arising on financial and other services provided by the bank including trade finance, credit/debit cards, remittances, locker facilities, SMS banking and service charge on various accounts etc. Fees and Commission income arising on services rendered by the Bank are recognized on a realization basis.

v. Exchange gain/(loss)

Exchange gain/(loss) includes all gains and losses from foreign currency transactions.

vi. Gain or loss on Fixed Assets

The gain or loss on disposal of fixed assets is determined as the difference between the carrying amount of the assets at the time of disposal and the proceeds of disposal. The gain or loss arising on disposal is recognized as other income in the period in which the significant risks and rewards of ownership are transferred to buyer.

2.2.3. Expenses

2.2.3.1. Interest paid on deposits and borrowings

Interest expenses are recognized on accrual basis and payments are made based on nature of product and agreed terms.

2.2.3.2. Management and other expenses

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

2.2.4. Shareholders' equity

2.2.4.1. Share capital

i. Authorized capital

Authorized capital is the maximum amount of share capital that the bank is authorized by its Memorandum and Articles of Association

ii. Paid up share capital

Paid up share capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding-up of the company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

2.2.4.2. Statutory reserve

As per the section 24 (1) of the Banking 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.

2.2.4.3. Fixed assets revaluation reserve

When an asset's carrying amount is increased as a result of a revaluation, the increase amount is directly credited to equity under the head of revaluation reserve as per IAS 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.

2.2.4.4. Non-controlling interest

Non-controlling interests are measured at their proportionate share of the acquires identifiable net assets at the date of acquisition as per IFRS 3: *Business Combinations*. The bank presents the non-controlling interests in the consolidated balance sheet within equity, separately from the parent owner's equity as per IFRS 10: *Consolidated Financial Statements*. Changes in Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transaction as per IFRS 10. The Bank attributes the profit and loss to the owners of the parent and to the non-controlling interests even if the results in the non-controlling interest having a deficit balance as per provision of IFRS 10. When the proportion of the equity held by the non-controlling interests changes, the bank adjusted the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary and recognized directly in equity for any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received, and attribute it to the owners of the parent by as per provision of IFRS 10.

2.2.5. General

2.2.5.1. Earnings per share (EPS)

Earnings Per Share (EPS) has been computed as per IAS 33: *Earnings Per Share* by dividing the basic earning by the weighted average number of ordinary Shares outstanding during the reporting period.

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 outstanding ordinary shares

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-weighted factor is the numbers of days the specific shares were outstanding as a proportion of the total number of days in the year.

The basis of computation of number of shares is in line with the provisions of IAS 33: *Earnings per share*. The logic behind this basis is, that the bonus shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resources generating new earnings. In contrast, other shares were issued against consideration in cash or in kind, and accordingly there is an increase in recourses generating new earnings.

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.

2.2.5.2. Related party transactions

As per IAS 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 IAS 24: *Related Party Disclosures*, Bangladesh Bank and BSEC guidelines. The related party transactions of bank are disclosed in **Annexure-F**.

2.2.5.3. Operating segments

The Bank has identified the reportable segments based on the geographical locations which are the consolidated major strategic business units/entities. The strategic business units offer different products and services, which are managed separately based on the management and internal reporting structure of the group. Details of the segment of the Bank have been disclosed in **Annexure-H**.

2.2.5.4. 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 IAS 10: *Events after the Reporting Period*. Overall effect of COVID 19 global pandemic on Bank's business in the past years is still evolving at this point, there has been limited impact assessed on the business since the outbreak. The Board and Management are regularly monitoring the potential impact of the pandemic on the Bank as the situation continues to deteriorate but are assured that any foreseeable adverse impact can be reasonably managed.

2.2.6. Risk management

Risk is the exposure to uncertainty and risk exposure is the extent to which an entity is sensitive to underlying risks. As risk is an inherent part of the business activities, risk management is

essential for ensuring sustainability of the business. Type of risk may vary from business to business, however, preparing a comprehensive risk management plan involves a collaborative process. Bangladesh Bank issued revised risk management guideline in October 2018, which forms the basis of risk management. Risk management among banks broadly cover core risk areas of banking, i.e. credit risk, asset liability management risk, foreign exchange risk, money laundering risk, ICC risk and ICT risk etc. Bangladesh Bank also prescribed that there should be a separate desk for each of these risk types under the risk management division.

In line with the regulatory requirement, IFIC has a board approved 'Risk Management Policy' for managing Core risks and other material risks inherent with the banking business. IFIC Bank manages risk in Strategic layer, Managerial layer and Operational layer as a part of sound risk management. The Bank has a Risk Management Committee on behalf of the Board of Directors as Strategic Layer to oversee the overall risk of the Bank the Managerial layer is headed by Deputy Managing Director & Chief Risk Officer (CRO) and an Operational layer represented by Risk Management Division. The risk management systems are in place within the Bank which are discuss as follows:

i. Credit risk

Credit risk is one of the major risks out of the six core risks of the Bank. Credit risk is the risk of loss that may occur from the default of any bank borrower or counterparty to repay in accordance with agreed terms and conditions and/or deterioration of creditworthiness. IFIC has a board approved 'Credit Risk Management Policy' and the CRM works within the scope this defined regulations. Board of Directors is the apex body for credit approval of the Bank. However, they delegate authority to the Managing Director & CEO or other officers of the Credit Risk Management (CRM) Division. The Board also sets credit policies to the management for setting procedures, which together has structured the CRM framework in the bank.

CRM policy also contain how to manage credit risk in the origination process, how to organize, role of board, senior management and CRM Committee, credit risk mitigation strategies, MIS for credit risk, managing problem assets including role of Remedial Asset Management Division and maintenance of adequate provisioning etc. This policy ensures sound practices of effective functioning of the Bank's lending process and 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 Bangladesh Bank. The Bank has defined segregation of duties for all credit risk related activities like credit approval, administration, monitoring and recovery functions.

ii. Asset liability management risk

Asset Liability Management (ALM) of the Bank manage Balance Sheet Risk, including managing the liquidity and interest rate risk. To address all the risk elements of the Balance Sheet, Assets Liabilities Committee (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. A monthly projection of fund flows is reviewed in ALCO meeting regularly. On monthly basis, ALCO monitors liquidity management by examining key ratios, maximum cumulative outflow, upcoming funding requirement from all business units, asset-liability mismatch etc. The maturity gap of the assets-liabilities and interest rate movement are also monitored by the ALCO including the optimum liquidity position of the Bank in line with regulatory requirement. All the activities are regulated by a board approved Asset Liability Management Guideline that is well integrated with the bank's risk management process.

iii. Foreign exchange risk

Foreign Exchange Risk arises from adverse movement in currency exchange rates engaging in activities starting from basic currency buy, sell, imports, exports and remittances to complex structured products. The foreign exchange risks are measured and monitored by the Treasury Division of the bank. 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. Treasury continuously monitors price movements of foreign exchange and uses various hedging techniques to manage its open position in such a way that minimizes risk and maximizes return.

iv. Money laundering risk

In recognition of the fact that financial institutions are particularly vulnerable to Money Laundering, IFIC has established "Guidelines on Prevention of Money Laundering and Combating Financing of Terrorism" as per directives of Bangladesh Bank for strict compliance. The purpose of this policies is to provide guideline to comply with all applicable local laws and regulations regarding prevention of Money Laundering and combating Terrorist Financing, both at country and international level, to safeguard the Bank form potential compliances, financial and reputational risks. Suspicious Activity Report (SAR), Suspicious Transaction Report (STR), Cash Transaction Report (CTR), Know Your Customer (KYC) Procedure, e-KYC, Structuring Monitoring Report, periodic review of high and low risk customers, Customer Due Diligence (CDD), Enhanced Due Diligence (EDD), duties and responsibilities of Officials etc. have been implemented, reviewed and monitored by the competent authority as procedure of this policy.

Training is also given as a continuous process for creating/developing awareness among officers on AML/CFT laws, rules, regulations, guidelines, policies and circulars. Inspection at Branches for checking records/activities and for creating awareness on AML & CFT are also conducted.

The CEO's formal annual commitment to all employees on combating Money Laundering (ML) and Financing of Terrorism (FT) is issued to emphasize on greater due diligence and compliance at all levels of the Bank.

v. Internal control and compliance risk

The Internal Control & Compliance (ICC) Division of the Bank is working independently to evaluate the Internal Control System of the Bank so as to ensure good governance, transparency & accountability. The ICC Division is conducting comprehensive internal audit of the branches as well as different divisions/departments of Head Office ongoing basis. 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) etc.

Being an integral part of daily activities of the Bank, Internal Control & Compliance Division consists of three units namely; Compliance, Monitoring and Audit & Inspection. These units 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 an 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. 'Risk based Internal Audit Policy' and 'Branch Audit Rating System' are in place in order to upgrade the operational efficiency of the branches.

vi. Information and communication technology (ICT) risk

IFIC Bank has been pursuing a strategy of "Long Term Sustainable Growth with Low Risk, Low Cost, Best in Class Service Delivery & Diversified Portfolio". Therefore the bank has underlined concentration on creating a technology backbone that can enable IFIC to become the preferred financial service provider. To mitigate the technology risk, the bank has taken the following steps:

- Conducted Cyber Security Assessment to outline the risky areas with PwC- an international reputed consulting firm. The

bank has prepared the way out to mitigate the risk areas as per their guideline.

- For ensuring cyber security, the bank is continuously conducting training on sensitive IT tasks for IT division and awareness program for creating Cyber Security Awareness for all employees.
- The bank is taking data backup on daily basis; one copy is being stored in a fire-proof Vault and another copy is being kept at a remote site to withstand any disaster in Data Centre.
- Upgraded Disaster Recovery (DR) Site ensures any payment related service to the customers in case of any emergency or any disaster at Data Centre. Business continuity Plan has also been developed.
- As per the Bangladesh Bank guideline, the bank has concentrated on ICT security management. In this regard ICT Steering Committee and ICT Security Committee have been formed and are working to ensure the overall ICT Security.
- The bank has upgraded and introduced the network equipment including Next-Generation Core Firewall, Internet Firewall, Web Application Firewall (WAF), Software Defined Network (SDN) and Network Access Control (NAC) for enhancing security in the Data Center and Disaster recovery site.
- The SWIFT environment of the bank is upgraded and segmented from the other enterprise network. World class Trade processing system is integrated with the payment system to mitigate the risk of financial fraud.
- The Bank has implemented a robust and secure mailing system and incorporated Email Security Solution (ESA). Availability of Exchange Server in Disaster Recovery Site is completed.
- New Data Center in IFIC tower is inaugurated and is providing value to IT service delivery of the bank. Physical and other appropriate security is being maintained in the workplace to protect ICT resources properly as per the guideline of Bangladesh Bank.
- 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 for critical IT assets and maintaining IT Assets Inventory.
- 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.

- Baseline Security Standard has been developed for desktop, operating systems, and network, database and security devices.
- Risk assessment framework and template has been developed and introduced for systems and application.
- Security Team regularly conduction Vulnerability Assessment and Application Security testing.
- The bank has also completed all ICT Security documentation to ensure security of the ICT Systems and is continuously updating them to strengthen security of the systems.
- The Bank has introduced Digital Banking Channel to explore the technological door for financial advancement. This platform can be used through both online and mobile app (which is available at Apple store and Google Play store). Using Digital Banking Channel (IFIC Aamar Bank), customer can make transaction within Bank or Other Bank through EFT and RTGS, customer can make credit card payment, standing instruction, cheque book order, request for bank certificate etc.

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, and awareness programs and monitoring of the implementation of these procedures. Internal Control and Compliance Division of the Bank monitors operational procedure of the Bank. It undertakes periodical and special audit of the branches and divisions at the Head Office for review of the operation and compliance of statutory requirements. The Audit Committee of the Board subsequently reviews the reports of the Internal Control and Compliance Division.

b. Liquidity risk

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

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

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

c. Market risk

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

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

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

d. Interest rate risk

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

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

e. Equity price risk

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

f. Fraud risk

Fraud and forgery have become an important issue in recent years. These have a major impact on our country's economy, impeding economic development. IFIC has always been focused in controlling fraud and forgery by establishing and maintaining proper controlling system. Today, fraud and forgery appear in diverse form. The incidence of fraud may occur due to rapid changes in technological environment in the banking sector or intentional behavioral aspect of the human being. Human fraudulent acts may be committed by outsiders or insiders 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.

g. 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.

2.2.7. Audit Committee

The Audit Committee of the Board was duly formed by the Board of Directors of the Bank in accordance with the BRPD circular no. 11 dated 27 October 2013 of Bangladesh Bank. Pursuant to the BSEC notification no. BSEC/CMRRCD/2006-158/207/ADMIN/80 dated 3 June 2018 on Corporate Governance, the current Committee is constituted with three members of the Board. The details of the Audit Committee is provided in **Annexure-G**.

2.2.8. Directors’ responsibility statement

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

2.2.9. Management Committee (MANCOM)

The Management Committee (MANCOM) is functioning as a structured unit to take important management decisions. Presently, it comprises of members holding key positions in the Management of the Bank. The Committee is headed by the Managing Director & CEO who is assisted by Deputy Managing Directors, Heads of Divisions of strategically important divisions along with Branch Managers of large and important Branches. The Managing Director’s Secretariat provides secretarial services to the Committee. The members of the Committee, having long experience in commercial banking activities, are concerned with management of respective Divisions as well as monitoring day to day activities taking place in different areas of the Bank.

Generally 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 weakness (if any) of the Bank and take remedial measures or any other measures for enhancing the reputation of the Bank. Generally, the MANCOM is concerned with major decision making, planning and framing of policy guidelines of the Bank.

2.2.10. Credit rating of the bank

The Bank has been awarded its credit rating done by Emerging Credit Rating Limited (ECRL) and Credit Rating Agency of Bangladesh Ltd. (CRAB) based on the financial statements and other relevant information as at and for the year ended 31 December 2020 and 2019 respectively as per BRPD Circular no. 6 dated 5 July 2006. The following ratings for different years have been awarded:

Types of Rating	Financial Statement	Rating Status			Validity
		Long Term	Short Term	Outlook	
Entity	Jan to Dec 2020	AA	ST-2	Stable	30-Jun-22
Entity	Jan to Dec 2019	AA2	ST-2	Stable	30-Jun-21

2.2.11. Compliance report on International Financial Reporting Standards (IFRSs):

In addition to compliance with local regulatory requirements, in preparing the Consolidated and Separate Financial Statements, IFIC applied all applicable IASs and IFRSs as adopted by Institute of Chartered Accountants of Bangladesh (ICAB) except those described in note 2.1.1. Details are given below:

Name of the IFRS	IFRS No.	Status
First-time Adoption International Financial Reporting Standards	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
Financial Instruments	9	Complied*
Consolidated Financial Statements	10	Complied
Joint Arrangements	11	N/A
Disclosure of Interests in Other Entities	12	Complied
Fair Value Measurement	13	Complied*
Regulatory Deferral Accounts	14	N/A
Revenue from Contracts with Customers	15	Complied*
Leases	16	Complied

Name of the IAS	IAS No.	Status
Investment Property	40	N/A
Agriculture	41	N/A

Note: N/A - Not Applicable

* Complied to the extent possible subject to compliance to Bangladesh Bank guidelines in these respect which are disclosed in note 2.1.1.

New accounting standards not yet adopted

A number of standards and amendments to standards are issued but not yet effective for annual periods beginning after 1 January 2021 and earlier application is permitted. However, the Bank has not early applied the following new standards in preparing these financial statements.

These amendments have no material impact on the financial statements of the Bank.

IFRS 17 Insurance Contract

Insurance Contract are effective for annual periods beginning on or after 1 January 2021. Earlier adoption is permitted. This has not been applied in preparing these consolidated and separate financial statements.

Name of the IAS	IAS 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
Income Taxes	12	Complied
Property, Plant and Equipment	16	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 Reporting in Hyperinflationary Economies	29	N/A
Interest in Joint Ventures	31	N/A
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

Notes to the Financial Statements

as at and for the period ended 30 September 2021

Amount in BDT

Particulars	Note	Group		Bank	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
3 Cash					
Cash in hand (including foreign currency)	3.1	5,418,380,906	4,088,663,229	5,418,148,996	4,084,799,668
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	15,681,491,634	14,407,730,302	15,681,491,634	14,407,730,302
		21,099,872,540	18,496,393,531	21,099,640,630	18,492,529,970
3.1 Cash in hand (including foreign currency)					
Local currency in hand		5,199,451,007	3,897,956,857	5,199,219,097	3,894,093,296
Foreign currencies in hand		40,343,507	48,580,124	40,343,507	48,580,124
Cash with ATM		178,586,392	142,126,248	178,586,392	142,126,248
		5,418,380,906	4,088,663,229	5,418,148,996	4,084,799,668
3.2 Balance with Bangladesh Bank and its agents bank					
Bangladesh Bank					
Local currency		14,169,236,954	12,617,035,050	14,169,236,954	12,617,035,050
Foreign currency		1,193,969,268	1,294,221,438	1,193,969,268	1,294,221,438
		15,363,206,222	13,911,256,488	15,363,206,222	13,911,256,488
Sonali Bank as agent of Bangladesh Bank		318,285,412	496,473,814	318,285,412	496,473,814
		15,681,491,634	14,407,730,302	15,681,491,634	14,407,730,302
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 the Banking Companies Act 1991 (as amended up to date) and MPD circular no. 2, dated 3 April 2020, and MPD circular no. 2, dated 10 December 2013.					
3.3.1 Cash Reserve Requirement (CRR)					
As per Bangladesh Bank issued MPD Circular no. 3 dated 9 April 2020 [effective from 15 April 2020], all scheduled banks have to maintain a CRR of a minimum of 3.5% [Y2020: 3.5%] on daily basis and 4.0% [Y2020: 4.0%] 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 September 2021 as based on a weekly average balance of July 2021]. CRR maintained by the Bank as per statutory requirement is shown below:					
Average time and demand liabilities				329,542,070,000	286,188,268,000
Required reserve				13,181,522,000	11,444,715,000
Actual reserve maintained*				14,090,302,600	12,795,868,070
Surplus				908,780,600	1,351,153,070
* As per Bangladesh Bank current account 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 a minimum of 13.0% of weekly average demand and time liabilities excluding inter-bank deposits of immediate preceding two months [i.e., SLR of September 2021 was based on a weekly average balance of July 2021]. SLR maintained by the Bank as per statutory requirement is shown below:					
Average time and demand liabilities				329,542,070,000	286,188,268,000
Required reserve				42,840,469,000	37,204,475,000
Actual reserve maintained				58,615,429,451	52,908,409,407
Surplus				15,774,960,451	15,703,934,407
Actual reserve maintained for SLR					
Cash in hand	3.1			5,418,148,996	4,084,799,668
Balance with Bangladesh Bank in excess of CRR				908,780,600	1,351,153,070
Balance with Sonali Bank as agent	3.2			318,285,412	496,473,814
Government securities (HFT)	6.3			5,057,934,001	10,541,051,600
Government securities (HTM)	6.3			46,912,280,442	36,434,931,255
				58,615,429,451	52,908,409,407
4 Balance with other banks and financial institutions					
In Bangladesh	4.1	4,117,557,279	6,682,557,302	4,919,053,142	7,511,869,424
Outside Bangladesh *		1,869,903,909	1,385,770,211	1,854,513,708	1,383,521,545
		5,987,461,188	8,068,327,513	6,773,566,850	8,895,390,969

* Details of Balance with outside Bangladesh [solo basis] are shown in "Annexure-A".

Amount in BDT

Particulars	Note	Group		Bank	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
4.1 In Bangladesh					
In current deposit account with					
Agrani Bank Limited		11,039,907	17,556,362	11,039,907	17,556,362
Sonali Bank Limited		32,123	35,023,733	32,123	35,023,733
		11,072,030	52,580,095	11,072,030	52,580,095
In special notice deposit account with					
Trust Bank Limited		78,037,578	73,068,651	78,037,578	73,068,651
Standard Chartered Bank		63,450,740	66,693,489	63,450,740	66,693,489
		141,488,318	139,762,140	141,488,318	139,762,140
In beneficiary owner (BO) account with					
IFIC Securities Limited		-	-	801,495,863	829,312,122
Latif Securities Limited		28,834	28,834	28,834	28,834
Asian Tiger Capital Partners Investments Limited		48,113,430	3,331,566	48,113,430	3,331,566
		48,142,264	3,360,400	849,638,127	832,672,522
In short term & fixed deposit account with banks and NBFIs					
Short term deposit					
South Bangla Bank Limited		400,000,000	-	400,000,000	-
Midland Bank Limited		600,000,000	-	600,000,000	-
Jamuna Bank Limited		1,600,000,000	-	1,600,000,000	-
NCC Bank Limited		700,000,000	-	700,000,000	-
NRB Commercial Bank Limited		450,000,000	-	450,000,000	-
Bank Asia Limited		-	900,000,000	-	900,000,000
Social Islami Bank Limited		-	450,000,000	-	450,000,000
Bank Alfalah Limited		-	850,000,000	-	850,000,000
Midland Bank Limited		-	450,000,000	-	450,000,000
		3,750,000,000	2,650,000,000	3,750,000,000	2,650,000,000
Fixed deposit					
Investment Corporation of Bangladesh		-	3,670,000,000	-	3,670,000,000
Peoples Leasing & Financial Services Limited		166,854,667	166,854,667	166,854,667	166,854,667
		166,854,667	3,836,854,667	166,854,667	3,836,854,667
		4,117,557,279	6,682,557,302	4,919,053,142	7,511,869,424
4.2 Maturity grouping of balance with other banks and FIs					
Receivable on demand		1,850,702,613	362,557,302	2,652,198,476	1,191,869,424
Upto 1 month		3,969,903,909	4,035,770,211	3,954,513,707	4,033,521,545
More than 1 month but not more than 3 months		166,854,666	3,670,000,000	166,854,666	3,670,000,000
More than 3 months but not more than 6 months		-	-	-	-
More than 6 months but not more than 1 year		-	-	-	-
More than 1 year but not more than 5 years		-	-	-	-
More than 5 years		-	-	-	-
		5,987,461,188	8,068,327,513	6,773,566,850	8,895,390,969
5 Money at call and on short notice					
Banking companies					
National Bank Limited		-	200,000,000	-	200,000,000
Modhumoti Bank Limited		-	230,000,000	-	230,000,000
Dhaka Bank Limited		1,000,000,000	1,900,000,000	1,000,000,000	1,900,000,000
Investment Corporation of Bangladesh		3,300,000,000	-	3,300,000,000	-
		4,300,000,000	2,330,000,000	4,300,000,000	2,330,000,000
6 Investments					
Government Securities	6.1	51,974,111,543	46,979,431,855	51,974,111,543	46,979,431,855
Other Investments	6.2	11,242,079,917	11,120,648,728	5,346,037,972	5,742,993,615
		63,216,191,460	58,100,080,583	57,320,149,515	52,722,425,470
6.1 Government securities					
Treasury bills	6.1.1	5,057,934,001	10,541,051,600	5,057,934,001	10,541,051,600
Treasury bonds	6.1.2	46,912,280,442	36,434,931,255	46,912,280,442	36,434,931,255
Prize bond		3,897,100	3,449,000	3,897,100	3,449,000
		51,974,111,543	46,979,431,855	51,974,111,543	46,979,431,855

Amount in BDT

Particulars	Note	Group		Bank	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
6.1.1 Treasury bills					
91 Days Govt Treasury Bill		-	2,699,526,000	-	2,699,526,000
182 Days Govt Treasury Bill		-	3,640,558,100	-	3,640,558,100
364 Days Govt Treasury Bill		5,057,934,001	4,200,967,500	5,057,934,001	4,200,967,500
		5,057,934,001	10,541,051,600	5,057,934,001	10,541,051,600
6.1.2 Treasury bonds					
2 years Treasury bond		8,576,864,547	11,283,962,191	8,576,864,547	11,283,962,191
5 years Treasury bond		17,006,463,808	12,503,630,124	17,006,463,808	12,503,630,124
10 years Treasury bond		13,701,850,613	7,240,941,278	13,701,850,613	7,240,941,278
15 years Treasury bond		5,904,850,588	3,684,146,776	5,904,850,588	3,684,146,776
20 years Treasury bond		1,722,250,886	1,722,250,886	1,722,250,886	1,722,250,886
		46,912,280,442	36,434,931,255	46,912,280,442	36,434,931,255
6.2 Other investments					
Unquoted shares		99,088,970	125,048,970	42,847,220	68,807,220
Quoted shares		5,429,056,840	5,595,547,248	2,135,059,327	2,526,209,347
Mutual funds		267,986,473	267,986,473	267,986,473	267,986,473
Foreign Investment		5,445,947,634	5,132,066,037	2,900,144,952	2,879,990,576
		11,242,079,917	11,120,648,728	5,346,037,972	5,742,993,615
Details of investment in shares [solo basis] are shown in "Annexure-B".					
On the 13th of July 2021, the Board of Directors of the Bank has decided to withdraw the investment from Nepal by selling the entire shareholding of the IFIC Bank held in Nepal Bangladesh Bank Ltd. as promoter and to repatriate the fund to Bangladesh. This is subject to execution of an agreement with suitable buyer at a desired price and all necessary approvals from the regulatory authorities in Bangladesh and Nepal.					
6.3 Government securities classified according to Bangladesh Bank Circular					
Held for trading (HFT)		5,057,934,001	10,541,051,600	5,057,934,001	10,541,051,600
Held to maturity (HTM)		46,912,280,442	36,434,931,255	46,912,280,442	36,434,931,255
Other securities	6.1	3,897,100	3,449,000	3,897,100	3,449,000
		51,974,111,543	46,979,431,855	51,974,111,543	46,979,431,855
6.4 Maturity grouping of investments					
On demand		1,771,462,905	953,449,000	1,771,462,905	953,449,000
Up to 1 month		3,444,882,025	3,312,985,939	3,444,882,025	3,312,985,939
Over 1 month but not more than 3 months		6,294,499,860	7,130,355,380	3,194,614,822	4,061,017,479
Over 3 months but not more than 6 months		1,189,693,146	3,694,425,420	1,189,693,146	3,694,425,420
Over 6 months but not more than 1 years		4,829,463,462	6,865,721,529	4,829,463,462	6,865,721,529
Over 1 year but not more than 5 years		21,710,940,234	21,971,225,013	21,710,940,234	21,981,612,395
Over 5 years		23,975,249,828	14,171,918,301	21,179,092,921	11,853,213,708
		63,216,191,460	58,100,080,583	57,320,149,515	52,722,425,470
6.5 Disclosure regarding outstanding Repo and Reverse Repo					
Disclosure regarding outstanding Repo					
Sl.	Counterparty name		Agreement date	Reversal date	Amount
			-	-	-
			-	-	-
Disclosure regarding outstanding Reverse Repo					
Sl.	Counterparty name		Agreement date	Reversal date	Amount
1	Trust Bank Ltd.		29/09/2021	3/10/2021	1,767,565,800
Total			-	-	1,767,565,800
Disclosure regarding overall transaction of Repo and Reverse Repo					
Counterparty name		Minimum outstanding in Q3-Y2021	Maximum outstanding in Q3-Y2021	Daily average outstanding in Q3-Y2021	
Securities sold under Repo					
With Bangladesh Bank		-	-	-	
With other Banks and FIs		-	-	-	
Securities purchased under Reverse Repo					
From Bangladesh Bank		-	-	-	
From other Banks and FIs		303,465,750	1,999,826,600	94,957,736	

Amount in BDT

Particulars	Note	Group		Bank	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
7 Loans and advances					
Loans, cash credit, overdraft etc.	7.1	278,009,370,247	247,051,243,375	276,837,876,966	246,004,105,427
Bill purchased and discounted	8	15,833,548,860	14,646,184,098	15,833,548,860	14,646,184,098
		293,842,919,107	261,697,427,473	292,671,425,826	260,650,289,525
7.1 Loans, cash credit, overdraft etc.					
Inside Bangladesh					
Term loan industrial		19,335,257,248	18,131,446,121	19,335,257,248	18,131,446,121
Term loan consumer finance		175,293,992	170,452,264	175,293,992	170,452,264
Agricultural loan		350,564,407	286,356,663	350,564,407	286,356,663
Term loan women entrepreneur		31,165,834	32,775,026	31,165,834	32,775,026
Term loan-others		90,876,944,689	76,226,478,748	90,876,944,689	76,226,478,748
House building loans		53,699,295,324	42,944,834,123	53,699,295,324	42,944,834,123
Staff loan		1,100,631,944	1,266,619,147	1,100,631,944	1,266,619,147
Transport loan		56,891,832	76,702,824	56,891,832	76,702,824
Loan general		3,319,319,908	3,277,257,317	3,319,319,908	3,277,257,317
Demand loan		7,714,389,245	8,658,568,399	7,714,389,245	8,658,568,399
Overdrafts		69,655,784,550	60,985,063,864	72,445,038,308	63,845,327,297
Cash credit		22,555,217,730	23,785,985,647	22,555,217,730	23,785,985,647
Credit card finance		139,182,199	143,384,520	139,182,199	143,384,520
Loan against trust receipt (LTR)		3,039,871,406	4,877,015,257	3,039,871,406	4,877,015,257
Lease finance		199,789,711	227,184,826	199,789,711	227,184,826
Margin loan		3,960,747,039	3,907,401,381	-	-
		276,210,347,058	244,997,526,127	275,038,853,777	243,950,388,179
Outside Bangladesh					
Term Loan-Foreign Currency (OBU)		1,799,023,189	2,053,717,248	1,799,023,189	2,053,717,248
		278,009,370,247	247,051,243,375	276,837,876,966	246,004,105,427
7.2 Net loans and advances including bills purchased and discounted					
Total loans and advances		293,842,919,107	261,697,427,473	292,671,425,826	260,650,289,525
Provision against loans and advances		(9,100,014,138)	(7,637,565,576)	(8,868,717,299)	(7,406,268,737)
Interest suspense account		(9,544,496,868)	(8,972,123,118)	(8,043,654,058)	(7,471,280,308)
		275,198,408,101	245,087,738,778	275,759,054,469	245,772,740,479
7.3 Residual maturity grouping of Loans, cash credit, overdraft etc.					
On demand		65,174,415,928	69,365,480,414	65,174,415,928	69,365,480,414
Up to 1 month		6,562,693,954	4,636,346,663	6,562,693,954	4,636,346,663
Over 1 month but not more than 3 months		23,367,575,423	19,768,001,992	22,196,082,141	18,720,864,045
Over 3 months but not more than 1 years		38,848,836,091	20,913,449,237	38,848,836,091	20,913,449,237
Over 1 year but not more than 5 years		72,914,809,740	55,795,097,917	72,914,809,740	55,795,097,917
Over 5 years		71,141,039,113	76,572,867,151	71,141,039,113	76,572,867,151
		278,009,370,247	247,051,243,375	276,837,876,966	246,004,105,427
7.4 Loans and advances under broad categories					
In Bangladesh					
Loans		183,009,114,209	159,419,930,431	181,837,620,928	158,372,792,483
Cash credit		22,555,217,730	23,785,985,647	22,555,217,730	23,785,985,647
Overdrafts		72,445,038,308	63,845,327,297	72,445,038,308	63,845,327,297
		278,009,370,247	247,051,243,375	276,837,876,966	246,004,105,427
Bill purchased and discounted	8	15,833,548,860	14,646,184,098	15,833,548,860	14,646,184,098
		293,842,919,107	261,697,427,473	292,671,425,826	260,650,289,525
7.5 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 ar		1,100,631,944	1,266,619,147	1,100,631,944	1,266,619,147
Advances to customers' groups		292,742,287,163	260,430,808,326	291,570,793,882	259,383,670,378
		293,842,919,107	261,697,427,473	292,671,425,826	260,650,289,525

Amount in BDT

Particulars	Note	Group		Bank	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
7.6 Loans and advances allowed to each customer exceeding 10% of Bank's total capital					
Number of customers				27	28
Outstanding - Funded				109,944,603,226	107,020,256,369
Outstanding - Non-funded				26,175,300,000	13,890,600,000
Amount classified				-	-
Amount of loans and advances (comprising funded and non funded facilities) to each customer exceeding BDT 3,857 million [Y2020 BDT 3,129 million] representing 10% of the Bank's total capital (as defined in Bank Companies Act 1991 as amended) as at 30 September 2021 are furnished in Annexure-C.					
7.7 Industry wise position of loans and advances including bills purchased and discounted					
Agriculture		1,524,069,266	1,549,034,081	1,524,069,266	1,549,034,081
Jute		5,216,142,409	4,688,649,495	5,216,142,409	4,688,649,495
Textile		13,056,061,221	12,008,054,318	13,056,061,221	12,008,054,318
Garments		43,770,380,616	36,205,734,042	43,770,380,616	36,205,734,042
Chemical and chemical products		125,653,218	54,928,753	125,653,218	54,928,753
Cement		3,034,972,497	2,242,982,069	3,034,972,497	2,242,982,069
Bricks & ceramic		4,391,384,073	1,228,855,597	4,391,384,073	1,228,855,597
Food products & processing		5,061,701,572	5,614,527,142	5,061,701,572	5,614,527,142
Engineering & metal		6,291,480,248	5,970,450,060	6,291,480,248	5,970,450,060
Drugs & pharmaceuticals		1,653,806,737	882,241,618	1,653,806,737	882,241,618
Hospital & clinics		79,012,235	94,862,671	79,012,235	94,862,671
Paper & paper products		3,015,028,178	2,951,564,934	3,015,028,178	2,951,564,934
Other small industries		10,061,894,738	8,937,475,690	10,061,894,738	8,937,475,690
IT sector		4,678,418,002	4,488,377,896	4,678,418,002	4,488,377,896
Other service industries		25,895,497,902	27,835,622,387	25,895,497,902	27,835,622,387
Trade & commerce		22,398,033,402	23,358,849,646	22,398,033,402	23,358,849,646
Transport		1,172,523,607	1,214,043,298	1,172,523,607	1,214,043,298
Construction firms/companies		25,799,705,943	19,969,381,860	25,799,705,943	19,969,381,860
Housing societies/companies		32,938,175,805	31,426,089,915	32,938,175,805	31,426,089,915
Cold storage		36,490,384	53,439,785	36,490,384	53,439,785
Consumer finance		56,493,787,120	45,925,172,870	56,493,787,120	45,925,172,870
Energy		8,907,303,627	8,243,559,495	8,907,303,627	8,243,559,495
Telecommunication		10,122,015,547	9,655,497,612	10,122,015,547	9,655,497,612
NBFI's		50,528,708	8,201,326	50,528,708	8,201,326
Others		8,068,852,055	7,089,830,914	6,897,358,773	6,042,692,966
		293,842,919,107	261,697,427,473	292,671,425,826	260,650,289,525
7.8 Sector wise position of loans and advances including bills purchased and discounted					
Government sector		-	-	-	-
Other public sector		-	-	-	-
Private sector		293,795,882,075	261,691,807,454	292,624,388,794	260,644,669,506
Co-operative sector		47,037,032	5,620,019	47,037,032	5,620,019
		293,842,919,107	261,697,427,473	292,671,425,826	260,650,289,525
7.9 Geographical location-wise loans and advances including bills purchased and discounted					
Dhaka division		253,734,001,874	223,022,107,064	252,562,508,592	221,974,969,117
Chittagong division		21,143,386,430	20,697,570,914	21,143,386,430	20,697,570,914
Sylhet division		1,794,163,531	1,619,909,173	1,794,163,531	1,619,909,173
Rajshahi division		6,727,596,716	6,454,997,299	6,727,596,716	6,454,997,299
Khulna division		4,456,574,515	4,257,671,076	4,456,574,515	4,257,671,076
Barisal division		1,906,124,687	987,915,973	1,906,124,687	987,915,973
Rangpur division		976,538,730	2,922,144,063	976,538,730	2,922,144,063
Mymensingh division		3,104,532,625	1,735,111,910	3,104,532,625	1,735,111,910
		293,842,919,107	261,697,427,473	292,671,425,826	260,650,289,525

Amount in BDT

Particulars	Note	Group		Bank	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
7.10 Business segment-wise concentration of loans and advances as per CL					
Corporate		208,414,339,242	186,464,843,732	207,242,845,961	185,417,705,784
SME		30,079,711,189	29,464,095,457	30,079,711,189	29,464,095,457
Short term agri credit		1,096,949,129	1,181,874,743	1,096,949,129	1,181,874,743
Consumer (including staff)		5,671,765,226	5,758,860,305	5,671,765,226	5,758,860,305
Others		48,580,154,321	38,827,753,236	48,580,154,321	38,827,753,236
		293,842,919,107	261,697,427,473	292,671,425,826	260,650,289,525
7.11 Loans and advances including bills purchased and discounted as per CL					
Continuous loan					
Consumer finance		3,884,086,770	3,359,204,861	3,884,086,770	3,359,204,861
Small and medium enterprise		19,438,128,453	20,555,584,599	19,438,128,453	20,555,584,599
Loans to BHs/MBs/SDs		30,030,278	10,572,037	30,030,278	10,572,037
Other continuous loans		70,455,508,630	62,251,447,133	69,284,015,349	61,204,309,185
		93,807,754,131	86,176,808,630	92,636,260,850	85,129,670,682
Demand loans					
Consumer finance		789,066,864	779,815,020	789,066,864	779,815,020
Small and medium enterprise		3,116,423,235	3,281,056,634	3,116,423,235	3,281,056,634
Other demand loans		27,745,775,197	29,115,536,486	27,745,775,197	29,115,536,486
		31,651,265,296	33,176,408,140	31,651,265,296	33,176,408,140
Term loan					
Consumer finance (including staff, other than HF)		998,611,592	1,619,840,424	998,611,592	1,619,840,424
Small and medium enterprise		7,525,159,501	5,627,454,224	7,525,159,501	5,627,454,224
Housing finance (HF)		48,496,431,489	38,746,079,105	48,496,431,489	38,746,079,105
Loans to BHs/MBs/SDs		53,692,554	71,102,094	53,692,554	71,102,094
Other fixed term loan		110,213,055,415	95,097,860,113	110,213,055,415	95,097,860,113
		167,286,950,551	141,162,335,960	167,286,950,551	141,162,335,960
Short term loan					
Short term agri credit		1,096,949,129	1,181,874,743	1,096,949,129	1,181,874,743
		293,842,919,107	261,697,427,473	292,671,425,826	260,650,289,525
7.12 Security/collateral-wise concentration of loans and advances including bills purchased and discounted					
Collateral of movable/immovable assets		245,766,785,546	212,556,605,934	245,766,785,546	212,556,605,934
Local banks and financial institutions' guarantee		315,733,220	240,986,168	315,733,220	240,986,168
Government guarantee		755,519,134	811,142,115	755,519,134	811,142,115
Foreign bank guarantee		-	-	-	-
Export documents		919,163,483	1,075,423,583	919,163,483	1,075,423,583
Import documents		11,685,820,804	13,097,388,867	11,685,820,804	13,097,388,867
Fixed deposit receipts		5,684,603,568	7,537,789,233	5,684,603,568	7,537,789,233
Personal guarantee		8,073,535,082	7,768,832,141	8,073,535,082	7,768,832,141
Other securities		20,641,758,271	18,609,259,430	19,470,264,989	17,562,121,483
		293,842,919,107	261,697,427,473	292,671,425,826	260,650,289,525
7.13 Particulars of loans and advances					
i) Loans considered good in respect of which the Bank is fully secured				284,458,708,545	252,738,072,864
ii) Loans considered good for which the Bank holds no other security than the debtors' personal guarantee				139,182,198	143,384,520
iii) Loans considered good being secured by personal security of one or more persons in addition to the personal security of the debtors				8,073,535,082	7,768,832,141
iv) Loans adversely classified; provision not maintained there against				-	-
				292,671,425,826	260,650,289,525

		Amount in BDT			
Particulars	Note	Group		Bank	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
v)	Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons.			1,100,631,944	1,266,619,147
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;			-	-
vii)	Maximum total amount of advances, including temporary advances made at any time during the period to directors or employees of the Bank or any of them either separately or jointly with any other person			1,280,861,121	1,453,455,114
viii)	Maximum total amount of advances, including temporary advances granted during the period 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			-	-
ix)	Due from banking companies			-	-
x)	a) Amount of classified loan on which interest has not been charged should be mentioned as follows:				
	Increase/(decrease) in specific provision			186,288,070	(349,126,284)
	Amount of loan written off			-	-
	Amount recovered against the loans previously written off			208,510,143	363,275,164
	b) Amount of provision kept against loans classified as bad/loss as at the Balance Sheet date			2,638,733,000	2,455,830,502
	c) Amount of interest creditable to the interest suspense account			1,184,883,013	1,477,570,087
xi)	Cumulative amount of written off loan:				
	Opening balance			14,701,301,803	15,064,576,967
	Amount written off during the period			-	-
	Interest charged			-	-
	Recovery from written-off during the period*			(208,510,143)	(363,275,164)
				14,492,791,660	14,701,301,803
	* Recovery from written-off loans during the period include interest waiver of BDT 74,040,000 [Y2020: Interest waiver BDT 17,175,347].				
7.14	Cumulative amount of written off loans for which law suits have been filed				
	Opening balance			20,972,282,771	20,972,282,771
	During the period			-	-
				20,972,282,771	20,972,282,771
	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.				
7.15	Classification of loans and advances				
	Unclassified				
	Standard			275,881,149,390	245,050,321,578
	Special mention account			5,290,504,813	5,254,206,092
				281,171,654,204	250,304,527,669
	Classified				
	Substandard			2,986,398,988	2,782,581,601
	Doubtful			570,237,794	463,122,331
	Bad/Loss			7,943,134,840	7,100,057,923
				11,499,771,622	10,345,761,856
				292,671,425,826	260,650,289,525
8	Bills purchased and discounted				
	Payable in Bangladesh	8.1	15,133,681,240	14,141,724,304	15,133,681,240
	Payable outside Bangladesh	8.1	699,867,620	504,459,794	699,867,620
			15,833,548,860	14,646,184,098	15,833,548,860
					14,646,184,098

Amount in BDT

Particulars	Note	Group		Bank	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
8.1 Bill purchased and discounted					
Payable in Bangladesh					
Local bills/documents					
Inland documentary bill purchase (IDBP)		788,386,313	659,374,049	788,386,313	659,374,049
Payment against documents-cash		63,003,822	139,983,935	63,003,822	139,983,935
Payment against documents-EDF		11,750,945,426	9,880,117,837	11,750,945,426	9,880,117,837
Payment against documents-forced (Inland)		1,305,254,543	1,361,594,788	1,305,254,543	1,361,594,788
Payment against documents-forced (Foreign)		199,510,520	664,145,629	199,510,520	664,145,629
Payment against documents-Others		1,026,580,616	1,436,508,066	1,026,580,616	1,436,508,066
		15,133,681,240	14,141,724,304	15,133,681,240	14,141,724,304
Payable outside Bangladesh					
Foreign documentary bill purchase (FDBP)		384,134,400	263,473,626	384,134,400	263,473,626
Usance Bill Discounted (OBU)		315,733,220	240,986,168	315,733,220	240,986,168
		699,867,620	504,459,794	699,867,620	504,459,794
		15,833,548,860	14,646,184,098	15,833,548,860	14,646,184,098
8.2 Residual maturity grouping of bill purchased and discounted					
On demand		5,201,176,461	4,651,948,851	5,201,176,461	4,651,948,851
Up to 1 month		765,907,739	1,312,579,764	765,907,739	1,312,579,764
Over 1 month but not more than 3 months		2,818,732,399	1,026,523,210	2,818,732,399	1,026,523,210
Over 3 months but not more than 6 months		6,025,509,400	4,729,856,640	6,025,509,400	4,729,856,640
Over 6 months		1,022,222,861	2,925,275,633	1,022,222,861	2,925,275,633
		15,833,548,860	14,646,184,098	15,833,548,860	14,646,184,098
9 Fixed assets including premises, furniture and fixtures					
Cost/revalued:					
Land		2,423,609,559	2,423,609,559	2,423,609,559	2,423,609,559
Buildings and premises		1,902,617,204	1,902,617,204	1,902,617,204	1,902,617,204
Right of Use Assets		1,981,900,504	1,979,330,915	1,938,582,527	1,938,582,527
Wooden furniture		322,716,174	288,496,137	321,801,576	287,581,539
Steel furniture		133,312,431	111,193,993	133,312,431	111,193,993
Computer equipment		1,162,625,267	1,054,899,844	1,149,139,554	1,049,746,984
Office equipment		1,271,660,218	1,085,482,116	1,271,660,218	1,085,482,116
Electrical & gas equipment		347,294,435	292,981,559	344,717,835	290,404,959
Leasehold improvement		691,806,327	528,640,273	679,152,895	508,637,207
Vehicles		208,353,474	212,708,501	208,353,474	212,708,501
Soft furnishing		13,119,919	12,960,055	13,119,919	12,960,055
Software		1,120,365,197	1,108,927,318	1,118,111,167	1,107,209,905
		11,579,380,709	11,001,847,474	11,504,178,359	10,930,734,549
Capital work in progress		171,351,376	88,200,413	171,351,376	88,200,413
		11,750,732,085	11,090,047,887	11,675,529,735	11,018,934,962
Less: Accumulated depreciation		4,154,168,284	3,552,923,311	4,124,802,189	3,523,762,842
Written down value		7,596,563,802	7,537,124,576	7,550,727,546	7,495,172,120
Details of fixed assets [solo basis] are shown in "Annexure-D"					
10 Other assets					
Stationery and stamps		42,564,602	42,897,670	42,562,124	42,895,192
Suspense account	10.1	1,124,569,918	850,058,824	1,112,988,358	840,559,567
Advance, deposit and prepayments	10.2	9,336,230,208	7,545,055,046	8,964,264,843	7,208,526,113
Accrued interest & other income receivable	10.3	1,561,177,810	1,323,991,985	1,474,237,810	1,323,991,985
Investment in subsidiaries	10.4	-	-	2,634,426,980	2,234,342,260
Deferred tax assets	10.5	808,950,441	731,058,171	808,173,461	730,988,041
Dividend Receivable and others		176,058,596	933,675,990	157,867,695	71,181,064
		13,049,551,575	11,426,737,686	15,194,521,271	12,452,484,222

Amount in BDT

Particulars	Note	Group		Bank	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
10.1 Suspense account					
Advance against bills, new branches		157,944,531	61,807,914	157,944,531	61,807,914
Advance against TA / DA		978,400	1,012,700	978,400	1,012,700
Law charges		314,611,043	297,658,828	314,611,043	297,658,828
Sanchaypatra paid		298,712,470	239,526,291	298,712,470	239,526,291
Wage earners development bond paid		146,526,915	98,125,282	146,526,915	98,125,282
Investment bond		26,932,500	12,174,046	26,932,500	12,174,046
Sundry debtors		131,976,733	139,220,862	120,395,173	129,721,605
Cash incentive audit fees		1,981,000	-	1,981,000	-
Cash incentive remittance		12,184,892	-	12,184,892	-
Payment gateway receivable		32,721,434	532,901	32,721,434	532,901
		1,124,569,918	850,058,824	1,112,988,358	840,559,567
10.2 Advance, deposit and prepayments					
Rent		479,084,835	300,948,581	478,424,755	299,440,239
Income tax	10.2.1	8,386,065,506	6,932,516,876	8,015,649,101	6,598,635,166
Security deposit including demand note		19,884,874	23,867,575	19,884,874	23,867,575
Car purchase		128,685,436	128,964,094	127,796,556	127,825,212
Money remittance company		20,130,889	265,800	20,130,889	265,800
Protested bills		44,543,206	47,820,206	44,543,206	47,820,206
Cash remittance		122,950,000	78,500,000	122,950,000	78,500,000
Supplier		134,885,462	28,793,262	134,885,462	28,793,262
Lease vehicle		-	896,021	-	896,021
Share money deposits		-	2,482,632	-	2,482,632
		9,336,230,208	7,545,055,046	8,964,264,843	7,208,526,113
10.2.1 Advance income tax					
Opening balance on 1 January		6,932,516,876	5,818,370,764	6,598,635,166	5,507,367,245
Add: Payment made during the period		1,453,548,630	1,114,146,112	1,417,013,935	1,091,267,921
Closing balance		8,386,065,506	6,932,516,876	8,015,649,101	6,598,635,166
10.3 Accrued interest & other income receivable					
Treasury bonds and bills		769,439,941	624,924,948	769,439,941	624,924,948
Receivables from Government		41,272,375	41,272,375	41,272,375	41,272,375
Interest accrued on loans and advances		746,639,445	648,268,049	659,699,445	648,268,049
Investment on term and call		3,826,049	9,526,613	3,826,049	9,526,613
		1,561,177,810	1,323,991,985	1,474,237,810	1,323,991,985
10.4 Investment in subsidiaries					
IFIC Securities Limited				2,199,994,000	2,199,994,000
IFIC Investment Limited				399,994,000	-
IFIC Money Transfer (UK) Limited				34,438,980	34,348,260
				2,634,426,980	2,234,342,260
10.5 Deferred tax assets					
Deferred tax assets have been recognized and measured as per <i>International Accounting Standards 12: Income Taxes</i> and BRPD Circular no. 11, dated 12 December 2011 based on the 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				1,026,817,755	955,727,024
Deferred tax liabilities				(218,644,294)	(224,738,983)
Deferred tax assets/(liabilities)				808,173,461	730,988,041
i) Deferred tax on provision for loans and advances classified as doubtful and bad & loss					
Carrying amount				2,696,443,247	2,510,293,263
Tax base				-	-
Deductible/(taxable) temporary difference				2,696,443,247	2,510,293,263
Tax rate				37.50%	37.50%
Closing deferred tax assets/(liabilities)				1,011,166,218	941,359,974
Opening deferred tax assets/(liabilities)				941,359,974	1,057,211,288
Deferred tax (expense)/income (A)				69,806,244	(115,851,314)

Amount in BDT

Particulars	Note	Group		Bank	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
ii) Deferred tax on fixed assets					
Carrying amount				3,913,324,266	3,621,024,521
Tax base				3,330,272,815	3,021,720,566
Deductible/(Taxable) temporary difference				583,051,450	599,303,955
Tax rate				37.50%	37.50%
Closing deferred tax assets/(liabilities)				(218,644,294)	(224,738,983)
Opening deferred tax assets/(liabilities)				(224,738,983)	(194,057,071)
Deferred tax (expense)/income (B)				6,094,689	(30,681,912)
iii) Deferred tax on leased assets					
Right-of-Use Assets				1,040,893,440	1,354,456,802
Less: Lease Liabilities				(938,238,097)	(1,199,683,069)
Carrying amount				102,655,343	154,773,733
Tax base				144,392,776	193,085,866
Temporary difference				41,737,433	38,312,133
Tax rate				37.50%	37.50%
Closing deferred tax assets/(liabilities)				15,651,537	14,367,050
Opening deferred tax assets/(liabilities)				14,367,050	6,948,176
Deferred tax (expense)/income (C)				1,284,488	7,418,874
Deferred tax (expense)/income (A+B+C)				77,185,421	(139,114,352)
11 Non-banking assets					
Income generating		-	-	-	-
Non-income generating	11.1	148,474,800	373,474,800	148,474,800	373,474,800
		148,474,800	373,474,800	148,474,800	373,474,800
Through the verdict of honourable court under section 33(7) of the Artharin Adalat Act 2003, the Bank has got absolute ownership on few mortgaged properties. These properties were recorded at Tk. 373,474,800 as non-banking assets in the year 2013.					
11.1 Non-income generating					
Balance at the beginning of the period		373,474,800	373,474,800	373,474,800	373,474,800
Add: Addition during the period		-	-	-	-
Less: sale during the period		(225,000,000)	-	(225,000,000)	-
		148,474,800	373,474,800	148,474,800	373,474,800
12 Borrowing from other banks, financial institutions and agents					
In Bangladesh	12.1	14,725,000,083	12,512,987,412	14,725,000,083	12,512,987,412
Outside Bangladesh	12.2	188,335,980	508,806,600	188,335,980	508,806,600
		14,913,336,063	13,021,794,012	14,913,336,063	13,021,794,012
12.1 In Bangladesh					
Term borrowing					
Obligation under lease finance		-	3,181,639	-	3,181,639
		-	3,181,639	-	3,181,639
Refinance from Bangladesh Bank					
Export Development Fund (EDF)		11,061,103,527	9,666,178,492	11,061,103,527	9,666,178,492
Small and Medium Enterprise (SME)		302,570,375	324,677,867	302,570,375	324,677,867
Long Term Financing Facility (LTFF)		285,464,152	34,162,919	285,464,152	34,162,919
Stimulus Package		3,075,862,029	2,484,786,495	3,075,862,029	2,484,786,495
		14,725,000,083	12,509,805,773	14,725,000,083	12,509,805,773
		14,725,000,083	12,512,987,412	14,725,000,083	12,512,987,412
12.2 Outside Bangladesh					
Nepal Bangladesh Bank Limited		-	508,806,600	-	508,806,600
PBL Finance (HK) Limited		160,464,263	-	160,464,263	-
Standard Chartered Bank, Singapore		27,871,718	-	27,871,718	-
		188,335,980	508,806,600	188,335,980	508,806,600
Borrowing from outside Bangladesh is used for Off-shore Banking unit.					

Amount in BDT

Particulars	Note	Group		Bank	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
12.3 Secured and unsecured borrowing from other banks, financial institutions and agents					
Secured borrowing		-	-	-	-
Unsecured borrowing		14,913,336,063	13,021,794,012	14,913,336,063	13,021,794,012
		14,913,336,063	13,021,794,012	14,913,336,063	13,021,794,012
12.4 Maturity grouping of borrowing from other banks, financial institutions and agents					
Payable					
On demand		-	-	-	-
Up to 1 month		1,333,687,911	1,482,457,108	1,333,687,911	1,482,457,108
Over 1 month but not more than 3 months		3,980,645,863	4,191,908,871	3,980,645,863	4,191,908,871
Over 3 months but not more than 1 year		9,105,545,539	7,088,478,478	9,105,545,539	7,088,478,478
Over 1 year but not more than 5 years		359,710,362	123,803,291	359,710,362	123,803,291
Over 5 years		133,746,387	135,146,264	133,746,387	135,146,264
		14,913,336,063	13,021,794,012	14,913,336,063	13,021,794,012
13 Subordinated debt					
Institution wise subscription, redemption, and outstanding amount of the Principal of the Bond are as follows:					
Subscribers		Subscribed Amount	Redemption of Principal	Outstanding 30 September 2021	Outstanding 31 December 2020
IFIC Bank 1st Subordinated debt					
Sonali Bank Limited		1,000,000,000	600,000,000	400,000,000	600,000,000
Janata Bank Limited		1,000,000,000	600,000,000	400,000,000	600,000,000
Rupali Bank Limited		1,000,000,000	600,000,000	400,000,000	600,000,000
Agrani Bank Limited		500,000,000	300,000,000	200,000,000	300,000,000
		3,500,000,000	2,100,000,000	1,400,000,000	2,100,000,000
IFIC Bank 2nd Subordinated debt					
Agrani Bank Limited		1,500,000,000	-	1,500,000,000	-
Janata Bank Limited		1,000,000,000	-	1,000,000,000	-
Dutch Bangla Bank Limited		1,000,000,000	-	1,000,000,000	-
Eastern Bank Limited		1,000,000,000	-	1,000,000,000	-
Mercantile Bank Limited		500,000,000	-	500,000,000	-
		5,000,000,000	-	5,000,000,000	-
		8,500,000,000	2,100,000,000	6,400,000,000	2,100,000,000
* Details of Subordinated debt are explained in note: 2.2.1.8.					
14 Deposits and other accounts					
Current deposit and other accounts	14.1	117,658,933,278	92,689,795,114	118,693,864,472	92,715,704,209
Bills payable	14.2	2,038,833,262	2,547,263,402	2,038,833,262	2,547,263,402
Savings bank deposits	14.3	26,203,048,270	25,343,706,980	26,203,048,270	25,343,706,980
Fixed deposits	14.4	179,800,341,797	175,760,802,599	179,800,519,429	175,762,350,267
		325,701,156,606	296,341,568,095	326,736,265,433	296,369,024,858
14.1 Current deposit and other accounts					
Current accounts		26,358,436,034	20,541,856,918	27,393,367,228	20,567,766,013
IFIC AAMAR account		79,924,409,836	63,263,202,940	79,924,409,836	63,263,202,940
IFIC Shohoj Account		1,870,212,088	869,665,186	1,870,212,088	869,665,186
Foreign currency deposit		390,572,077	330,848,835	390,572,077	330,848,835
Resident foreign currency deposit		47,538,375	48,287,936	47,538,375	48,287,936
Exporters foreign currency account		5,318,432,589	5,189,408,559	5,318,432,589	5,189,408,559
Margin on letters of credit		2,739,970,458	1,462,856,896	2,739,970,458	1,462,856,896
Margin on letters of guarantee		427,831,967	393,140,325	427,831,967	393,140,325
Sundry deposit	14.1.1	581,529,854	590,527,519	581,529,854	590,527,519
		117,658,933,278	92,689,795,114	118,693,864,472	92,715,704,209
14.1.1 Sundry deposit					
Sundry creditor		70,154,262	109,042,803	70,154,262	109,042,803
Lease deposit		13,745,769	14,727,414	13,745,769	14,727,414
Risk fund-lease, CCS & others		218,057	224,303	218,057	224,303
Clearing collection		56,495,366	22,903,192	56,495,366	22,903,192

Amount in BDT

Particulars	Note	Group		Bank	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
Card deposit		199,964,732	125,603,536	199,964,732	125,603,536
Sundry deposit BFF		25,912,400	25,912,400	25,912,400	25,912,400
FDD issued but not presented		13,323,391	13,323,391	13,323,391	13,323,391
Key deposit		6,121,875	5,977,675	6,121,875	5,977,675
CIB Charges		-	3,173,013	-	3,173,013
Other sundry deposits		195,594,002	269,639,792	195,594,002	269,639,792
		581,529,854	590,527,519	581,529,854	590,527,519
14.2 Bills payable					
Payment order		2,031,923,041	2,539,556,145	2,031,923,041	2,539,556,145
Demand draft		5,019,143	5,728,179	5,019,143	5,728,179
Security deposit receipt		1,891,078	1,979,078	1,891,078	1,979,078
		2,038,833,262	2,547,263,402	2,038,833,262	2,547,263,402
14.3 Savings bank deposit					
Savings account		19,988,673,839	19,488,529,745	19,988,673,839	19,488,529,745
Super savings plus		4,357,346,385	4,430,654,105	4,357,346,385	4,430,654,105
Payroll savings		436,105,829	385,717,213	436,105,829	385,717,213
Sanchita-female savings		1,097,508,364	1,038,072,461	1,097,508,364	1,038,072,461
Interest payable on savings deposit		323,413,853	733,456	323,413,853	733,456
		26,203,048,270	25,343,706,980	26,203,048,270	25,343,706,980
14.4 Fixed deposit					
Special notice deposit (SND)		26,613,557,471	30,028,622,318	26,613,735,103	30,030,169,986
Term deposit	14.4.1	140,898,963,437	134,376,901,295	140,898,963,437	134,376,901,295
Recurring deposit	14.4.2	11,755,049,611	10,660,411,907	11,755,049,611	10,660,411,907
Non resident foreign currency deposit (NFCD)		5,611,922	6,385,181	5,611,922	6,385,181
Export retention quota (ERQ)		527,159,356	688,481,898	527,159,356	688,481,898
		179,800,341,797	175,760,802,599	179,800,519,429	175,762,350,267
14.4.1 Term deposit					
Fixed deposits		128,179,148,468	120,912,851,010	128,179,148,468	120,912,851,010
Double return deposit scheme		4,922,033,082	5,059,921,698	4,922,033,082	5,059,921,698
Three years deposit plus		3,467,505	3,044,250	3,467,505	3,044,250
Monthly income scheme		4,716,721,029	5,174,309,817	4,716,721,029	5,174,309,817
Monthly income scheme - Arjon		28,750,000	27,950,000	28,750,000	27,950,000
Interest payable on term deposit		3,048,843,353	3,198,824,520	3,048,843,353	3,198,824,520
		140,898,963,437	134,376,901,295	140,898,963,437	134,376,901,295
14.4.2 Recurring deposit					
Pension savings scheme (PSS)		5,556,608,342	6,261,776,512	5,556,608,342	6,261,776,512
Pension savings scheme - Joma		6,788,627	5,678,197	6,788,627	5,678,197
Flexi DPS - Freedom		1,249,242,400	1,279,477,985	1,249,242,400	1,279,477,985
Millionaire dream plan		587,549,005	558,566,205	587,549,005	558,566,205
School savings plan		21,505,040	28,883,953	21,505,040	28,883,953
IFIC Aamar Bhobishawt		3,954,916,500	2,166,063,856	3,954,916,500	2,166,063,856
Interest payable on recurring deposit		378,439,697	359,965,199	378,439,697	359,965,199
		11,755,049,611	10,660,411,907	11,755,049,611	10,660,411,907
14.5 Deposit and other accounts of the banks					
Deposit form banks	14.9	118,380,375	116,847,774	118,380,375	116,847,774
Deposit from customers		325,582,776,231	296,224,720,321	326,617,885,058	296,252,177,084
		325,701,156,606	296,341,568,095	326,736,265,433	296,369,024,858
14.6 Payable on demand and time deposit					
Demand deposits					
Current deposits		109,123,762,055	85,747,181,227	110,158,870,882	85,774,637,990
Savings deposits		2,358,274,344	2,280,933,628	2,358,274,344	2,280,933,628
Sundry deposit		3,749,332,278	2,446,524,742	3,749,332,278	2,446,524,742
Bills payable		2,038,833,262	2,547,263,402	2,038,833,262	2,547,263,402
		117,270,201,939	93,021,902,999	118,305,310,766	93,049,359,762

Amount in BDT

Particulars	Note	Group		Bank	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
Time deposits					
Savings deposits		23,844,773,926	23,062,773,351	23,844,773,926	23,062,773,351
Fixed deposits		146,804,945,031	140,124,876,059	146,804,945,031	140,124,876,059
Special notice deposits		26,613,735,102	30,030,169,985	26,613,735,102	30,030,169,985
Deposits under schemes		11,167,500,608	10,101,845,701	11,167,500,608	10,101,845,701
		208,430,954,667	203,319,665,096	208,430,954,667	203,319,665,096
		325,701,156,606	296,341,568,095	326,736,265,433	296,369,024,858
14.7 Sector-wise concentration of deposits and other accounts					
Government deposits		4,152,522,239	7,529,049,900	4,152,522,239	7,529,049,900
Other public sector		30,519,410,880	36,338,930,114	30,519,410,880	36,338,930,114
Deposit from banks		118,380,375	116,847,774	118,380,375	116,847,774
Foreign currency deposits		5,756,543,041	5,568,545,330	5,756,543,041	5,568,545,330
Private sectors		285,154,300,071	246,788,194,978	286,189,408,897	246,815,651,741
		325,701,156,606	296,341,568,095	326,736,265,433	296,369,024,858
14.8 Unclaimed deposits		35,803,244	35,803,244	35,803,244	35,803,244
14.9 Residual maturity grouping of deposits and other accounts					
Maturity grouping of deposit from banks					
On demand		-	-	-	-
Up to 1 month		118,380,375	116,847,774	118,380,375	116,847,774
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		-	-	-	-
		118,380,375	116,847,774	118,380,375	116,847,774
Maturity grouping of deposit from customers excluding bills payable					
On demand		4,233,036,661	5,949,154,679	4,233,036,661	5,949,154,679
Up to 1 month		42,259,965,250	40,783,082,019	42,259,965,250	40,810,538,782
Over 1 month but not more than 3 months		68,243,105,956	47,894,233,494	68,243,105,956	47,899,155,066
Over 3 months but not more than 1 year		63,031,020,494	64,596,057,382	63,031,020,494	64,596,057,382
Over 1 year but not more than 5 years		30,519,114,200	32,739,167,299	30,519,114,200	32,739,167,299
Over 5 years		115,257,700,408	101,715,762,047	116,292,809,234	101,710,840,475
		323,543,942,969	293,677,456,919	324,579,051,796	293,704,913,682
Maturity grouping of bills payable					
On demand		203,883,326	254,726,340	203,883,326	254,726,340
Up to 1 month		407,766,652	509,452,680	407,766,652	509,452,680
Over 1 month but not more than 3 months		407,766,652	509,452,680	407,766,652	509,452,680
Over 3 months but not more than 1 year		203,883,326	254,726,340	203,883,326	254,726,340
Over 1 year but not more than 5 years		407,766,652	509,452,680	407,766,652	509,452,680
Over 5 years		407,766,652	509,452,680	407,766,652	509,452,680
		2,038,833,262	2,547,263,402	2,038,833,262	2,547,263,402
		325,701,156,606	296,341,568,095	326,736,265,433	296,369,024,858
15 Other liabilities					
Specific provision for classified loans and advance	15.1	2,923,864,788	2,737,576,718	2,923,864,788	2,737,576,718
General provision for unclassified loans and advance	15.2	4,976,149,350	3,699,988,858	4,744,852,511	3,468,692,019
Special general provision COVID-19	15.3	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
Provision for loans and advance		9,100,014,138	7,637,565,576	8,868,717,299	7,406,268,737
Provision for off balance sheet items	15.4	585,171,318	435,409,089	585,171,318	435,409,089
Provision for diminution in value of investments	15.5	355,661,414	354,475,761	355,661,414	354,475,761
Provision for nostro account	15.6	10,734,525	10,646,778	10,734,525	10,646,778
Provision for other assets	15.7	469,068,286	452,469,411	469,068,286	452,469,411
Provision for loans, investments and other assets		10,520,649,681	8,890,566,615	10,289,352,842	8,659,269,776
Provision for taxation	15.8	10,277,495,572	8,398,477,805	9,940,797,244	8,133,240,938
Interest suspense accounts	15.9	9,544,496,868	8,972,123,118	8,043,654,058	7,471,280,308
Incentive bonus	15.10	1,090,182	1,662,000	-	-
Unclaimed dividend account	15.11	-	7,736,018	-	7,736,018
Start-up fund	15.12	5,622,475	-	5,622,475	-

Amount in BDT

Particulars	Note	Group		Bank	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
Lease Liability		973,894,722	1,233,531,392	938,238,097	1,199,683,069
Rebate to good borrowers		21,870,000	21,870,000	21,870,000	21,870,000
Interest payable on borrowing and bond		101,751,623	31,336,762	101,751,623	31,336,762
Accrued expenses		278,367,418	109,026,021	262,004,390	104,222,561
Withholding Tax payable to government *		207,572,415	362,976,044	207,472,048	362,830,343
Withholding VAT payable to government *		92,159,748	111,520,816	92,030,946	111,388,832
Excise duty payable to government *		12,647,646	291,542,361	12,647,646	291,542,361
Revaluation of investment abroad		30,946,297	30,946,297	30,946,297	30,946,297
Payable against Govt Bond & Sanchaypatra		99,747,332	88,416,642	99,747,332	88,416,642
Others		197,095,175	190,550,054	196,892,695	190,229,318
		32,365,407,155	28,742,281,946	30,243,027,693	26,703,993,226

* Subsequently deposited to government exchequer.

15.1 Specific provision for classified loans and advances

Provision held at the beginning of the period		2,737,576,718	3,086,703,002	2,737,576,718	3,086,703,002
Less: Fully provided debts written off		-	-	-	-
Add: Recoveries of amounts previously written off		134,470,143	161,055,817	134,470,143	161,055,817
Add: Specific provision for the period	41	51,817,927	(510,182,101)	51,817,927	(510,182,101)
		2,923,864,788	2,737,576,718	2,923,864,788	2,737,576,718

15.1.1 Specific provision required for classified loans and advances

Status of loans and advances	Base for provision	Rate (%)	Required provision	
			30 September 2021	31 December 2020
Sub-standard	1,099,567,629	20%	219,913,526	223,947,988
Sub-standard-Cottage, Micro and Small	145,971,053	5%	7,298,553	3,096,005
Sub-standard- Short term agri. credit	4,189,216	5%	209,462	239,462
Doubtful	66,070,158	50%	33,035,079	36,148,313
Doubtful-Cottage, Micro and Small	121,601,731	20%	24,320,346	17,965,711
Doubtful- Short term agri. credit	7,096,424	5%	354,822	348,736
Bad/loss*	2,388,855,689	100%	2,638,733,000	2,455,830,503
	3,833,351,901		2,923,864,788	2,737,576,718
Specific provision maintained (note-15.1)			2,923,864,788	2,737,576,718
Excess/(short)			-	-

* As per Bangladesh Bank instruction, BDT 28,888,310.97 has been maintained as an additional provision against rescheduling of loans against 2% down payment in line with the BRPD Circular No. 05 dated 16 May 2019 and the Bank has also maintained provision of BDT 221 million upto Q3 Y2021 out of BDT 1,473 million as per the requirement of Bangladesh Bank vide its letter no. DBI-1/32/2021/927 dated 31 March 2021.

15.2 General provision for un-classified loans & advances

Provision held at the beginning of the period		3,677,041,823	2,690,833,981	3,445,744,984	2,459,537,142
Adjustment of previously written off loan		-	148,377,233	-	148,377,233
Provision made/(release) during the period	41	1,277,959,962	837,830,609	1,277,959,962	837,830,609
		4,955,001,785	3,677,041,823	4,723,704,946	3,445,744,984
Off-shore Banking Unit (OBU)					
Provision held at the beginning of the period		22,947,035	26,429,201	22,947,035	26,429,201
Provision made/(release) during the period	41	(1,799,470)	(3,482,166)	(1,799,470)	(3,482,166)
		21,147,565	22,947,035	21,147,565	22,947,035
		4,976,149,350	3,699,988,858	4,744,852,511	3,468,692,019

15.2.1 General provision required for un-classified loans and advances

Status of loans and advances	Base for provision	Rate (%)	Required provision	
			30 September 2021	31 December 2020
Standard				
Small and medium enterprise	23,978,990,405	0.25%	59,947,476	59,495,145
Consumer finance (house building)	47,588,819,363	1.00%	475,888,194	381,061,698
Loans to LP/BHs/MBs/SDs share etc.	83,722,832	2.00%	1,674,457	1,633,483
Consumer finance	5,457,228,876	2.00%	109,144,578	85,637,802
Consumer finance (card)	107,521,380	2.00%	2,150,428	2,144,689
Short term agri. and micro-credit	1,019,430,283	1.00%	10,194,303	11,028,830
Staff loan	1,100,631,945	0.00%	-	-
Other unclassified loan*	74,430,047,892	1.00%	3,802,851,754	2,813,311,889
	153,766,392,976		4,461,851,190	3,354,313,536

Amount in BDT

Particulars	Note	Group		Bank	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
Special Mention Account (SMA)					
Small and medium enterprise		128,308,730	0.25%	320,772	393,676
Consumer finance (house building)		366,195,542	1.00%	3,661,955	2,227,205
Consumer finance		14,543,225	2.00%	290,864	45,282
Consumer finance (card)		2,894,975	2.00%	57,899	52,558
Other unclassified loan **		4,778,562,342	1.00%	90,667,600	88,712,728
		5,290,504,813		94,999,090	91,431,449
Off-shore banking unit					
Un-classified loans		2,114,756,409	1.00%	21,147,564	22,947,034
		2,114,756,409		21,147,564	22,947,034
				4,577,997,844	3,468,692,019
General provision maintained (note-15.2)				4,744,852,511	3,468,692,019
Excess/(short)				166,854,667	-
*The Bank has maintained provision of BDT 1,429 million upto Q3 Y2021 out of BDT 2,890 million as per the requirement of Bangladesh Bank vide its letter no. DBI-1/32/2020/1543 dated 14 June 2020.					
** 1% additional provision has been maintained against the restructured loan in line with the BRPD Circular No. 04, dated 29 January 2015. Details Restructured Loan are shown in Annexure-J.					
15.3 Special general provision COVID-19					
1% additional provision has been maintained against the facilities for which payment was deferred during COVID-19 under the purview of BRPD Circular No. 56, dated 10 December 2020.					
15.4 Provision for off-balance sheet					
Provision held at the beginning of the period		435,409,089	460,901,538	435,409,089	460,901,538
Provision made/(release) during the period	41	149,762,229	(25,492,449)	149,762,229	(25,492,449)
		585,171,318	435,409,089	585,171,318	435,409,089
15.4.1 Provision required for off-balance sheet exposure					
Status	Base for provision	Rate (%)	Required provision		
			30 September 2021	31 December 2020	
Acceptances and endorsements	26,156,452,990	1.00%	261,564,530	163,509,516	
Letters of guarantee *	8,750,992,801	1.00%	100,015,960	93,095,955	
Irrevocable letters of credit	22,359,082,842	1.00%	223,590,828	178,803,618	
Bills for collection	8,459,864,833	0.00%	-	-	
Required provision			585,171,318	435,409,089	
Provision maintained (note-15.3)			585,171,318	435,409,089	
Excess/(short)			-	-	
As per Bangladesh Bank instruction, BDT 537,544 and BDT 11,968,588 have been maintained as an additional provision against a letter of guarantee of M/s. Hannan Works and M/s ATCO International, respectively.					
15.5 Provision for diminution in value of investments					
Provision held at the beginning of the period		354,475,761	651,829,320	354,475,761	651,829,320
Provision made/(release) during the period	41	1,185,653	(297,353,559)	1,185,653	(297,353,559)
		355,661,414	354,475,761	355,661,414	354,475,761
15.6 Provision for nostro account					
Provision held at the beginning of the period		10,646,778	10,659,195	10,646,778	10,659,195
Provision made/(release) during the period	41.1	87,747	(12,417)	87,747	(12,417)
		10,734,525	10,646,778	10,734,525	10,646,778
15.7 Provision for other assets					
Provision held at the beginning of the period		452,469,411	416,485,498	452,469,411	416,485,498
Provision made/(release) during the period	41.1	16,598,875	35,983,913	16,598,875	35,983,913
		469,068,286	452,469,411	469,068,286	452,469,411

Amount in BDT

Particulars	Note	Group		Bank	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
15.7.1 Particulars of required provision for other assets					
Status		Base for provision	Rate (%)	Required provision	
				30 September 2021	31 December 2020
Other assets for 6-12 months		34,789,525	50%	17,394,762	9,942,485
Other assets for more than 12 months		407,130,318	100%	407,130,318	394,706,721
Protested bills		44,543,206	100%	44,543,206	47,820,206
Required provision				469,068,286	452,469,411
Provision maintained (note-15.7)				469,068,286	452,469,411
Excess/(Short)				-	-
15.8 Provision for taxation					
Provision held at the beginning of the period		8,398,477,805	7,569,815,580	8,133,240,938	7,317,502,199
Provision made during the period		1,960,011,461	975,923,486	1,888,550,000	963,000,000
		10,358,489,266	8,545,739,066	10,021,790,938	8,280,502,199
Less: Settlement of tax on stock dividend		(80,993,694)	(147,261,261)	(80,993,694)	(147,261,261)
		10,277,495,572	8,398,477,805	9,940,797,244	8,133,240,938
15.9 Interest suspense account					
Balance at the beginning of the period		8,972,123,118	8,134,196,969	7,471,280,308	6,633,354,159
Add: Amount transferred to interest suspense account during the		1,184,883,013	1,477,570,087	1,184,883,013	1,477,570,087
Less: Amount transferred to interest income account during the p		(612,509,263)	(639,643,938)	(612,509,263)	(639,643,938)
Less: Amount written-off during the year		-	-	-	-
		9,544,496,868	8,972,123,118	8,043,654,058	7,471,280,308
15.10 Incentive bonus					
Balance at the beginning of the period		-	250,000,000	-	250,000,000
Add: Provision made during the period		1,090,182	1,662,000	-	-
Less: Paid during the period		-	(250,000,000)	-	(250,000,000)
Less: Transfer to income during the period		-	-	-	-
		1,090,182	1,662,000	-	-
15.11 Unclaimed dividend account					
More than 3 years		-	-	-	-
More than 4 years		-	-	-	-
More than 5 years & above		-	7,736,018	-	7,736,018
		-	7,736,018	-	7,736,018
Unclaimed or undistributed dividend amounting BDT 7,677,503.50 has been transferred to the Capital Market Stabilization Fund (CMSF) as per the notification: SEC/SRMIC/165-2020/part-1/166 dated 06 July 2021 issued by the Bangladesh Securities and Exchange Commission (BSEC).					
15.12	Start-up fund has recognised according to BB SME&SP Circular no. 05 dated 26 April 2021 on 1% Net profit for the year ended 31 December 2020.				
16 Share Capital					
16.1 Authorized Capital					
4,000,000,000 ordinary shares of Taka 10 each		40,000,000,000	40,000,000,000	40,000,000,000	40,000,000,000
16.2 Issued, subscribed and fully paid up capital					
8,000,000 ordinary shares of Taka 10 each		80,000,000	80,000,000	80,000,000	80,000,000
issued for cash					
4,400,000 ordinary shares of Taka 10 each		44,000,000	44,000,000	44,000,000	44,000,000
issued as rights share	16.2.1				
563,821,907 ordinary shares of Taka 10		5,638,219,070	5,638,219,070	5,638,219,070	5,638,219,070
each issued as rights share	16.2.2				
1,124,645,654 ordinary shares of Taka 10		11,246,456,540	10,436,519,610	11,246,456,540	10,436,519,610
each issued for bonus share					
		17,008,675,610	16,198,738,680	17,008,675,610	16,198,738,680
16.2.1	The Bank raised paid-up capital of Tk. 44,000,000 through Rights Issue of 440,000 no. of ordinary shares at a ratio of 1R:2 i.e. one rights share for two existing share at par in the year 1989 which was completed in the month of January 1990, before change of denomination from Tk. 100 to Tk. 10 which was effected from 4 December 2011.				
16.2.2	The Bank raised paid-up capital of Tk. 5,638,219,070 through Rights Issue of 563,821,907 no. of ordinary shares at a ratio of 1R:1 i.e. one rights share for one existing share at par in the year 2017.				
16.3 Issued, subscribed and fully paid up Capital-Shareholders' Category					
1,143,857,969 [Year 2020: 1,089,388,542 ordinary shares of Taka 10 each fully paid held by the Sponsors, Directors, Institutions, Foreign investors & General Public.		11,438,579,690	10,893,885,420	11,438,579,690	10,893,885,420
557,009,592 [Year 2020: 530,485,326 ordinary shares of Taka 10 each fully paid held by the Government of the People's Republic of Bangladesh.		5,570,095,920	5,304,853,260	5,570,095,920	5,304,853,260
		17,008,675,610	16,198,738,680	17,008,675,610	16,198,738,680

Amount in BDT

Particulars	Note	Group		Bank	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020

16.4 Shareholding by category

Category	30 September 2021			31 December 2020		
	No. of Share	%	Taka	No. of Share	%	Taka
Sponsors & Directors	69,933,264	4.11	699,332,640	66,603,111	4.11	666,031,110
Government (Director also)	557,009,592	32.75	5,570,095,920	530,485,326	32.75	5,304,853,260
Sub-Total	626,942,856	36.86	6,269,428,560	597,088,437	36.86	5,970,884,370
Institutions	433,760,208	25.5	4,337,602,080	470,454,459	29.04	4,704,544,590
Foreign investors	14,349,174	0.84	143,491,740	12,717,884	0.79	127,178,840
General investors	625,815,323	36.80	6,258,153,230	539,613,088	33.31	5,396,130,880
Sub-Total	1,073,924,705	63.14	10,739,247,050	1,022,785,431	63.14	10,227,854,310
Total	1,700,867,561	100	17,008,675,610	1,619,873,868	100	16,198,738,680

The Government is representing in the Board of the Bank by nomination 03 (Three) Directors and as such, Sponsors & Directors are at present holding 36.86% shares of the Bank.

16.5 Distribution of paid up capital

Holding of share	30 September 2021			31 December 2020		
	No. of holder	Total shares	%	No. of holder	Total shares	%
1 to 500 shares	15,441	2,276,031	0.14	14,608	2,051,350	0.13
501 to 5,000 shares	20,707	41,388,617	2.39	14,325	29,969,707	1.85
5,001 to 10,000 shares	4,491	34,341,071	2.29	3,888	29,134,724	1.80
10,001 to 20,000 shares	3,102	46,044,440	3.23	2,692	39,307,003	2.43
20,001 to 30,000 shares	1,229	30,777,936	2.19	1,151	28,833,294	1.78
30,001 to 40,000 shares	598	21,072,657	1.48	544	19,086,097	1.18
40,001 to 50,000 shares	535	25,089,198	1.61	449	20,831,451	1.28
50,001 to 100,000 shares	928	68,056,086	4.58	783	56,545,941	3.49
100,001 to 1,000,000 shares	844	222,462,111	13.79	697	201,241,451	12.42
More than 1,000,000 shares	135	1,209,359,414	68.30	130	1,192,872,850	73.64
Total	48,010	1,700,867,561	100	39,267	1,619,873,868	100

16.6 Shareholding of Directors

Sl.	Name of the Directors	Status	Holding %	Closing Position	Opening Position
1	Mr. Salman F Rahman	Chairman	2.00	34,026,928	32,406,599
2	Mr. Ahmed Shayan Fazlur Rahman*	Vice-Chairman	2.11	35,906,336	34,196,512
3	Ms. Rabeya Jamali	Independent Director	Nil	Nil	Nil
4	Mr. Sudhangshu Shekhar Biswas	Independent Director	Nil	Nil	Nil
5	Mr. A. R. M. Nazmus Sakib**	Govt. nominated Director			
6	Ms. Quamrun Naher Ahmed**	Govt. nominated Director	32.75	557,009,592	530,485,326
7	Mr. Md. Zafar Iqbal, ndc**	Govt. nominated Director			
8	Mr. Mohammad Shah Alam Sarwar	Managing Director	Nil	Nil	Nil

* Represents M/s. New Dacca Industries Limited against its holding of 2.11% shares in the Bank.

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

16.7 Capital Adequacy Ratio (BASEL-III)

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

Common Equity Tier 1 (going-concern capital)

Paid-up capital	16.2	17,008,675,610	16,198,738,680	17,008,675,610	16,198,738,680
Statutory reserve	17	6,864,775,853	6,864,775,853	6,864,775,853	6,864,775,853
General reserve	18	155,071,397	155,071,397	155,071,397	155,071,397
Retained earnings	21	5,571,580,495	4,248,076,927	2,572,596,483	1,775,205,220
		29,600,103,355	27,466,662,857	26,601,119,343	24,993,791,150
Less: Regulatory Adjustments:					
Deduction from Tier-1 Capital (95% of deferred tax assets)		960,607,907	907,940,673	960,607,907	907,940,673
Total Common Equity Tier 1 Capital		28,639,495,448	26,558,722,185	25,640,511,436	24,085,850,478

Amount in BDT

Particulars	Note	Group		Bank	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
Tier-2 (Gone-Concern Capital)					
General provision		6,761,320,668	5,335,397,947	6,530,023,829	5,104,101,108
Subordinated debt that meet the qualifying criteria for Tier 2		6,400,000,000	2,100,000,000	6,400,000,000	2,100,000,000
Total Tier-2 Capital		13,161,320,668	7,435,397,947	12,930,023,829	7,204,101,108
Total Regulatory Capital (A)		41,800,816,116	33,994,120,132	38,570,535,266	31,289,951,586
Total assets including off-balance sheet items		474,967,427,937	418,513,245,012	470,784,899,903	413,895,445,927
Total risk-weighted Assets		300,685,097,964	262,206,655,232	294,234,166,613	255,638,666,438
Required capital @12.5% (B)		37,585,637,245	32,775,831,904	36,779,270,827	31,954,833,305
Total capital surplus/(Deficit) C=(A-B)		4,215,178,871	1,218,288,228	1,791,264,439	(664,881,718)
Capital to Risk-weighted Asset Ratio (CRAR):					
Common Equity Tier 1 to RWA		9.52%	10.13%	8.71%	9.42%
Tier - 2 Capital to RWA		4.38%	2.84%	4.39%	2.82%
Capital to Risk-weighted Asset Ratio (CRAR)		13.90%	12.96%	13.11%	12.24%
Details computation of risk-weighted assets [solo basis] are shown in "Annexure - E"					
17 Statutory reserve					
Balance at the beginning of the period		6,864,775,853	6,531,903,475	6,864,775,853	6,531,903,475
Transferred from profit during the period		-	332,872,378	-	332,872,378
		6,864,775,853	6,864,775,853	6,864,775,853	6,864,775,853
18 General reserve					
		155,071,397	155,071,397	155,071,397	155,071,397
General reserve also includes the surplus provision of Tk. 99,300,000 against the restructured large loan of RR Holdings which was transferred from the specific provision in the year 2015 as per BRPD Circular No. 04 dated 29 January 2015 and extra ordinary foreign exchange gain of Tk. 28,559,248 transferred from profit in the year 2010.					
19 Revaluation reserve against securities					
HTM securities	19.1	49,117,875	80,968,715	49,117,875	80,968,715
HFT securities	19.2	325,326	26,880,411	325,326	26,880,411
		49,443,201	107,849,126	49,443,201	107,849,126
19.1 Revaluation reserve HTM securities					
Balance at the beginning of the period		80,968,715	48,258,777	80,968,715	48,258,777
Gain/(loss) from revaluation on investments		(31,850,840)	32,709,938	(31,850,840)	32,709,938
		49,117,875	80,968,715	49,117,875	80,968,715
19.2 Revaluation reserve HFT securities					
Balance at the beginning of the period		26,880,411	1,862,360	26,880,411	1,862,360
Gain/(loss) from revaluation on investments		(26,555,085)	25,018,051	(26,555,085)	25,018,051
		325,326	26,880,411	325,326	26,880,411
20 Revaluation reserve against fixed assets					
		115,314,704	115,314,704	115,314,704	115,314,704
In terms of International Accounting Standard (IAS) 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 the revaluation reserve account.					
20.a Consolidated foreign currency translation reserve					
IFIC Money Transfer (UK) Limited		1,513,125	1,442,548	-	-
Investment in joint venture/associate (NBBL)		81,379,939	119,996,466	-	-
Investment in joint venture/associate (OE LLC)		13,366,593	12,649,392	-	-
		96,259,657	134,088,406	-	-
21 Surplus in profit and loss account					
Balance at the beginning of the period		-	-	1,775,205,220	3,018,442,662
Net profit after tax for the period		-	-	1,612,950,668	562,247,536
Transfer to statutory reserve during the period		-	-	-	(332,872,378)
Transfer to Start-up fund of Y2020		-	-	(5,622,475)	-
Issue of bonus shares		-	-	(809,936,930)	(1,472,612,600)
		-	-	2,572,596,483	1,775,205,220

Amount in BDT

Particulars	Note	Group		Bank	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
22 Consolidated surplus in profit and loss account					
IFIC Bank Limited	21	2,572,596,483	1,775,205,220	-	-
IFIC Securities Limited		558,445,206	372,552,596	-	-
IFIC Investment Limited		13,868,652	-	-	-
IFIC Money Transfer (UK) Limited		(24,385,996)	(19,110,491)	-	-
Share of profit of investment in joint venture/associate (NBBL)		2,484,051,152	2,152,120,471	-	-
Share of profit of investment in joint venture/associate (OE LLC)		87,239,947	70,358,359	-	-
Exchange (gain)/loss on investment in joint venture/associate (NBBL)		(106,868,356)	(90,399,836)	-	-
Exchange (gain)/loss on investment in joint venture/associate (OE LLC)		(13,366,594)	(12,649,393)	-	-
		5,571,580,495	4,248,076,927	-	-
23 Non-controlling interest (NCI)					
IFIC Securities Limited	23.1	7,523	7,016	-	-
IFIC Investment Limited	23.2	6,208	-	-	-
IFIC Money Transfer (UK) Limited		-	-	-	-
		13,731	7,016	-	-
23.1 NCI of IFIC Securities Limited					
Opening balance on 1 January		7,016	6,880	-	-
Add: Share of profit during the period		507	136	-	-
		7,523	7,016	-	-
23.2 NCI of IFIC Investment Limited					
Opening balance on 1 January		6,000	-	-	-
Add: Share of profit during the period		208	-	-	-
		6,208	-	-	-
24 Contingent liabilities					
Acceptances and endorsements	24.1	26,156,452,990	16,350,951,601	26,156,452,990	16,350,951,601
Letters of guarantee	24.2	8,750,992,801	8,058,992,366	8,750,992,801	8,058,992,366
Irrevocable Letters of credit	24.3	22,359,082,842	17,880,361,773	22,359,082,842	17,880,361,773
Bills for collection	24.4	8,459,864,833	8,193,373,111	8,459,864,833	8,193,373,111
		65,726,393,466	50,483,678,851	65,726,393,466	50,483,678,851
24.1 Acceptances and endorsements					
Back to back bills (local currency)		279,594,776	279,594,776	279,594,776	279,594,776
Back to back bills (foreign currency)		25,876,858,214	16,071,356,825	25,876,858,214	16,071,356,825
		26,156,452,990	16,350,951,601	26,156,452,990	16,350,951,601
24.2 Letters of guarantee					
Letters of guarantee (local currency)		8,592,874,724	7,979,200,054	8,592,874,724	7,979,200,054
Letters of guarantee (foreign currency)		158,118,077	79,792,312	158,118,077	79,792,312
		8,750,992,801	8,058,992,366	8,750,992,801	8,058,992,366
Money for which the bank is contingently liable in respect of guarantee issued favouring:					
Directors		-	-	-	-
Government		3,876,728,872	3,819,557,827	3,876,728,872	3,819,557,827
Banks and other financial institutions		1,855,691,070	1,454,967,826	1,855,691,070	1,454,967,826
Others		3,018,572,859	2,784,466,712	3,018,572,859	2,784,466,712
		8,750,992,801	8,058,992,366	8,750,992,801	8,058,992,366
24.3 Irrevocable letters of credit					
Letter of credit (LC) - cash sight		12,045,399,636	9,102,343,168	12,045,399,636	9,102,343,168
Letter of credit (LC) - back to back		10,147,289,402	8,539,680,148	10,147,289,402	8,539,680,148
Letter of credit (LC) - cash usance		166,393,804	238,338,457	166,393,804	238,338,457
		22,359,082,842	17,880,361,773	22,359,082,842	17,880,361,773
24.4 Bills for collection					
Inland bills collection		6,312,033	20,994,127	6,312,033	20,994,127
Foreign bills collection		-	745,436	-	745,436
Inland documentary bills for collection		3,089,827,097	2,826,418,019	3,089,827,097	2,826,418,019
Foreign documentary bills for collection		5,363,725,703	5,345,215,529	5,363,725,703	5,345,215,529
		8,459,864,833	8,193,373,111	8,459,864,833	8,193,373,111

Notes to the Financial Statements
as at and for the period ended 30 September 2021

Amount in BDT

Particulars	Note	Group		Bank	
		1 January to 30 September 2021	1 January to 30 September 2020	1 January to 30 September 2021	1 January to 30 September 2020
25 Income statement					
Income					
Interest, discount and similar income	26, 28	18,777,983,266	18,723,816,675	18,604,445,463	18,705,691,390
Dividend income	28	45,791,665	36,205,415	44,078,266	33,499,729
Fees, commission and brokerage	29.1	1,455,436,245	928,112,813	1,368,678,188	888,066,456
Gains less losses arising from dealing in securities	28	2,619,192	167,524,486	2,619,192	167,524,486
Gains less losses arising from investment securities	28.1	704,471,981	2,473,651	637,355,790	2,148,772
Gain less losses arising from dealing in foreign currencies	29.2	366,854,276	420,022,802	384,039,997	418,457,383
Other operating income	30	477,501,242	422,574,430	125,547,809	83,070,160
		21,830,657,868	20,700,730,272	21,166,764,706	20,298,458,376
Expenses					
Interest, fee and commission	27	11,611,578,354	14,208,645,702	11,612,588,608	14,208,648,868
Administrative expenses	31-38	2,982,005,656	2,634,880,376	2,957,119,544	2,610,376,004
Other operating expenses	39, 40	1,041,899,278	880,012,025	1,005,847,599	865,428,431
Depreciation on banking assets		678,378,779	416,653,795	671,280,784	411,022,499
		16,313,862,067	18,140,191,897	16,246,836,536	18,095,475,801
Profit before provision		5,516,795,801	2,560,538,374	4,919,928,170	2,202,982,575
26 Interest income					
Term loan-industrial		1,202,556,518	1,257,164,448	1,202,556,518	1,257,164,448
Term Loan-Agricultural Loan		17,519,456	182,807,116	17,519,456	182,807,116
Term loan-consumer finance		11,655,966	17,373,116	11,655,966	17,373,116
Term Loan-Housing Finance		3,191,594,256	2,659,855,128	3,191,594,256	2,659,855,128
Term Loan-Transport loan		4,141,004	7,491,538	4,141,004	7,491,538
Term Loan-Lease finance		10,691,481	20,715,000	10,691,481	20,715,000
Term Loan-Foreign Currency (OBU)		77,337,177	90,431,454	77,337,177	90,431,454
Term loan-others		4,142,654,457	4,095,543,084	4,142,654,457	4,095,543,084
Overdrafts		4,522,969,564	4,281,141,510	4,705,448,530	4,281,141,510
Cash credit		1,245,970,321	1,596,282,573	1,245,970,321	1,596,282,573
Credit card		13,460,913	16,376,796	13,460,913	16,376,796
Demand loan		461,433,014	640,658,530	461,433,014	640,658,530
Loan general		89,045,708	106,611,472	89,045,708	106,611,472
Loan against trust receipt (LTR)		279,945,823	491,437,331	279,945,823	491,437,331
Staff loan		29,223,747	41,066,155	29,223,747	41,066,155
Overdue interest		288,042,769	125,103,572	288,042,769	125,103,572
Interest on Margin Loan		356,016,769	18,125,285	-	-
Interest income from loans and advances		15,944,258,943	15,648,184,108	15,770,721,140	15,630,058,823
Inland documentary bill purchased (IDBP)		50,901,642	72,091,629	50,901,642	72,091,629
Usance Bill Discounted (OBU)		3,876,862	2,327,616	3,876,862	2,327,616
Payment against document (cash)		5,151,614	31,884,391	5,151,614	31,884,391
Payment against document (forced)		28,173,221	50,157,384	28,173,221	50,157,384
Payment against document (EDF)		150,191,958	171,285,809	150,191,958	171,285,809
Payment against document (inland)		73,111,356	72,646,712	73,111,356	72,646,712
Payment against document (others)		85,079,476	130,951,040	85,079,476	130,951,040
Interest income from bills paid and discounted		396,486,129	531,344,581	396,486,129	531,344,581
Money at call on short notice		7,035,611	71,760,806	7,035,611	71,760,806
Balance held outside Bangladesh		172,456	4,140,078	172,456	4,140,078
Balance held inside Bangladesh		1,261,164	13,172,239	1,261,164	13,172,239
		16,349,214,303	16,268,601,812	16,175,676,500	16,250,476,527
27 Interest paid on deposits, borrowings etc.					
Interest paid on deposits					
Current deposit		3,346,640,672	2,843,281,975	3,347,555,597	2,843,285,141
Saving bank deposit		436,602,329	603,778,113	436,602,329	603,778,113
Special notice deposit		819,680,514	752,121,608	819,775,844	752,121,608
Fixed deposit		5,497,233,451	8,227,763,097	5,497,233,451	8,227,763,097
Non resident FC deposit		92,132	98,287	92,132	98,287
Resident FC deposit		164,988	173,867	164,988	173,867
Pension savings scheme		574,363,430	497,120,854	574,363,430	497,120,854
Monthly income scheme		658,262,065	923,289,467	658,262,065	923,289,467
Foreign currency deposit		220,346	205,716	220,346	205,716
		11,333,259,928	13,847,832,984	11,334,270,182	13,847,836,150

Amount in BDT

Particulars	Note	Group		Bank	
		1 January to 30 September 2021	1 January to 30 September 2020	1 January to 30 September 2021	1 January to 30 September 2020
Interest paid on borrowings					
Term borrowing		10,379,509	38,547,506	10,379,509	38,547,506
Repurchase agreement (repo)		354,530	-	354,530	-
Bangladesh Bank- Refinance		43,845,364	17,618,158	43,845,364	17,618,158
Payment against lease obligation		79,987	823,818	79,987	823,818
Interest on subordinated bond		114,420,833	186,539,013	114,420,833	186,539,013
Bangladesh Bank- EDF		108,168,811	116,823,549	108,168,811	116,823,549
Bangladesh Bank- LTFF Refinance		1,069,392	460,674	1,069,392	460,674
		278,318,426	360,812,718	278,318,426	360,812,718
		11,611,578,354	14,208,645,702	11,612,588,608	14,208,648,868
28 Investment income					
Interest income					
Interest on Treasury bills and bonds		2,176,779,071	2,164,520,965	2,176,779,071	2,164,520,965
Interest on term placement		251,989,892	290,693,898	251,989,892	290,693,898
Interest on reverse repo		2,619,192	167,524,486	2,619,192	167,524,486
Gain/(loss) on share sale	28.1	704,471,981	2,473,651	637,355,790	2,148,772
Dividend income - local		45,791,665	36,205,415	44,078,266	33,499,729
		3,181,651,801	2,661,418,416	3,112,822,211	2,658,387,850
28.1 Gain from sale of shares of listed companies					
Gain on share sale		792,099,195	6,183,774	724,983,004	5,858,896
Less: Loss on sale of share		(87,627,214)	(3,710,123)	(87,627,214)	(3,710,123)
		704,471,981	2,473,651	637,355,790	2,148,772
29 Commission, exchange and brokerage					
Commission	29.1	1,386,058,953	914,125,732	1,368,678,188	888,066,456
Exchange gain/(loss)	29.2	366,854,276	420,022,802	384,039,997	418,457,383
Brokerage		69,377,292	13,987,080	-	-
		1,822,290,522	1,348,135,614	1,752,718,186	1,306,523,839
29.1 Commission					
Bills purchased (Inland)		182,152	297,917	182,152	297,917
Remittances (inland)		3,812,504	3,684,703	3,812,504	3,684,703
Remittances (foreign)		2,471,686	1,921,874	2,471,686	1,921,874
Letter of guarantee (LG)-local		91,881,351	55,255,405	94,953,351	55,255,405
Letter of credit (back to back)		395,253,769	242,160,982	395,253,769	242,160,982
Letter of credit (cash)		166,770,262	88,521,090	166,770,262	88,521,090
Letter of credit (others)		78,638,249	72,315,287	78,638,249	72,315,287
Wage earners development bond		1,747,813	3,076,563	1,747,813	3,076,563
Local documentary bills collection (LDBC)		1,280,098	1,030,635	1,280,098	1,030,635
Inward foreign documentary bills collection (IFDBC)		166,228,705	85,188,069	166,228,705	85,188,069
Foreign documentary bills collection (FDBC)		984,100	1,184,400	984,100	1,184,400
Foreign bills collection (FBC)		57,737	268,315	57,737	268,315
Add confirmation		28,166,221	12,890,003	28,166,221	12,890,003
Bill collection commission OBU		2,400,905	784,004	2,400,905	784,004
Loan origination fees		102,047,789	72,257,352	102,047,789	72,257,352
Service charge on accounts		129,295,325	115,010,364	128,527,025	115,008,864
Fees and Commission-Cards		86,731,049	53,463,803	86,731,049	53,463,803
Sanchaypatra		20,541,346	94,825	20,541,346	94,825
Foreign correspondent charges		27,499,621	27,428,584	27,499,621	27,428,584
Negotiation against contract		22,403,350	17,383,708	22,403,350	17,383,708
Rebate from foreign correspondent		37,222,332	33,358,678	37,222,332	33,358,678
Commission others		20,442,590	26,549,170	758,125	491,394
		1,386,058,953	914,125,732	1,368,678,188	888,066,456
29.2 Exchange gain/(loss)					
Exchange gain from revaluation of FC		366,854,276	420,022,802	384,039,997	418,457,383
		366,854,276	420,022,802	384,039,997	418,457,383

Amount in BDT

Particulars	Note	Group		Bank	
		1 January to 30 September 2021	1 January to 30 September 2020	1 January to 30 September 2021	1 January to 30 September 2020
30 Other operating income					
Locker rent		10,357,400	11,797,265	10,357,400	11,797,265
Cheque Book charge recovery		31,448,812	18,543,386	31,448,812	18,543,386
SWIFT charges recovery		12,674,457	11,302,956	12,674,457	11,302,956
Fund transfer fee		9,248,416	4,609,822	9,248,416	4,609,822
Management fee - Foreign*		-	3,185,625	-	3,185,625
Miscellaneous earning		64,959,889	36,816,887	61,818,725	33,631,106
		128,688,973	86,255,941	125,547,809	83,070,160
* The Bank has received Management fee from NBBL under Management service/Technical Know-how fee agreement which has credited Bank's Nostro Account in 2020.					
31 Salary and allowances					
Basic salary		952,963,854	864,264,264	939,817,575	852,958,045
House rent allowance		419,988,729	369,712,948	417,790,292	367,471,282
Conveyance allowance		53,804,465	50,584,388	53,517,554	49,961,481
Medical allowances		91,031,110	82,855,268	90,546,127	82,366,383
Entertainment allowance		25,935,231	31,685,918	25,706,231	31,181,918
Other allowances		64,378,117	139,715,578	63,782,041	139,457,808
Incentive bonus		70,000,002	-	70,000,002	-
Leave encashment		10,943,202	5,930,118	10,943,202	5,930,118
Festival bonus		169,902,572	159,719,130	168,886,109	158,644,130
Leave fare assistance		73,817,365	74,822,747	73,274,365	74,309,747
Provident fund- Bank's contribution		75,799,822	79,574,257	75,799,822	79,574,257
Contribution to gratuity fund		101,000,000	19,000,000	101,000,000	19,000,000
		2,109,564,468	1,877,864,616	2,091,063,320	1,860,855,169
Number of employees for the 3rd quarter ended 30 September 2021 who were paid remuneration less than Tk. 36,000 was nil (Q3 2020: nil). Total number of employees in the Bank at the 3rd quarter ended 30 September 2021 were 3,740 (Q2 2020: 2,660).					
32 Rent, taxes, insurance, electricity etc.					
Rent paid		191,104,351	260,803,319	189,079,103	258,794,255
Rates & taxes		9,207,311	8,440,893	9,412,889	8,155,820
Insurance premium		188,480,934	155,406,459	188,341,574	155,306,882
Electricity & water		92,029,836	66,829,687	91,430,830	66,400,706
		480,822,432	491,480,357	478,264,396	488,657,663
Total office rent expenses for 3rd quarter ended 30 September 2021 are Tk. 530,220,807 Due to application of IFRS 16: Leases, Tk. 344,567,005 has been distributed as depreciation (Annexure-D) and interest expense (note 40). Required withholding tax and VAT on total rental expense have been deducted and deposited accordingly. Details are disclosed in Note 2.2.1.7.					
33 Legal expenses					
Legal expenses		2,059,682	2,376,280	1,390,000	384,112
Professional fees		9,780,758	5,782,796	8,829,772	4,261,511
		11,840,440	8,159,077	10,219,772	4,645,623
34 Postage, stamp, telecommunication etc.					
Postage expenses		9,956,494	4,286,562	9,946,409	4,282,954
Telephone		18,081,583	13,147,990	17,950,831	13,061,484
Communication facilities		49,206,643	37,256,892	48,922,662	36,964,911
		77,244,720	54,691,444	76,819,902	54,309,349
35 Stationery, printing, advertisement etc.					
Printing stationery		1,922,662	2,334,273	1,613,953	2,068,679
Security stationery		12,203,948	3,471,933	12,203,948	3,471,933
Petty stationery		29,129,264	12,555,108	29,129,264	12,555,108
Computer stationery		10,970,771	8,663,802	10,970,771	8,663,802
Advertisement and publicity		223,161,133	155,040,736	223,161,133	154,992,345
		277,387,778	182,065,851	277,079,069	181,751,867
36 Managing Director's salary					
Basic salary		12,622,500	11,475,000	12,622,500	11,475,000
House rent allowance		900,000	900,000	900,000	900,000
Provident fund- Bank's contribution		1,262,250	1,147,500	1,262,250	1,147,500
Festival & Performance bonus		4,085,500	3,805,000	4,085,500	3,805,000
		18,870,250	17,327,500	18,870,250	17,327,500

Amount in BDT

Particulars	Note	Group		Bank	
		1 January to 30 September 2021	1 January to 30 September 2020	1 January to 30 September 2021	1 January to 30 September 2020
37 Directors' fees					
Meeting attendance fees		3,266,400	1,178,500	1,832,000	1,008,000
		3,266,400	1,178,500	1,832,000	1,008,000
Each Director is paid Tk. 8,000 for attending each meeting as per the latest BRPD Circular no. 11, dated 04 October 2015.					
38 Auditors' fees*					
Statutory annual audit fees		3,009,168	2,113,031	2,970,835	1,820,833
		3,009,168	2,113,031	2,970,835	1,820,833
* Audit fee is inclusive of tax and VAT.					
39 Depreciation and repair of bank's assets					
Depreciation					
Buildings and premises		35,187,516	35,316,408	35,187,516	35,316,408
Right of Use Assets		317,453,949	146,449,344	313,563,363	142,944,195
Wooden furniture		18,736,791	15,633,923	18,668,196	15,565,328
Steel furniture		4,736,349	2,936,454	4,736,349	2,936,454
Computer equipment		73,523,661	51,720,570	71,860,492	50,744,626
Office equipment		19,734,325	12,766,968	19,734,325	12,766,968
Electrical & gas equipment		91,044,287	68,647,934	90,828,356	68,329,850
Leasehold improvement		37,026,761	22,654,849	35,767,046	22,053,152
Vehicles		12,400,478	15,241,858	12,400,478	15,241,858
Soft furnishing		617,410	585,348	617,410	585,348
Software		67,917,254	44,700,139	67,917,254	44,538,313
		678,378,779	416,653,795	671,280,784	411,022,499
Repairs and maintenance					
Property maintenance and repairs		183,403,844	113,422,563	182,282,757	112,197,104
Vehicles maintenance and repairs		30,944,702	35,539,322	30,750,256	35,539,322
		214,348,546	148,961,885	213,033,013	147,736,426
		892,727,326	565,615,679	884,313,797	558,758,925
40 Other expenses					
Entertainment		17,953,260	20,105,109	17,683,076	19,954,515
Petrol, oil and lubricants	40.1	42,647,911	44,362,148	42,647,261	44,362,148
Training and internship	40.2	4,366,462	6,366,132	4,366,462	6,366,132
Traveling expenses	40.3	17,721,415	43,552,212	17,413,085	43,287,570
Casual and contractual service	40.4	276,347,999	202,454,268	276,093,983	202,326,956
Loss on sales of fixed assets	40.5	15,401,856	3,033,740	15,401,857	305,700
Subscription and donation		31,402,089	82,615,934	30,086,079	82,273,554
Corporate Social Responsibility (CSR)		42,860,226	54,711,318	42,860,226	54,711,318
Books, newspapers and magazines, etc.		562,368	1,387,029	556,798	1,380,649
Interest on leased assets		33,147,930	28,337,203	31,003,642	26,300,195
NID verification charge		1,286,866	435,749	1,286,866	435,749
Reward and recognition		214,950	80,000	214,950	80,000
Uniforms and liveries		1,530	937,218	1,530	937,218
AGM and EGM expense		6,222,866	3,671,361	6,042,066	3,503,361
Business development		4,416,521	8,988,979	4,336,521	8,988,979
Croceries		1,181,932	722,340	1,173,087	705,410
Security services		153,311,657	111,008,150	152,533,984	110,413,752
Bank charges and commission		16,878,144	10,810,337	5,520,486	5,333,800
Recovery and sales agent		3,541,445	32,184,753	3,541,445	32,184,753
Visa card expense		70,676,592	21,791,562	70,676,592	21,791,562
Branch Charge		8,914,093	8,538,903	8,914,093	8,538,903
Bond & Rights Share issue		38,000,000	53,987	38,000,000	53,987
Miscellaneous		40,492,618	44,901,710	22,460,497	43,456,793
		827,550,731	731,050,140	792,814,586	717,692,005
Expenses incurred by the Bank shown in these Financial Statements are inclusive of VAT where applicable as per Value Added Tax and Supplementary Duty Act, 2012.					
40.1 Petrol, oil and lubricants					
Petrol, oil and lubricants - pool car		14,485,555	10,947,765	14,484,905	10,947,765
Petrol, oil and lubricants - car purchase scheme		28,162,356	33,414,383	28,162,356	33,414,383
		42,647,911	44,362,148	42,647,261	44,362,148
40.2	Training and internship expense includes daily allowance and traveling allowances.				
40.3	Traveling expense represents foreign and local travel which include daily allowances and traveling allowance.				

Amount in BDT

Particulars	Note	Group		Bank	
		1 January to 30 September 2021	1 January to 30 September 2020	1 January to 30 September 2021	1 January to 30 September 2020
40.4 Casual and contractual service					
Driver salary - car purchase scheme		30,654,311	36,105,296	30,654,311	36,105,296
DSA salary and incentive		101,295,778	75,003,454	101,295,778	75,003,454
Casual and contractual - staff		144,397,910	91,345,518	144,143,894	91,218,206
		276,347,999	202,454,268	276,093,983	202,326,956
40.5 Gain/ (loss) on sales of fixed assets					
Cost of fixed assets sold					
Wooden furniture		2,434,147	5,253,139	2,434,147	961,616
Steel furniture		872,709	181,629	872,709	181,629
Computer equipment		18,527,473	2,489,833	18,527,473	2,489,833
Office equipment		3,285,648	623,899	3,285,648	623,899
Electrical & gas equipment		31,079,261	7,006,753	31,079,261	3,845,922
Leasehold improvement		13,306,215	5,566,677	13,306,215	2,742,868
Vehicles		4,355,027	-	4,355,027	-
Soft furnishing		330,725	393,008	330,725	56,825
Software		13,000	85,333	13,000	85,333
Non-banking assets		225,410,120	-	225,410,120	-
		299,614,324	21,600,271	299,614,324	10,987,925
Less : Accumulated depreciation					
Wooden furniture		2,185,399	3,471,818	2,185,399	862,520
Steel furniture		596,276	126,807	596,276	126,807
Computer equipment		18,342,716	2,462,908	18,342,716	2,462,908
Office equipment		3,285,597	616,910	3,285,597	616,910
Electrical & gas equipment		30,225,765	6,421,696	30,225,765	3,724,612
Leasehold improvement		10,912,201	3,915,924	10,912,201	1,810,155
Vehicles		4,355,022	-	4,355,022	-
Soft furnishing		325,463	387,476	325,463	56,821
Software		12,999	85,332	12,999	85,332
		70,241,437	17,488,871	70,241,437	9,746,065
Written down value		229,372,887	4,111,399	229,372,887	1,241,859
Sale proceeds of above fixed assets		213,971,031	1,077,659	213,971,031	936,159
Gain / (loss) on sales of fixed assets		(15,401,856)	(3,033,740)	(15,401,856)	(305,700)
40.a Details of investment in joint ventures/associates - under equity method					
i) Nepal Bangladesh Bank Limited					
Opening balance		4,614,483,965	4,025,376,164	-	-
Add/ (less): Share of post acquisition profit during the period		331,930,681	319,999,774	-	-
Add/ (less): Effect of changes in foreign currency exchange rate		(38,616,528)	(130,355,258)	-	-
Closing balance		4,907,798,118	4,215,020,680	-	-
ii) Oman Exchange LLC					
Opening balance		157,380,003	133,400,738	-	-
Add/ (less): Share of post acquisition profit/(loss) during the period		16,881,588	16,318,715	-	-
Add/ (less): Effect of changes in foreign currency exchange rate		717,201	(57,356)	-	-
Closing balance		174,978,792	149,662,096	-	-
iii) Share of post acquisition profit during the period					
Nepal Bangladesh Bank Limited		331,930,681	319,999,774	-	-
Oman Exchange LLC		16,881,588	16,318,715	-	-
		348,812,269	336,318,489	-	-
iv) Investment in joint ventures/associates-under equity method					
A. Book value of investment					
Nepal Bangladesh Bank Limited		2,449,235,383	2,433,589,228	-	-
Oman Exchange LLC		87,738,845	76,028,557	-	-
		2,536,974,228	2,509,617,785	-	-
B. Cumulative share of post acquisition profit					
Nepal Bangladesh Bank Limited		2,458,562,736	1,781,431,452	-	-
Oman Exchange LLC		87,239,947	73,633,539	-	-
		2,545,802,683	1,855,064,992	-	-
Total (A+B)		5,082,776,910	4,364,682,777	-	-

Amount in BDT

Particulars	Note	Group		Bank	
		1 January to 30 September 2021	1 January to 30 September 2020	1 January to 30 September 2021	1 January to 30 September 2020
41 Provision for loans, investments and other assets					
Specific provision	15.1	51,817,927	(210,716,273)	51,817,927	(210,716,273)
General provision	15.2	1,277,959,962	704,892,541	1,277,959,962	704,892,541
Provision for off-shore banking unit	15.2	(1,799,470)	(2,340,737)	(1,799,470)	(2,340,737)
Special general provision COVID-19	15.3	-	-	-	-
Provision for off-balance sheet exposure	15.4	149,762,229	(57,830,343)	149,762,229	(57,830,343)
Provision for loans and advances		1,477,740,648	434,005,188	1,477,740,648	434,005,188
Provision for diminution in value of investments	15.5	1,185,653	(67,962,184)	1,185,653	(67,962,184)
Other provisions	41.1	16,686,622	47,721,338	16,686,622	47,721,338
		1,495,612,923	413,764,342	1,495,612,923	413,764,342
41.1 Other provisions					
Provision for nostro account	15.6	87,747	(6,277)	87,747	(6,277)
Provision for other assets	15.7	16,598,875	47,727,615	16,598,875	47,727,615
		16,686,622	47,721,338	16,686,622	47,721,338
42 Provision for taxation					
Current tax		1,960,011,461	883,754,470	1,888,550,000	880,000,000
Deferred tax expense/(income)	42.1	(77,892,270)	39,914,218	(77,185,421)	40,886,529
		1,882,119,190	923,668,688	1,811,364,579	920,886,529
42.1 Deferred tax expense/(income)					
Deferred tax on provision for loans and advances (DF & BL)	10.5	(69,806,244)	41,092,159	(69,806,244)	41,092,159
Deferred tax on fixed assets	10.5	(6,801,539)	5,141,919	(6,094,689)	6,114,230
Deferred tax on leased assets	10.5	(1,284,488)	(6,319,860)	(1,284,488)	(6,319,860)
		(77,892,270)	39,914,218	(77,185,421)	40,886,529
43 Receipts from other operating activities					
Rent received		10,357,400	11,797,265	10,357,400	11,797,265
Other receipts		118,331,573	74,458,676	115,190,409	71,272,895
Capital gain/(loss)	28.1	704,471,981	2,473,651	637,355,790	2,148,772
		833,160,955	88,729,593	762,903,599	85,218,932
44 Cash paid for other operating activities					
Postage, stamp, telecommunication etc.		77,244,720	54,399,464	76,819,902	54,309,349
Rent paid		532,246,055	258,794,255	530,220,807	258,794,255
Rates, taxes & utilities		9,207,311	11,536,089	9,412,889	8,155,820
Insurance premium		188,480,934	155,306,882	188,341,574	155,306,882
Electricity & water		92,029,836	66,400,706	91,430,830	66,400,706
Traveling expenses		17,721,415	43,287,570	17,413,085	43,287,570
Auditors' fees		3,009,168	1,820,833	2,970,835	1,820,833
Directors' fees		3,266,400	1,178,500	1,832,000	1,008,000
Legal expenses		11,840,440	6,637,791	10,219,772	4,645,623
Repairs and maintenance		214,348,546	147,736,426	213,033,013	147,736,426
Other expenses		746,342,908	655,298,257	714,604,781	612,634,107
		1,895,737,734	1,402,396,774	1,856,299,488	1,354,099,571
45 (Increase)/decrease of other assets					
Stationery and stamps		42,564,602	45,638,470	42,562,124	45,638,470
Suspense account		1,124,569,918	1,105,377,278	1,112,988,358	1,105,377,278
Advance, deposit and prepayments		805,771,926	577,168,320	804,222,966	575,096,104
Receivable others		176,058,596	248,838,939	157,867,695	238,679,564
Closing other assets		2,148,965,042	1,977,023,007	2,117,641,143	1,964,791,416
Opening other assets		1,977,023,007	1,835,342,099	1,371,440,904	1,821,092,973
		(171,942,035)	(141,680,908)	(746,200,239)	(143,698,443)

Amount in BDT

Particulars	Note	Group		Bank	
		1 January to 30 September 2021	1 January to 30 September 2020	1 January to 30 September 2021	1 January to 30 September 2020
46 Increase/(decrease) of other liabilities					
Withholding Tax payable to government		207,572,415	241,150,308	207,472,048	241,150,308
Withholding VAT payable to government		92,159,748	78,785,140	92,030,946	78,785,140
Excise duty payable to government		12,647,646	13,183,207	12,647,646	13,183,207
Dividend payable		-	2,814,447	-	2,814,447
Revaluation of investment abroad		30,946,297	30,946,297	30,946,297	30,946,297
Payable against Govt Bond & Sanchaypatra		99,747,332	152,022,993	99,747,332	152,022,993
Others		197,095,175	178,921,845	196,892,695	152,183,950
Closing other liabilities		640,168,613	697,824,237	639,736,964	671,086,342
Opening other liabilities		1,183,801,787	863,523,887	1,078,168,240	827,498,078
		(543,633,174)	(165,699,650)	(438,431,276)	(156,411,736)
47 Cash and cash equivalents					
Cash in hand		5,418,380,906	3,851,984,084	5,418,148,996	3,847,302,610
Balance with Bangladesh Bank and its agent Bank (s)		15,681,491,634	14,093,353,548	15,681,491,634	14,093,353,548
Balance with other banks and financial Institutions		5,987,461,188	6,596,441,575	6,773,566,850	6,524,181,279
Money at call and on short notice		4,300,000,000	2,740,000,000	4,300,000,000	2,740,000,000
Prize Bonds		3,897,100	3,010,900	3,897,100	3,010,900
		31,391,230,828	27,284,790,107	32,177,104,580	27,207,848,337
48 Reconciliation of statement of cash flows from operating activities					
Profit before provision				4,919,928,170	2,202,982,575
Adjustment for non cash items					
Depreciation on fixed asset				603,363,530	366,484,186
Amortization on software				67,917,254	44,538,313
Adjustment with non-operating activities				671,280,784	411,022,499
Recovery of written off loans				134,470,143	65,799,320
Interest receivable				(150,245,825)	(262,564,099)
Interest payable on deposits				261,668,576	115,994,895
Exchange gain from revaluation of FC				(384,039,997)	(418,457,383)
Rent paid - lease adjustment				(341,141,704)	-
Accrued Expense				157,781,829	66,834,065
Interest on leased assets				31,003,642	26,300,195
				(290,503,336)	(406,093,006)
Changes in operating assets and liabilities					
Changes in loans & advances				(31,422,390,620)	(21,285,405,117)
Changes in deposit and other accounts				30,176,066,847	24,764,193,356
Changes in other assets				(746,200,239)	(143,698,443)
Changes in other liabilities				(438,431,276)	(156,411,736)
				(2,430,955,287)	3,178,678,060
Income tax paid				(1,417,013,935)	(895,508,754)
Net cash flows from/(used in) operating activities				1,452,736,396	4,491,081,373
49 Number of ordinary shares outstanding					
Balance at the beginning of the period		1,619,873,868	1,472,612,608	1,619,873,868	1,472,612,608
Add: Bonus share issued		80,993,693	147,261,260	80,993,693	147,261,260
		1,700,867,561	1,619,873,868	1,700,867,561	1,619,873,868
50 Earnings Per Share (EPS)*					
Net profit after tax		2,139,062,973	1,223,105,341	1,612,950,668	868,331,704
Number of ordinary shares outstanding		1,700,867,561	1,700,867,561	1,700,867,561	1,700,867,561
Earning Per Share (EPS)		1.26	0.72	0.95	0.51
The consolidated and separate EPS of the Bank as of Q3 Y2021 is higher compared to Q3 Y2020 due to higher level of Net Interest Income, Investment Income and Fee based income.					
51 Net Operating Cash Flow per Share*					
Net cash flows from operating activities		1,618,384,787	4,549,170,468	1,452,736,396	4,491,081,373
Number of ordinary shares outstanding in respective periods		1,700,867,561	1,700,867,561	1,700,867,561	1,700,867,561
Net Operating Cash Flow per Share		0.95	2.67	0.85	2.64
The consolidated and separate NOCFPS of the Bank as of Q3 Y2021 is lower compared to Q3 Y2020 due to lower level of deposits growth than lending growth.					
52 Net Asset Value (NAV) per Share*					
Net assets value at the end of the period		29,861,120,917	27,678,105,215	26,765,877,248	25,507,228,260
Number of ordinary shares outstanding in respective periods		1,700,867,561	1,700,867,561	1,700,867,561	1,700,867,561
Net Asset Value (NAV) per Share		17.56	16.27	15.74	15.00

* Previous period's figure has been restated.

Balance with other Banks and Financial Institutions-Outside Bangladesh

as at 30 September 2021

Annexure-A

Name of the Bank and Financial Institutions	Account type	Currency type	30 September 2021			31 December 2020		
			FC amount	Conversion rate	Equivalent BDT	FC amount	Conversion rate	Equivalent BDT
AB Bank Ltd., Mumbai	CD	USD	809,289	85.50	69,194,240	395,913	84.80	33,573,878
Amana Bank, Sri Lanka	CD	USD	41,325	85.50	3,533,314	11,790	84.80	999,805
Bank of Bhutan, Phuentsoling	CD	USD	77,927	85.50	6,662,729	77,927	84.80	6,608,266
Citi Bank N.A. New York	CD	USD	2,029,548	85.50	173,526,376	1,290,776	84.80	109,459,226
Commerz Bank AG, Frankfurt	CD	USD	784,976	85.50	67,115,444	870,894	84.80	73,852,764
Commerz Bank AG, Frankfurt	CD	EUR	201,667	99.15	19,996,194	259,390	103.87	26,943,552
Habib Bank, New York	CD	USD	925,462	85.50	79,127,033	642,042	84.80	54,445,833
Habib Bank AG, Zurich	CD	CHF	72,458	91.45	6,626,165	16,161	95.87	1,549,398
ICIC Bank Ltd., India	CD	USD	834,676	85.50	71,364,810	777,170	84.80	65,904,870
J.P. Morgan Chase Bank AG, Frankfurt	CD	EUR	30,297	99.15	3,004,048	27,150	103.87	2,820,185
J.P. Morgan Chase Bank, New York	CD	USD	2,008,241	85.50	293,001,171	3,139,002	84.80	266,190,838
J.P. Morgan Chase Bank, Sydney	CD	AUD	39,818	61.37	2,443,542	60,073	64.50	3,874,664
Mashreq Bank, PSC, India	CD	USD	334,677	85.50	28,614,844	323,691	84.80	27,449,330
Masreq Bank PSC, New York	CD	USD	1,823,390	85.50	155,899,842	1,283,113	84.80	108,809,368
MCB Bank Ltd, Pakistan	CD	USD	115,393	85.50	9,866,119	149,715	84.80	12,696,015
Nations Trust Bank Ltd., Colombo	CD	USD	-	-	-	-	-	-
Nepal Bangladesh Bank Ltd., Nepal	CD	USD	227,696	85.50	19,467,990	198,346	84.80	16,819,930
Sonali Bank Limited, Kolkata	CD	USD	139,264	85.50	11,907,040	152,559	84.80	12,937,139
Standard Chartered Bank, New York	CD	USD	6,812,125	85.50	582,436,727	4,900,230	84.80	415,544,859
Standard Chartered Bank, Kolkata	CD	USD	109,398	85.50	9,353,508	645,508	84.80	54,739,795
Standard Chartered Bank, London	CD	GBP	334,079	114.80	38,351,138	140,208	114.49	16,053,022
Standard Chartered Bank, London	CD	USD	122,970	85.50	10,513,927	122,970	84.80	10,427,984
Standard Chartered Bank, Tokyo	CD	JPY	16,572,671	0.76	12,654,892	14,114,314	0.82	11,555,389
Wells Fargo Bank, New York	CD	USD	2,103,539	85.50	179,852,614	592,745	84.80	50,265,436
Total			36,550,886		1,854,513,708	30,191,685		1,383,521,546

Details of investment in shares

as at 30 September 2021

Annexure-B

Amount in BDT

Name of the Company	Face value	No. of share	Cost/share	Cost price	Mkt or NAV price/share	Total value	Gain/(loss)
Unquoted shares							
Karma Sangsthan Bank	100	200,000	100.00	20,000,000	116.11	23,221,703	3,221,703
Central Depository Bangladesh Limited	10	2,284,722	10.00	22,847,220	34.69	79,250,463	56,403,243
				42,847,220		102,472,166	59,624,946
Quoted shares							
Under General/own Fund							
Bangladesh Submarine Cable	10	50,000	187.04	9,351,870	218.50	10,925,000	1,573,130
Beximco Limited	10	8,265,000	65.23	539,131,594	137.20	1,133,958,000	594,826,406
Beximco Pharmaceuticals Limited	10	3,040,600	105.26	320,041,062	240.30	730,656,180	410,615,118
Brac Bank Limite	10	57,434	47.46	2,725,622	47.60	2,733,858	8,236
British American Tobacco Bangladesh Company Limite	10	15,000	463.26	6,948,852	651.00	9,765,000	2,816,148
Energypac Power Generation Limited	10	619,500	41.90	25,960,000	53.10	32,895,450	6,935,450
Fareast Life Insurance Limited	10	979,224	125.11	122,511,641	68.30	66,880,999	(55,630,641)
Grameenphone Limited	10	25,000	367.69	9,192,230	380.20	9,505,000	312,770
IDLC Finance Limited	10	520,000	77.86	40,487,941	73.10	38,012,000	(2,475,941)
LafargeHolcim Bangladesh Limited	10	75,000	79.24	5,943,233	92.40	6,930,000	986,768
National Housing Finance & Investment Limited	10	5,288,910	7.38	39,010,000	81.50	431,046,165	392,036,165
Power Grid Company Limited	10	200,000	69.13	13,825,061	63.10	12,620,000	(1,205,061)
Reliance Insurance Ltd.	10	70,000	106.30	7,440,958	96.10	6,727,000	(713,958)
Square Pharmaceuticals Limited	10	174,025	210.18	36,576,615	242.20	42,148,855	5,572,240
Summit Power Limited	10	208,545	49.92	10,411,536	47.70	9,947,597	(463,940)
TITAS Gas Transmission and Distribution Limited	10	1,665,760	76.60	127,592,706	44.10	73,460,016	(54,132,690)
Unique Hotel and Resorts Limited	10	200,000	105.15	21,029,385	62.80	12,560,000	(8,469,385)
Walton Hi-Tech Industries Limited	10	11,000	1,376.49	15,141,398	1,276.10	14,037,100	(1,104,298)
Total				1,353,321,702		2,644,808,220	1,291,486,518
Under Special Fund as per BB DOS Circular number 1, dated 10 February 2020							
Beximco Pharmaceuticals Limited	10	7,371,650	106.05	781,737,625	240.30	1,771,407,495	989,669,870
Total				781,737,625		1,771,407,495	989,669,870
Mutual funds							
IFIC Bank 1 st Mutual Fund	10	37,951,655	6.59	250,000,000	9.75	370,009,660	120,009,660
ICB Employee 1 st Mutual Fund	10	1,339,500	13.43	17,986,473	9.15	12,262,453	(5,724,020)
				267,986,473		382,272,113	114,285,641

Foreign Investment: In associate/joint venture

Nepal Bangladesh Bank Limited	36,827,426	66.51	2,449,235,383	334.65	12,324,312,695	9,875,077,312
Oman Exchange LLC	627,841	139.75	87,738,845	254.43	159,741,427	72,002,582
			2,536,974,228		12,484,054,122	9,947,079,894
Other foreign Investment: MCB Bank Limited, Pakistan	175,508	2,069.25	363,170,724	75.40	13,233,330	(349,937,394)
Total foreign investment			2,900,144,952		12,497,287,452	9,597,142,500
Total			5,346,037,972		17,398,247,446	12,052,209,474

Required provision for investment in shares

Amount in BDT

Particulars	Cost price	Market value	Req. Provision
Unquoted shares ¹	42,847,220	102,472,166	-
Quoted- own/general Fund ²	1,353,321,702	2,644,808,220	-
Quoted- under special fund ²	781,737,625	1,771,407,495	-
Mutual funds ³	267,986,473	382,272,113	5,724,020
Sub-total	2,445,893,020	4,900,959,994	5,724,020
Foreign Investment: In associate/joint venture	2,536,974,228	12,484,054,122	-
Other foreign investment-MCB Bank Ltd.	363,170,724	13,233,330	349,937,394
Grand Total	5,346,037,972	17,398,247,446	355,661,414

¹ Provision is kept against unrealized loss for investment in unquoted shares.

² Provision against quoted- own/general Fund has been made following DOS circular no. 4 dated 24 November 2011

³ Provision against Mutul Fund made in line with the directives contained in Bangladesh Bank DOS Circular number 03 and 10 dated 12 March and 28 June 2015 respectively.

Calculation as under:

Name of the Company	No. of share	Cost/Share	NAV/share	NAV x 85%	MV/share	Higher of C & D	(NAVx85%) - CP	Required Provision
	A	B		C	D	E	F=(E-B)	G=(A x F)
IFIC Bank 1 st MF	37,951,655	6.59	11.47	9.75	6.20	9.75	-	-
ICB EP 1 st MF	1,339,500	13.43	10.77	9.15	7.70	9.15	(4.27)	(5,724,020)
Total provision required								(5,724,020)

Loans and advances allowed to each customer exceeding 10% of Bank's total capital
as at 30 September 2021

BDT in million

Sl.	Name of the group	Name of clients	Outstanding as on 30 September 2021			Amount classified
			Funded	Non-funded	Total	
1	Uttara	Uttara Traders(Pvt.) Ltd.	4,355.30	5,006.10	9,361.40	-
		Sub Total:	4,355.30	5,006.10	9,361.40	-
2	Silver Line	Silver Composite Textile Mills Ltd.	2,615.91	1,519.60	4,135.51	-
		Silver Line Composite Textile Mill Ltd.	2,005.50	1,479.80	3,485.30	-
			-	5.00	5.00	-
		Sub Total:	4,621.41	3,004.40	7,625.81	-
3	Pran Group	Agricultural Marketing Ltd.	68.23	-	68.23	-
		Banga Building Materials Ltd.	104.53	735.10	839.63	-
		Banga Millers Ltd.	15.40	-	15.40	-
		Durable Plastic Ltd.	190.00	248.70	438.70	-
		Pran Dairy Ltd.	280.00	2,873.10	3,153.10	-
		RFL Plastics Ltd.	28.80	1,800.30	1,829.10	-
		Sub Total:	686.96	5,657.20	6,344.16	-
4	Nassa	Nassa Properties Ltd.	3,848.00	-	3,848.00	-
		Nassa Spinners & Garments	755.10	601.20	1,356.30	-
		Nassa Supreme Wash Ltd.	426.20	19.40	445.60	-
		Sub Total:	5,029.30	620.60	5,649.90	-
5	Doha-Global	Dohatec Newmedia Ltd.	1,714.22	42.60	1,756.82	-
		Global Voice Telecom Ltd.	2,479.48	1,351.30	3,830.78	-
		Sub Total:	4,193.70	1,393.90	5,587.60	-
6	Habib Hotel	Habib Hotel International Ltd.	5,453.96	-	5,453.96	-
		Sub Total:	5,453.96	-	5,453.96	-
7	Knit Concern	Knit Concern Ltd.	1,096.20	2,537.20	3,633.40	-
		KC Apparels Ltd.	54.30	152.90	207.20	-
		Pack Concern Ltd.	42.30	15.30	57.60	-
		KC Lingerie Ltd.	744.70	599.10	1,343.80	-
		Zas Concern Ltd.	6.00	8.10	14.10	-
		JMJ Mollah Cold Storage Ltd.	36.47	-	36.47	-
		Surecell Medical (BD) Ltd.	11.51	-	11.51	-
		KC Spinning Mills Ltd.	-	38.90	38.90	-
		Sub Total:	1,991.48	3,351.50	5,342.98	-
8	SQ	SQ Celsius Ltd.	2,326.89	310.40	2,637.29	-
		SQ Birichina Ltd.	1,551.60	942.10	2,493.70	-
		Sub Total:	3,878.49	1,252.50	5,130.99	-
9	Uttara Jute	Uttara Jute Fibres & Industries Ltd.	4,801.54	314.60	5,116.14	-
		Sub Total:	4,801.54	314.60	5,116.14	-
10	ENA	Ena Properties Ltd.	2,073.03	28.20	2,101.23	-
		Northern Power Solutions Ltd.	2,012.16	111.00	2,123.16	-
		Ena Building Products Ltd.	303.00	-	303.00	-
		Sakoatex Ltd.	504.31	11.00	515.31	-
		Sub Total:	4,892.50	150.20	5,042.70	-
11	Uttara	Uttara Acrylic Mills Ltd.	100.12	20.90	121.02	-
		Uttara Spinning Mills Ltd.	2,365.53	873.20	3,238.73	-
		Six Seasons Food and Beverage Ltd.	-	5.10	5.10	-
		Six Seasons Traders	-	1,234.50	1,234.50	-
		Uttara Rotors Yarn Mills Ltd.	194.10	15.20	209.30	-
		Sub Total:	2,659.75	2,148.90	4,808.65	-
		Islam Garments Ltd.	2,497.40	2,017.00	4,514.40	-

Sl.	Name of the group	Name of clients	Outstanding as on 30 September 2021			Amount classified
			Funded	Non-funded	Total	
12	Islam	Islam Knit Designs Ltd.	129.20	84.20	213.40	-
		Euro Jeans Ltd.	43.80	-	43.80	-
		Sub Total:	2,670.40	2,101.20	4,771.60	-
13		Northstone Construction & Engineering Ltd.	4,716.73	-	4,716.73	-
		Sub Total:	4,716.73	-	4,716.73	-
14		Absolute Construction & Engineering Ltd.	4,705.10	-	4,705.10	-
		Sub Total:	4,705.10	-	4,705.10	-
15		Global LPG Ltd.	4,648.14	-	4,648.14	-
		Sub Total:	4,648.14	-	4,648.14	-
16	Teambuild	Teambuild Construction & Engineering Ltd.	4,628.43	-	4,628.43	-
		Sub Total:	4,628.43	-	4,628.43	-
17		Serve Construction & Engineering Ltd.	4,627.60	-	4,627.60	-
		Sub Total:	4,627.60	-	4,627.60	-
18		Sristi Real Estate Ltd.	4,627.49	-	4,627.49	-
		Sub Total:	4,627.49	-	4,627.49	-
19	Navana	Navana Ltd.	548.28	701.10	1,249.38	-
		Navana Real Estate Ltd.	2,931.00	-	2,931.00	-
		Navana Interlinks Ltd.	146.69	60.70	207.39	-
		Navana Electronics Ltd.	110.99	8.40	119.39	-
		Sub Total:	3,736.97	770.20	4,507.17	-
20		Central Land & Buildings Ltd.	4,386.39	-	4,386.39	-
		Sub Total:	4,386.39	-	4,386.39	-
21	Sikder	Powerpac Mutiara Keraniganj Ltd.	2,230.91	-	2,230.91	-
		R & R Holdings Ltd.	2,113.95	-	2,113.95	-
		Sub Total:	4,344.86	-	4,344.86	-
22		Quick Real Estate Ltd.	4,279.12	-	4,279.12	-
		Sub Total:	4,279.12	-	4,279.12	-
23		Raj Housing Ltd.	4,211.23	-	4,211.23	-
		Sub Total:	4,211.23	-	4,211.23	-
24		Wisdom Attires Ltd.	3,917.30	285.40	4,202.70	-
		Sub Total:	3,917.30	285.40	4,202.70	-
25	Phonix	Appollo Ispat Complex Ltd.	4,039.10	118.60	4,157.70	-
		Sub Total:	4,039.10	118.60	4,157.70	-
26		Vestel Cable TV Networks	3,931.40	-	3,931.40	-
		Sub Total:	3,931.40	-	3,931.40	-
27		Crystal Construction Ltd.	3,909.94	-	3,909.94	-
		Sub Total:	3,909.94	-	3,909.94	-
		Grand Total:	109,944.60	26,175.30	136,119.90	-

Schedule of fixed assets including premises, furniture and fixture
as at 30 September 2021

Annexure - D

Particulars	Cost					Depreciation/Amortization				Written down value as at 30 September 2021
	Balance as at 1 January 2021	Addition during the year	Transfer from CWIP	Disposal during the year	Balance as at 30 September 2021	Balance as at 1 January 2021	Charged during the year	Disposal during the year	Balance as at 30 September 2021	
Land	2,423,609,559	-	-	-	2,423,609,559	-	-	-	-	2,423,609,559
Buildings and premises	1,902,617,204	-	-	-	1,902,617,204	422,008,536	35,187,516	-	457,196,052	1,445,421,152
Right of Use Assets	1,938,582,527	-	-	-	1,938,582,527	584,125,725	313,563,363	-	897,689,087	1,040,893,440
Wooden furniture	287,581,539	36,654,184	-	2,434,147	321,801,576	147,092,121	18,668,196	2,185,399	163,574,918	158,226,658
Steel furniture	111,193,993	22,991,147	-	872,709	133,312,431	49,804,274	4,736,349	596,276	53,944,347	79,368,084
Computer equipment	1,049,746,984	88,888,743	29,031,300	18,527,473	1,149,139,554	743,955,942	71,860,492	18,342,716	797,473,718	351,665,836
Electrical & gas equipment	1,085,482,116	187,431,781	29,825,582	31,079,261	1,271,660,218	562,544,470	90,828,356	30,225,765	623,147,061	648,513,157
Office equipment	290,404,959	57,598,524	-	3,285,648	344,717,835	219,524,399	19,734,325	3,285,597	235,973,127	108,744,708
Leasehold improvement	508,637,207	140,547,443	43,274,460	13,306,215	679,152,895	208,944,409	35,767,046	10,912,201	233,799,255	445,353,640
Vehicles	212,708,501	-	-	4,355,027	208,353,474	171,833,744	12,400,478	4,355,022	179,879,201	28,474,273
Soft furnishing	12,960,055	490,589	-	330,725	13,119,919	11,745,436	617,410	325,463	12,037,382	1,082,537
Software	1,107,209,905	8,500,942	2,413,320	13,000	1,118,111,167	402,183,786	67,917,254	12,999	470,088,041	648,023,126
	10,930,734,549	543,103,352	104,544,662	74,204,204	11,504,178,359	3,523,762,842	671,280,784	70,241,437	4,124,802,189	7,379,376,170
Capital work in progress *	88,200,413	187,695,625	(104,544,662)	-	171,351,376	-	-	-	-	171,351,376
Total	11,018,934,962	730,798,977	-	74,204,204	11,675,529,735	3,523,762,842	671,280,784	70,241,437	4,124,802,189	7,550,727,546

* Capital work in progress represents the amount paid for EKYC Solution, Computers, Router and Fusion Banking Essence.

Particulars	Cost					Depreciation/Amortization				Written down value as at 31 December 2020
	Balance as at 1 January 2020	Addition during the year	Transfer from CWIP	Disposal during the year	Balance as at 31 December 2020	Balance as at 1 January 2020	Charged during the year	Disposal during the year	Balance as at 31 December 2020	
Land	2,423,609,559	-	-	-	2,423,609,559	-	-	-	-	2,423,609,559
Buildings and premises	1,902,617,204	-	-	-	1,902,617,204	374,834,064	47,174,472	-	422,008,536	1,480,608,668
Right of Use Assets	951,944,753	1,045,628,181	-	58,990,406	1,938,582,527	134,709,167	454,886,479	5,469,921	584,125,725	1,354,456,803
Wooden furniture	254,570,346	38,998,932	-	5,987,739	287,581,539	131,702,993	21,075,551	5,686,424	147,092,121	140,489,418
Steel furniture	77,057,552	25,087,869	10,125,000	1,076,428	111,193,993	46,253,874	4,127,431	577,031	49,804,274	61,389,719
Computer equipment	863,236,002	77,513,866	117,214,225	8,217,109	1,049,746,984	680,401,945	71,735,012	8,181,015	743,955,942	305,791,043
Electrical & gas equipment	902,371,888	197,864,907	-	14,754,679	1,085,482,116	483,273,963	93,429,031	14,158,524	562,544,470	522,937,646
Office equipment	242,661,330	51,323,052	-	3,579,423	290,404,959	204,996,742	18,099,158	3,571,502	219,524,399	70,880,560
Leasehold improvement	329,274,712	173,277,081	17,061,674	10,976,260	508,637,207	186,421,607	30,567,987	8,045,185	208,944,409	299,692,798
Vehicles	147,985,565	17,122,936	-	-	165,108,501	115,581,655	11,833,728	-	127,415,383	37,693,118
Leased vehicles	47,600,000	-	-	-	47,600,000	35,598,988	8,819,373	-	44,418,361	3,181,639
Soft furnishing	12,646,335	802,092	-	488,372	12,960,055	11,438,534	795,240	488,338	11,745,436	1,214,619
Software	693,375,354	33,888,255	380,261,630	315,333	1,107,209,905	339,695,937	62,803,177	315,327	402,183,786	705,026,119
	8,848,950,600	1,661,507,171	524,662,529	104,385,750	10,930,734,550	2,744,909,469	825,346,640	46,493,267	3,523,762,842	7,406,971,708
Capital work in progress *	297,219,437	315,643,505	(524,662,529)	-	88,200,413	-	-	-	-	88,200,413
Total	9,146,170,037	1,977,150,676	-	104,385,750	11,018,934,962	2,744,909,469	825,346,640	46,493,267	3,523,762,842	7,495,172,120

* Capital work in progress represents the amount paid for Disaster Recovery Centre, Iron safe, EKYC Solution and Fusion Banking Essence.

Computation of Risk Weighted Assets
Annexure -E

Solo Basis

as at 30 September 2021

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	5,418.15	-
b.	Claims on Bangladesh Government (other than PSEs) and Bangladesh Bank		0	62,597.67	-
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, 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	395.53	79.11
		2,3	0.50	63.36	31.68
		4,5	1.00	3.43	3.43
		6	1.50	-	-
		Unrated	1.00	51.10	51.10
	ii) Maturity less than 3 months		0.20	11,732.66	2,346.53
h.	Claims on Corporate (excluding equity exposure)	1	0.20	13,929.24	2,785.85
		2	0.50	24,262.32	12,131.16
		3,4	1.00	82,716.41	82,716.41
		5,6	1.50	-	-
		Unrated	1.25	20,086.44	25,108.05
h(1)	Claims on SME	SME 1	0.20	199.52	39.90
		SME 2	0.40	277.98	111.19
		SME 3	0.60	2,080.81	1,248.48
		SME 4	0.80	1,188.89	951.11
		SME 5	1.20	-	-
		SME 6	1.50	-	-
		Unrated (small enterprise & <BDT 3m)	0.75	2,115.14	1,586.36
		Unrated (small enterprise having ≥ BDT 3m&Medium enterprise)	1.00	10,694.65	10,694.65

Sl.	Exposure Type	Rating	Risk Weight	Exposure	RWA
i.	Claims under Credit Risk Mitigation	PSE		-	-
		Banks & NBFIs		-	-
		Corporate		6,001.30	3,340.87
		Retail		444.33	23.69
		SME		684.52	58.20
		Consumer finance		1,523.51	138.55
		Residential property		46.32	13.91
		Commercial real estate		73.35	71.35
j.	Claims categorized as retail portfolio (excluding SME, Consumer Finance and Staff loan) up to 1 crore		0.75	1,337.80	1,003.35
k.	Consumer finance		1.00	1,943.85	1,943.85
l.	Claims fully secured by residential property		0.50	68,673.12	34,336.56
m.	Claims fully secured by Commercial real estate		1.00	37,331.00	37,331.00
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	6,499.09	9,748.64
	ii) Where specific provisions are no less than 20 percent of the outstanding amount of the past due claim		1.00	1,896.56	1,896.56
	iii) Where specific provisions are more than 50 percent of the outstanding amount of the past due claim		0.50	398.94	199.47
	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	741.38	741.38
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	42.24	31.68	
o.	Capital Market Exposure		1.25	-	-
p.	Investment in equity and other regulatory capital instruments issued by other banks and merchant Banks/Brokerage Houses/Exchange Houses which are not listed in the Stock Exchanges (other than those deducted from capital) held in banking book		1.25	110.59	138.23
q.	Investments in venture capital		1.50	-	-
r.	Investments in premises, plant and equipment and all other fixed assets		1.00	7,550.73	7,550.73
s.	Claims on all fixed assets under operating lease		1.00	170.95	170.95
t.	All other assets			-	-
	i) Claims on GoB & BB		0.00	9,271.60	-
	ii) Staff loan/Investment		0.20	1,100.63	220.13
	iii) Cash items in Process of Collection		0.20	-	-
	iv) Claims on Off-shore Banking Units (OBU)		1.00	2,114.76	2,114.76
	v) Other assets (net off specific provision, if any)		1.00	6,937.33	6,937.33
Sub-Total				392,727.19	247,906.19

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	RWA
1	2	3	4	5	6 = (4x5)
a)	Claims on Bangladesh Government and Bangladesh Bank		0		
b)	Claims on other Sovereigns & Central Banks*				
c)	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank		0		
d)	Claims on Multilateral Development Banks (MDBs):				
	i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB		0		
	ii) Others MDBs	1	0.20		
		2,3	0.50		
		4,5	1.00		
		6	1.50		
		Unrated	0.50		
e)	Claims on Public Sector Entities (other than Government) in Bangladesh	1	0.20		
		2,3	0.50		
		4,5	1.00		
		6	1.50		
		Unrated	0.50		
f)	Claims on Banks & NBFIs				
	i) Maturity over 3 months	1	0.20		
		2,3	0.50		
		4,5	1.00		
		6	1.50		
		Unrated	0.50		
	ii) Maturity less than 3 months		0.20		
g)	Claims on Corporate (excluding equity exposure)	1	0.20	8,204.86	1,640.97
		2	0.50	10,100.14	5,050.07
		3,4	1.00	8,060.54	8,060.54
		5,6	1.50	-	-
		Unrated	1.25	5,725.13	7,156.41
h)	Claims under retail exposure		0.75	2.11	1.58
h(1)	Claims under SME Credit Rating-wise exposure	1	0.20	0.52	0.10
		2	0.40	21.80	8.72
		3	0.60	482.15	289.29
		4	0.80	330.34	264.28
		5	1.20	-	-
		6	1.50	-	-
		Unrated (small enterprise & <BDT 3.00m)	0.75	62.09	46.57
		Unrated (small enterprise having ≥ BDT 3.00m & Medium enterprise)	1.00	1,115.90	1,115.90
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				34,105.58	23,634.43

3.0 Capital Charge for Market Risk (Balance Sheet Exposures)

BDT in Million

Sl. No.	Market Risk	Capital Charge	Risk Weight	RWA
a	Interest Rate Related Instruments	16.96	10.00	169.46
b	Equities	959.70	10.00	9,596.98
c	Foreign Exchange Position	101.26	10.00	1,012.64
d	Commodities	-	-	-
Sub-Total		1,077.92		10,779.17

4.0 Capital Charge for Operational Risk (Basic Indicator Approach)

Sl. No.	Operational Risk	Capital Charge	Risk Weight	RWA
a	Gross Income	1,191.44	10.00	11,914.37
Sub-Total		1,191.44	10.00	11,914.37
Grand Total Risk Weighted Assets				294,234.17

Related party disclosures

Annexure -F

Name of Directors and their interest in different entities
as at 30 September 2021

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	Bangladesh Enterprise Institute
			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 Pharma Center for Bio & Industrial Research Ltd.
			Vice Chairman	Beximco Property Development and Management Ltd.
			Vice Chairman	Sonali Ansh Limited
			Vice Chairman	Esses Exporters Ltd.
			Shareholder	Beximco Power Company Ltd.
Shareholder	Beximco Engineering Ltd.			
Shareholder	I & I Services Ltd.			
2	Mr. Ahmed Shayan Fazlur Rahman	Vice-Chairman	Chairman	Beximco Communications Limited
			Chairman	Escorp LPG Limited
			Chairman	Beximco Petroleum Limited
			Chairman	Escorp Cylinders Limited
			Chairman (Nominee Director)	Beximco LPG Unit-1 Limited
			Chairman (Nominee Director)	Beximco LPG Unit-2 Limited
			Chairman (Nominee Director)	Giga Tech Limited
			Managing Director (Nominee Director)	Beximco Power Company Limited
			Managing Director (Nominee Director)	Escorp Holdings Limited
			Managing Director (Nominee Director)	OK Company Limited
			Managing Director	Eses Holdings Limited
			Shareholder	Crescent Fashion and Design Limited
			Shareholder	SFR Estates Limited
3	Mr. Anwaruzzaman Chowdhury (Upto 17 July 2021)	Independent Director	Director (Nominated by IFIC Bank)	IFIC Money Transfer (UK) Limited
			Alternate Director (Nominated by IFIC Bank)	Oman Exchange LLC
			Chairman	Kipling
4	Ms. Rabeya Jamali	Independent Director	Director (Nominated by IFIC Bank)	IFIC Investment Limited
			Director (Nominated by IFIC Bank)	IFIC Money Transfer (UK) Limited
			Alternate Director (Nominated by IFIC Bank)	Nepal Bangladesh Bank Limited, Nepal
			Partner	Jamali & Morshed
			Independent Director	Confidence Cement Limited
5	Mr. Sudhangshu Shekhar Biswas (Since 18 July 2021)	Independent Director	Director (Nominated by IFIC Bank)	IFIC Securities Limited
			Director (Nominated by IFIC Bank)	IFIC Money Transfer (UK) Limited
			Alternate Director (Nominated by IFIC Bank)	Oman Exchange LLC

SI No.	Name	Status with the Bank	Status with interested entities	Name of the firms/companies in which they have interest
6	Mr. A. R. M. Nazmus Sakib	Govt. nominated Director	Chairman (Nominated by IFIC Bank)	Nepal Bangladesh Bank Limited, Nepal
			Chairman (Nominated by IFIC Bank)	IFIC Money Transfer (UK) Limited
			Director (Nominated by IFIC Bank)	Oman Exchange LLC
			Director (Nominated by IFIC Bank)	IFIC Investment Limited
7	Ms. Quamrun Naher Ahmed	Govt. nominated Director	Chairman (Nominated by IFIC Bank)	IFIC Securities Limited
			Director (Nominated by IFIC Bank)	IFIC Money Transfer (UK) Limited
			Director (Nominated by IFIC Bank)	Nepal Bangladesh Bank Limited, Nepal
			Director (Nominated by IFIC Bank)	Beximco Pharmaceuticals Ltd.
			Member (Nominated by Govt. of Bangladesh)	National River Conservation Commission
8	Mr. Md. Zafar Iqbal, ndc	Govt. nominated Director	Chairman (Nominated by IFIC Bank)	IFIC Investment Limited
			Director (Nominated by IFIC Bank)	IFIC Money Transfer (UK) Limited
			Alternate Director (Nominated by IFIC Bank)	Oman Exchange LLC
			Additional Secretary (On PRL)	Ministry of Public Administration, Bangladesh Secretariat
9	Mr. Mohammad Shah Alam Sarwar	Managing Director	Director (Nominated by IFIC Bank)	Nepal Bangladesh Bank Limited, Nepal
			Director (Nominated by IFIC Bank)	Oman Exchange LLC
			Director (Nominated by IFIC Bank)	IFIC Money Transfer (UK) Limited
			Director (Nominated by IFIC Bank)	IFIC Securities Limited

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

Nature of Transaction	As at and for the year ended	
	30 September 2021	31 December 2020
1) Name of the Party : IFIC Securities Limited		
Relationship with the company : Subsidiary		
A. Capital investment	2,199,994,000	2,199,994,000
B. Current & SND Account	910,341,299	82,462,094
C. BO account balance	801,495,863	829,312,122
D. Loan	2,789,253,758	2,860,263,433
2) Name of the Party : IFIC Money Transfer (UK) Limited		
Relationship with the company : Subsidiary		
A. Capital investment	34,438,980	34,348,260
3) Name of the Party : IFIC Investment Limited		
Relationship with the company : Subsidiary		
A. Capital investment	399,994,000	-
B. Current & SND Account	222,194,110	-
4) Name of the Party : Oman Exchange LLC		
Relationship with the company : Associate		
A. Capital investment	87,738,845	87,021,644
5) Name of the Party : Nepal Bangladesh Bank Limited		
Relationship with the company : Associate		
A. Capital investment	2,449,235,383	2,432,766,863
B. Borrowing	-	508,806,600

iv) Lending facility of Director and their related concern:

Name of the Borrower	Related Director	Relation with the Bank	Loan Type & Date of expiry	Relation with Borrower	Investment at Cost
Beximco Computers Limited	Mr. Salman F Rahman	Chairman	Guarantee (19.01.22)	Director	563,000
Giga Tech Limited	Mr. Ahmed Shayan Fazlur Rahman	Vice Chairman	Guarantee (31.12.21)	Chairman	1,880,000

In case of approval of Loan to related parties, the Bank follows the BRPD circular no. 04 dated 23 February 2014 and requirement of section 27(1) of the Banking Companies 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 Nostro Reconciliation Software with a fees of BDT 50,000 per year, Bangladesh Bank Taka Account Reconciliation software with a fees of BDT 50,000 per year and Bangladesh Bank Foreign Exchange Return software with a fee of BDT 95,000 per month and also an agreement with Giga Tech Limited for implementation of EKYC Solution with a fees of BDT 29,895,000. Bank has also a service agreement with Bangladesh Export Import Co. Limited for Broadband Internet Service with a fees of BDT 60,000 per month. Bank also paid BDT 8,657,340 to Independent Television Ltd. for the period ended 30 September 2021.

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
Beximco Pharmaceuticals Limited	Mr. Salman F Rahman	Chairman	Vice Chairman	1,101,778,687
Beximco Limited	Mr. Salman F Rahman	Chairman	Vice Chairman	539,131,594

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	Ms. Rabeya Jamali	Independent Director	Chairman	L.L.B. (Hons), L.L.M. in Banking and Financial Law
2	Mr. Anwaruzzaman Chowdhury (Upto 17 July 2021)	Independent Director	Member	MBA
3	Mr. Sudhangshu Shekhar Biswas (Since 18 July 2021)	Independent Director	Member	BA (Hons), MA (Economics)
4	Mr. Md. Zafar Iqbal, ndc	Director	Member	B. Com (Hons), M. Com (Accounting), MBA, Masters in Economics

* Mr. Sudhangshu Shekhar Biswas has been appointed as Independent Director for the 1st term w.e.f. 18 July 2021 in place of Mr. Anwaruzzaman Chowdhury who has completed his 2nd term as Independent Director on 17 July 2021 .

b) Particulars of meetings held by the Audit Committee during the period from 01 January to 30 September 2021

Sl.	Meeting No	Meeting held on
1	157 th Audit Committee Meeting	21.01.2021
2	158 th Audit Committee Meeting	28.01.2021
3	159 th Audit Committee Meeting	14.02.2021
4	160 th Audit Committee Meeting	28.02.2021
5	160 th Adjourned Audit Committee Meeting	03.03.2021
6	161 st Audit Committee Meeting	21.03.2021
7	162 nd Audit Committee Meeting	31.03.2021
8	163 rd Audit Committee Meeting	11.04.2021
9	164 th Audit Committee Meeting	25.04.2021
10	165 th Audit Committee Meeting	25.05.2021
11	166 th Audit Committee Meeting	08.06.2021
12	167 th Audit Committee Meeting	21.06.2021
13	168 th Audit Committee Meeting	05.07.2021
14	169 th Audit Committee Meeting	16.07.2021
15	170 th Audit Committee Meeting	27.07.2021
16	171 st Audit Committee Meeting	11.08.2021
17	172 nd Audit Committee Meeting	31.08.2021
18	173 rd Audit Committee Meeting	19.09.2021

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 the internal controls are being properly managed and supervised throughout all Divisions, Branches and Uposhakhas of the Bank.

As per guideline of Bangladesh Bank, the Audit Committee, in the meetings held during the period ended 30 September 2021, reviewed and evaluated 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.

During the discussion on some memo(s) and Compliance Report, the Committee has advised the Management to devise a system for arresting occurrence of the irregularities on a 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 a matrix/format to monitor status of compliance on a regular basis and devise some innovative tools/system for reducing number of irregularities in the Branches/Uposhakhas as well as enabling them to monitor up-to-date status of compliance.

All audited/Un-audited yearly/quarterly Financial Statements submitted during the period ended 30 September 2021 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 the existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank and Bangladesh Securities and Exchange Commission.

The Committee has submitted compliance reports to the Board on a quarterly basis during the period ended 30 September 2021 regarding compliance with recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.

Segment Reporting

Annexure - H

The Bank reports its operations under geographical location and business segment as per IFRS:8 *Operating Segment*
Profit and Loss Account for the year ended 30 September 2021

Amount in BDT

Particulars	IFIC Bank Limited				Subsidiaries			Associates		Adjustment	Consolidated
	Inside Bangladesh		Adjustment	Total	IFIC Securities Limited	IFIC Investment Limited	IFIC Money Transfer (UK) Limited	Nepal Bangladesh Bank Limited	Oman Exchange LLC		
	Conventional Banking	Off- Shore Banking Unit									
Interest income	16,094,462,461	81,214,039	-	16,175,676,500	356,016,769	-	-	-	-	(182,478,966)	16,349,214,303
Interest paid on deposits and borrowings, etc.	11,612,588,608	53,505,098	(53,505,098)	11,612,588,608	185,550,966	-	-	-	-	(186,561,220)	11,611,578,354
Net interest income	4,481,873,853	27,708,941	(53,505,098)	4,563,087,892	170,465,803	-	-	-	-	4,082,254	4,737,635,949
Investment income	3,112,822,211	-	-	3,112,822,211	39,955,673	28,873,917	-	-	-	-	3,181,651,801
Commission, exchange and brokerage	1,750,552,649	2,165,537	-	1,752,718,186	69,377,292	-	19,684,465	(16,468,520)	(717,201)	(3,072,000)	1,821,522,222
Other operating income	125,312,441	235,368	-	125,547,809	2,676,114	-	1,328,680	-	-	(95,330)	129,457,273
	4,988,687,301	2,400,905	-	4,991,088,206	112,009,079	28,873,917	21,013,144	(16,468,520)	(717,201)	(3,167,330)	5,132,631,296
Total operating income	9,470,561,154	30,109,846	(53,505,098)	9,554,176,098	282,474,882	28,873,917	21,013,144	(16,468,520)	(717,201)	914,925	9,870,267,245
Salary and allowances	2,091,063,320	-	-	2,091,063,320	8,482,494	1,762,690	8,255,965	-	-	-	2,109,564,468
Rent, taxes, insurance, electricity, etc.	478,264,396	-	-	478,264,396	441,095	-	2,116,941	-	-	-	480,822,432
Legal expenses	10,219,772	-	-	10,219,772	-	-	1,620,667	-	-	-	11,840,440
Postage, stamps, telecommunication, etc.	76,819,902	-	-	76,819,902	315,748	-	109,070	-	-	-	77,244,720
Stationery, printing, advertisement, etc.	277,079,069	-	-	277,079,069	236,257	600	71,852	-	-	-	277,387,778
Managing Director's salary	18,870,250	-	-	18,870,250	-	-	-	-	-	-	18,870,250
Directors' fees	1,832,000	-	-	1,832,000	862,400	572,000	-	-	-	-	3,266,400
Auditors' fees	2,970,835	-	-	2,970,835	-	38,333	-	-	-	-	3,009,168
Depreciation and repairs of Bank's assets	884,313,797	-	-	884,313,797	6,266,157	194,446	1,952,925	-	-	-	892,727,326
Other expenses	792,814,586	-	-	792,814,586	12,110,395	10,464,522	12,161,229	-	-	-	827,550,732
Total operating expenses	4,634,247,928	-	-	4,634,247,928	28,714,546	13,032,591	26,288,650	-	-	-	4,702,283,714
Operating profit	4,836,313,226	30,109,846	(53,505,098)	4,919,928,170	253,760,336	15,841,327	(5,275,505)	(16,468,520)	(717,201)	914,925	5,167,983,532
Share of profit of joint ventures/associates	-	-	-	-	-	-	-	331,930,681	16,881,588	-	348,812,269
Profit before provision	4,836,313,226	30,109,846	(53,505,098)	4,919,928,170	253,760,336	-	(5,275,505)	315,462,161	16,164,387	914,925	5,516,795,801
Provision against loans and advances	1,477,740,648	-	-	1,477,740,648	-	-	-	-	-	-	1,477,740,648
Provision for diminution in value of investments	1,185,653	-	-	1,185,653	-	-	-	-	-	-	1,185,653
Provisions for other assets	16,686,622	-	-	16,686,622	-	-	-	-	-	-	16,686,622
Total provision	1,495,612,923	-	-	1,495,612,923	-	-	-	-	-	-	1,495,612,923
Profit before taxation	3,340,700,303	30,109,846	(53,505,098)	3,424,315,247	253,760,336	-	(5,275,505)	315,462,161	16,164,387	914,925	4,021,182,878
Provision for taxation	-	-	-	-	-	-	-	-	-	-	-
Current tax	1,888,550,000	-	-	1,888,550,000	68,574,069	2,887,392	-	-	-	-	1,960,011,461
Deferred tax	(77,185,421)	-	-	(77,185,421)	(706,850)	-	-	-	-	-	(77,892,270)
	1,811,364,579	-	-	1,811,364,579	67,867,219	-	-	-	-	-	1,882,119,190
Net profit after taxation	1,529,335,724	30,109,846	(53,505,098)	1,612,950,668	185,893,118	-	(5,275,505)	315,462,161	16,164,387	914,925	2,139,063,687

The Bank reports its operations under geographical location and business segment as per IFRS:8 Operating Segment
Balance Sheet as at 30 September 2021

Particulars	IFIC Bank Limited				Subsidiaries			Associates		Adjustment	IFIC Bank & it's subsidiaries
	Inside Bangladesh		Adjustment	Total	IFIC Securities Limited	IFIC Investment Limited	IFIC Exchange (UK) Ltd.	Nepal Bangladesh Bank Limited	Oman Exchange LLC		
	Conventional Banking	Off- Shore Banking Unit									
PROPERTY AND ASSETS											
Cash	21,099,640,630	-	-	21,099,640,630	36,527	-	185,167	-	-	-	21,099,862,324
Balance with other banks and financial institute	6,773,566,850	283,612,525	(283,612,525)	6,773,566,850	910,341,299	-	15,390,201	-	-	(1,711,837,162)	5,987,461,188
Money at call and on short notice	4,300,000,000	-	-	4,300,000,000	-	-	-	-	-	-	4,300,000,000
Investments	57,320,149,515	-	-	57,320,149,515	3,156,126,788	194,112,475	-	-	-	2,545,802,683	63,216,191,460
Loans and advances	290,556,669,417	2,114,756,409	-	292,671,425,826	3,960,747,039	-	-	-	-	(2,789,253,758)	293,842,919,107
Fixed assets	7,550,727,546	-	-	7,550,727,546	45,168,599	-	667,657	-	-	-	7,596,563,802
Other assets	15,189,899,176	4,622,095	-	15,194,521,271	479,068,414	-	10,297,366	-	-	(2,634,426,980)	13,049,460,071
Non-banking assets	148,474,800	-	-	148,474,800	-	-	-	-	-	-	148,474,800
Total Assets	402,939,127,934	2,402,991,029	(283,612,525)	405,058,506,438	8,551,488,666	194,112,475	26,540,391	-	-	(4,589,715,217)	409,240,932,753
LIABILITIES AND CAPITAL											
Borrowings from other banks, financial institutio	14,913,336,063	2,368,585,980	(2,368,585,980)	14,913,336,063	2,789,253,758	-	-	-	-	(2,789,253,758)	14,913,336,063
Subordinated debt	6,400,000,000	-	-	6,400,000,000	-	-	-	-	-	-	6,400,000,000
Deposits and other accounts	326,736,265,433	-	-	326,736,265,433	899,333,887	-	-	-	-	(1,934,442,714)	325,701,156,606
Other Liabilities	30,238,732,488	4,295,205	-	30,243,027,693	2,104,454,291	2,950,877	14,974,293	-	-	-	32,365,407,155
Total Liabilities	378,288,333,984	2,372,881,185	(2,368,585,980)	378,292,629,189	5,793,041,936	2,950,877	14,974,293	-	-	(4,723,696,472)	379,379,899,825
Capital/Shareholders' equity											
Paid up capital	17,008,675,610	-	-	17,008,675,610	2,200,000,000	-	34,438,969	-	-	(2,234,438,969)	17,008,675,610
Statutory reserve	6,864,775,853	-	-	6,864,775,853	-	-	-	-	-	-	6,864,775,853
General reserve	155,071,397	-	-	155,071,397	-	-	-	-	-	-	155,071,397
Revaluation reserve against securities	49,443,201	-	-	49,443,201	-	-	-	-	-	-	49,443,201
Revaluation reserve against fixed assets	115,314,704	-	-	115,314,704	-	-	-	-	-	-	115,314,704
Foreign currency translation reserve	-	-	-	-	-	-	1,513,125	81,379,939	13,366,593	-	96,259,657
Surplus in profit and loss account	2,572,596,483	30,109,846	(30,109,846)	2,572,596,483	558,445,206	13,868,652	(24,385,996)	2,484,051,152	87,239,947	(120,234,950)	5,571,580,495
	26,765,877,248	30,109,846	(30,109,846)	26,765,877,248	2,758,445,206	13,868,652	11,566,098	2,565,431,091	100,606,540	(2,354,673,918)	29,861,120,917
Minority Interest	-	-	-	-	7,523	6,208	-	-	-	-	13,731
Total shareholders' equity	26,765,877,248	30,109,846	(30,109,846)	26,765,877,248	2,758,452,729	13,874,860	11,566,098	2,565,431,091	100,606,540	(2,354,673,918)	29,861,134,648
Total liabilities and shareholders' equity	405,054,211,233	2,402,991,031	(2,398,695,826)	405,058,506,438	8,551,494,665	16,825,737	26,540,391	2,565,431,091	100,606,540	(7,078,370,390)	409,241,034,472

**Financial highlights of the Bank
as at and for the year ended 30 September 2021**

Sl.	Particulars	Currency/ percentage	30 September 2021	31 December 2020
1	Paid up capital	BDT	17,008,675,610	16,198,738,680
2	Total capital	BDT	38,570,535,266	31,289,951,586
3	Capital surplus/(deficit)	BDT	1,791,264,439	(664,881,718)
4	Total assets	BDT	405,058,506,438	363,411,767,076
5	Total deposits	BDT	326,736,265,433	296,369,024,858
6	Total loan & advances	BDT	292,671,425,826	260,650,289,525
7	Total contingent liabilities & commitments	BDT	65,726,393,466	50,483,678,851
8	Credit deposit ratio	%	82.84	82.42
9	Percentage of classified loan against total loans & advances	%	3.93	3.97
10	Profit after tax & provision	BDT	1,612,950,668	562,247,536
11	Amount of classified loans	BDT	11,499,771,622	10,345,761,856
12	Provision kept against classified loans	BDT	2,923,864,788	2,737,576,718
13	Cost of fund	%	4.00	5.41
14	Interest earning assets	BDT	354,193,952,522	317,877,110,625
15	Non-interest earning assets	BDT	50,864,553,916	45,534,656,451
16	Return on Investment (ROI)	%	5.66	7.03
17	Return on Assets (ROA)	%	0.42	0.17
18	Income from investment	BDT	3,112,822,211	3,454,712,181
19	Earnings per share	BDT	0.95	0.33
20	Net income per share	BDT	0.95	0.33
21	Net Asset Value (NAV)	BDT	26,765,877,248	25,216,954,980
22	Net Asset Value (NAV) per share	BDT	15.74	14.83
23	Net Operating Cash Flow Per Share (NOCFPS)	BDT	0.85	5.69
24	Price earning ratio	Times	16.87	45.98

Annexure - J

Disclosure of Restructured Loan

as at and for the year ended 30 September 2021

BDT in Million

Sl.	Name of the Borrower	Type of Loan	Date of restructure	Down Payment		Due Date of 1st Installment	Outstanding Amount			Total Provision as at 30 September 2021		Present Status	Outstanding as at 31 December 2020
				Required	Realized		At the time of taking NOC from BB	New/Fresh Disbursement amount after NOC	Outstanding as at 30 September 2021	Required	Maintained		
1	Power Pac - Mutiara KPP Plant Ltd.	TL (O)	2nd time 01.01.18	N/A	N/A	07.04.2018 (Interest portion)	1,833.20	Nil	2,230.88	44.33	44.33	SMA(RST)	2,084.01
2	M/s R&R Holdings	TL (O)-1	2nd time 01.01.18	N/A	N/A	07.04.2018 (Interest portion)	936.20	Nil	1,136.33	22.58	22.58	SMA(RST)	1,063.03
3	M/s R&R Holdings	TL (O)-2	2nd time 01.01.18	N/A	N/A	07.04.2018 (Interest portion)	803.90	Nil	977.65	19.43	19.43	SMA(RST)	912.90
Total				-	-		3,573.30		4,344.86	86.33	86.33		4,059.94

Statement of Tax Position
as at 30 September 2021

Accounting year	Assessment year	Tax provision in Financial Statements	Tax as per assessment	Excess/ (shortage) provision	Advance income tax paid	Remarks
Balance of provision for up to Y2015 (except Y2005 & Y2010)		1,344,988,022	-	1,344,988,022	-	Assessments up to Y2015 (except Y2005 & Y2010) have been completed by the Tax Authority and there is no tax liability remained outstanding against related years
2005	2006-2007	140,397,922		140,397,922	-	Honorable High Court Division of Supreme Court Assessment was completed with loss, however, advance tax paid for 2005 amounting to Tk. 90.27 mln was adjusted in subsequent years.
2010	2011-2012	1,454,854,994	1,508,170,344	(53,315,350)	1,385,538,554	Honorable High Court Division of Supreme Court
2016	2017-2018	700,000,000	1,030,632,248	(330,632,248)	1,030,632,248	Subsequently settled in February 2021. Bank has received Tax Clearance Certificate and Zero Demand Notice. Now we are checking AIT in details for final adjustment
2017	2018-2019	750,000,000	1,361,487,496	(611,487,496)	1,361,487,496	Subsequently settled in February 2021. Bank has received Tax Clearance Certificate and Zero Demand Notice. Now we are checking AIT in details for final adjustment
2018	2019-2020	1,080,000,000	1,199,674,275	(119,674,275)	1,069,572,247	Bank has received the order from Commissioner of Taxes (Appeals) which are under review of the Management for next course of action.
2019	2020-2021	1,700,000,000	1,699,489,718	510,282	1,402,427,849	Appeal under process
2020	2021-2022	963,000,000	1,190,000,000	(227,000,000)	1,124,700,195	Return submitted
2021	2022-2023	1,888,550,000	1,810,000,000	78,550,000	641,290,511	
Total		10,021,790,938	9,799,454,081	222,336,857	8,015,649,100	
Less: Stock Div. Y2020		(80,993,694)	-	-	-	
Total after Adjustment		9,940,797,244	9,799,454,081	222,336,857	8,015,649,100	

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Off-shore Banking Unit

Balance Sheet

as at 30 September 2021

Particulars	Note	30 September 2021		31 December 2020	
		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		3,317,106	283,612,525	904,854	76,732,600
In Bangladesh		3,317,106	283,612,525	904,854	76,732,600
Outside Bangladesh		-	-	-	-
Money at call and on short notice		-	-	-	-
Investments		-	-	-	-
Government securities		-	-	-	-
Other investments		-	-	-	-
Loans and advances	3	24,733,993	2,114,756,409	27,059,831	2,294,703,416
Loans, cash credits, overdrafts etc.	3.1	21,041,207	1,799,023,189	24,218,050	2,053,717,248
Bills purchased and discounted	3.2	3,692,786	315,733,220	2,841,781	240,986,168
Fixed assets including premises, furniture and fixtures					
Other assets	4	54,060	4,622,095	61,203	5,190,073
Non banking assets		-	-	-	-
Total assets		28,105,158	2,402,991,030	28,025,888	2,376,626,090
LIABILITIES AND CAPITAL					
Liabilities					
Borrowing from other banks, financial Institutions and agents	5	27,702,760	2,368,585,980	27,686,395	2,347,836,793
Deposit and other accounts		-	-	-	-
Current deposits and other accounts		-	-	-	-
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Fixed Deposits		-	-	-	-
Other liabilities	6	50,236	4,295,205	57,430	4,870,086
Total liabilities		27,752,996	2,372,881,185	27,743,825	2,352,706,879
Capital / Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
General Reserve		-	-	-	-
Revaluation reserve against securities		-	-	-	-
Revaluation reserve against fixed assets		-	-	-	-
Surplus in profit and loss account	7	352,161	30,109,846	282,063	23,919,211
Total shareholders' equity		352,161	30,109,846	282,063	23,919,211
Total liabilities and shareholders' equity		28,105,158	2,402,991,030	28,025,888	2,376,626,090

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Off-shore Banking Unit

Profit and Loss Account

for the 3rd quarter ended 30 September 2021

Particulars	Note	1 January to 30 September 2021		1 January to 30 September 2020	
		USD	Taka	USD	Taka
Interest income	8	949,871	81,214,039	1,093,393	92,759,070
Interest paid on deposits, borrowings etc.	9	625,791	53,505,098	1,168,821	99,158,134
Net interest income		324,080	27,708,941	(75,428)	(6,399,064)
Investment Income		-	-	-	-
Commission, exchange and brokerage	10	25,328	2,165,537	9,241	784,004
Other operating income	11	2,753	235,368	-	-
Total operating income		352,161	30,109,846	(66,187)	(5,615,060)
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' fees		-	-	-	-
Charges on loan loss		-	-	-	-
Depreciation and repair of bank's assets		-	-	-	-
Other expenses		-	-	-	-
Total operating expenses		-	-	-	-
Profit/(Loss) before provision		352,161	30,109,846	(66,187)	(5,615,060)
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		352,161	30,109,846	(66,187)	(5,615,060)

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

Off-Shore Banking Unit
Notes to the Financial Statements
as at and for the period ended 30 September 2021

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 on 10 May 2010. Presently the Bank has 1 (one) unit in Dhaka. The principal activity of the unit is to provide all kinds of commercial banking services to its customers through its off-shore Banking Unit in Bangladesh.

2 Significant accounting policies and basis of preparation of financial statements

2.1 Basis of accounting

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

2.2 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 IAS 21: *The Effects of Changes in Foreign Exchange Rates*.

Particulars	Note	30 September 2021		31 December 2020	
		USD	Taka	USD	Taka
3 Loans and advances					
3.1 Loans, cash credits, overdrafts etc.					
Term loan		21,041,207	1,799,023,189	24,218,050	2,053,717,248
		21,041,207	1,799,023,189	24,218,050	2,053,717,248
3.2 Bills purchased and discounted					
Inside Bangladesh		3,692,786	315,733,220	2,841,781	240,986,168
Outside Bangladesh		-	-	-	-
		3,692,786	315,733,220	2,841,781	240,986,168
		24,733,993	2,114,756,409	27,059,831	2,294,703,416
4 Other assets					
Interest receivable on term loan		31,790	2,718,042	46,860	3,973,758
Interest receivable on bills discount		22,270	1,904,053	14,343	1,216,315
		54,060	4,622,095	61,203	5,190,073
5 Borrowing from other banks, financial Institutions and its agents					
In Bangladesh:					
IFIC Bank Limited		25,500,000	2,180,250,000	27,686,395	2,347,836,793
		25,500,000	2,180,250,000	27,686,395	2,347,836,793
Outside Bangladesh		2,202,760	188,335,980	-	-
		27,702,760	2,368,585,980	27,686,395	2,347,836,793
6 Other liabilities					
Interest on borrowing from abroad		-	-	-	-
Due to Head Office		50,236	4,295,205	57,430	4,870,086
		50,236	4,295,205	57,430	4,870,086
7 Surplus in profit and loss account					
Opening balance		282,063	23,919,211	422,036	35,830,868
Less: Adjustment/ payment for the year		(282,063)	(23,919,211)	(422,036)	(35,830,868)
Add: Addition during the year		352,161	30,109,846	282,063	23,919,211
		352,161	30,109,846	282,063	23,919,211

Particulars	Note	1 January to 30 September 2021		1 January to 30 September 2020	
		USD	Taka	USD	Taka
8 Interest income					
Term Loan		904,528	77,337,177	1,065,956	90,431,454
Bills discount		45,343	3,876,862	27,437	2,327,616
Interest on loans and advances		949,871	81,214,039	1,093,393	92,759,070
9 Interest paid on deposits, borrowings etc.					
Interest paid on IFIC Bank Limited		625,791	53,505,098	1,168,821	99,158,134
		625,791	53,505,098	1,168,821	99,158,134
10 Commission, exchange and brokerage					
Income-Fees & Commission		25,328	2,165,537	9,241	784,004
		25,328	2,165,537	9,241	784,004
11 Other operating income					
Income-Other Operating		2,753	235,368	-	-
		2,753	235,368	-	-

ANNEXURE 3: CREDIT RATING REPORT OF THE ISSUE

Credit Rating Report

Non-convertible Floating rate Subordinated Bond III (upto BDT 5,000.0 million) of IFIC Bank Limited

Analysts:
Tahmina Islam

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Assigned Ratings:
Bond Rating

 Long Term : **AA₃(Hyb)**

 Outlook : **Stable**
Date of Rating Valid Till

03 November 2021 30 September 2022

Methodology: CRAB's Structured Finance Rating Methodology (www.crab.com.bd)

RATING BASED ON: Audited financial statements of the Bank as 30 September 2021 and other relevant information up to the date of rating declaration.

Key Performance Indicator of the Bank

	Year ended December 31	
(Mil. BDT)	30 Sept. 2021	2020
Loans	292,671.43	260,650.29
Deposit	326,736.27	296,369.02
Gross NPL	11,499.77	10,345.76
Shareholders' Equity	26,765.88	25,216.95
(%)		
Cost to Income Ratio	48.50	65.56
CRAR	13.11	12.24
Gross NPL Ratio	3.93	3.97
CASA / Total Deposits	44.35	39.84
Liquid Assets to Total Deposit & borrowing	24.18	24.62

ISSUER PROFILE

International Finance Investment & Commerce Bank Limited (hereinafter referred to as 'IFIC Bank' or 'the Bank') was established in 1976 at the instance of the govt. as a joint venture finance company named "International Finance and Investment Company Limited". In 1983 this finance company was converted into a commercial bank under the name "International Finance Investment and Commerce Bank Limited".

The Bank went into IPO in 1986. The paid up capital of the Bank reached BDT 17,008.67 million against authorized capital of BDT 40,000.0 million as of 30 September, 2021. Bangladesh Government holds around 32.75% shares of the Bank. The Bank offers all kinds of banking and investment services for retail and corporate customers through its network of 157 branches. The Bank has three subsidiaries named IFIC Securities Limited, IFIC Investments Ltd. and IFIC Money Transfer (UK) Limited.

RATIONALE

Credit Rating Agency of Bangladesh Limited (CRAB) has assigned "AA₃ (Hyb)" (pronounced Double A three hybrid) rating in the long term to the IFIC Bank Ltd. issue of floating rate non-convertible subordinated bond III (up to BDT 5,000 million), in line with CRAB's standard notching practices. The assignment of the final rating follows the completion of the bond issuance and receipts of documents conforming to the information received at the time of issuing this rating. According to the basic features of the bond provided to CRAB, the bonds will be permanently redeemed to zero at the end of 7th year after issue. The rating outlook is stable, reflecting the outlook on the issuer's credit rating. CRAB performed the rating based on audited financial statement of the Bank as of 30 September 2021 and other relevant information up to the date of rating declaration.

The Bank is planning to issue floating rate non-convertible subordinated bond III worth (up to BDT 5,000.0 million) having denomination of each BDT 10.0 million. Coupon rate of the Bank will be determined as an average Fixed Deposit Rates of 6 months of all Private Commercial Schedule Banks (except Islami banks and foreign banks) with a margin of 2.50% p.a., ranging 7.50% to 10.50% upon regulatory approval. The final maturity of the Bonds will be at the end of seventh year of the Bonds from the Issue Date. The subordinated bond has been structured for Tier 2 own fund eligibility according to BB regulation.

CRAB Structured Finance Rating

The issue may be closed in tranches, however regulatory approval will be taken for full Facility Amount. Issue amount of a tranche will be a minimum of BDT 2,000.0 million. Issuer will make necessary regulatory disclosure for the full amount of BDT 5,000.0 million post their internal approval from the competent authority.

The subordinated debt has been structured for Tier 2 own fund eligibility according to BB regulation. According to CRAB methodology, the subordinated bond is classified as capital due to regulatory override within CRAB's risk based capital calculation and is classified as debt for the agency's financial leverage calculations. The new issue is expected by CRAB to increase financial leverage on pro-forma basis to 13.32x from 13.24x based on 30 September 2021 figures.

The rating reflects the Bank's strength in large branch network and substantial shareholding of the government (around 32.75% shares). On the other hand, principal concerns of the Bank are continuation of previous NPL and marginal risk weighted capital adequacy.

Purpose of Issuance

IFIC Bank Limited is going to issue floating rate non-convertible subordinated bond III (up to BDT 5,000.0 million mainly to increase its tier II capital and to support the overall capital adequacy ratio of the Bank. IFIC's capital adequacy ratio was 13.11% as on 30 September 2021. The proposed subordinated bond (up to BDT 5,000.0 million) will provide the bank additional capital cushion ratio and thereby will help to maintain healthy capital adequacy ratio for next few years. It will also help to meet long term financing needs facilitate its continuous business expansion in terms of loan portfolio.

■ BASIC FEATURES OF THE INSTRUMENT

Table 1

Key Features of the Instrument	
Issuer:	International Finance Investment and Commerce Bank Limited ("IFIC Bank Limited" or "IFIC")
The Issue:	Non-Convertible Floating Rate Subordinated Bond (up to BDT 5,000.00 Million) Bond
Investors:	Local Financial Institutions, Insurance Companies, Development Financial Institutions or other Onshore Institutions, Corporates, High Net Worth Individuals
Currency:	Bangladeshi Taka ("BDT")
Facility Amount:	Up to BDT 5,000.00 Million
Issue Closure in Tranches:	The issue may be closed in tranches, however regulatory approval will be taken for full Facility Amount. Issue amount of a tranche will be a minimum of BDT 2,000.00 Million. Issuer will make necessary regulatory disclosure for the full amount of BDT 5,000.00 Million post their internal approval from the competent authority.
Issue Price:	100% at Par
Status of Debt:	Subordinated
Security:	Unsecured
Form:	Registered
Mode of Placement:	Private placement
Denomination(s):	To Be Determined, subject to regulatory approvals
Coupon:	To Be Determined as a sum of Benchmark Rate & Margin; However, during the tenor of each issue, the yield [benchmark + margin] will be floored at 7.50% and capped at [benchmark + margin] 10.50%.

CRAB Structured Finance Rating

Benchmark Rate:	The Benchmark rate shall be determined by following method:
	Average of most recent month's published highest fixed deposit rates (6 months tenor) of all Private Commercial Banks (excluding Islami banks and Foreign Banks). The issuer's 6 months tenor deposit rate to be considered at the time of calculating the average. The published deposit rate to be taken from Bangladesh Bank sources. This will be fixed semi-annually.
	The Benchmark rate will be fixed by the Trustee semi-annually on ("Interest Reset Date") the immediately preceding business day of the issuance and afterwards semi-annually throughout the tenor of the bond. For avoidance of doubt, the Benchmark Rate shall be calculated by the Trustee and notified to the Issuer and all Investors on every Interest Reset Date.
Margin:	2.50%; To be determined prior to launching of offering memorandum for each tranche to the market as per findings from market sounding and in consultation with the Issuer.
Arrangement Fee:	Total of 0.50% (excluding VAT) of the Face Value Amount of the Bond comprising of 50% on the date of approval from the Bangladesh Securities and Exchange Commission and Bangladesh Bank and 50% upon reaching Financial Closure of the Financing for each tranche.
	For the avoidance of doubt, Financial Closure refers to the receipt of sanction letters from the Investors and shall be notified by the MLA to the Issuer in writing. The fees paid are non-refundable.
	In case of partial deal closure, proportionate fees will be due on the Face Value Amount arranged and shall be notified by the MLA to the Issuer in writing. The fees paid are non-refundable.
Other Fees, Expenses and Tax:	Regulatory, Rating Agency, Trustee and Legal Counsel Fees and all expenses relevant to the issuance to paid at actual by the Issuer. All tax, VAT relevant to all fees, expenses will be borne by Issuer.
Tenor:	Up to 7 years from the Issue Date
Redemption:	<i>For Each Tranche:</i> To be redeemed in 5 equal yearly installments, starting from the end of 3 rd year from the Issue Date, subject to regulatory approvals and as defined in the agreements
Listing:	Unlisted, subject to regulatory approvals

CRAB Structured Finance Rating

Credit Rating of the Issue:	Credit Rating Agency of Bangladesh Ltd.
Trustee:	Sena Kalyan Insurance Company Ltd.
Legal Counsel:	Lex Juris , Barristers, Advocates & Consultants
Transfer:	Freely transferable subject to the terms and conditions of the documents creating and evidencing the Bond.
Documentation:	Customary documentation including force majeure, negative pledge, cross default and indemnity provisions
Conditions Precedent:	In form and substance satisfactory to the MLA including (i) due diligence having been conducted and completed, (ii) documentation for the Transaction and appropriate business description disclosure in the offering circular, (iii) receipt by the MLA of appropriate legal opinions from external counsel
Governing Law:	Laws of Bangladesh
Force Majeure:	Notwithstanding anything contained in this Letter, SCB may by notice in writing to the Issuer terminate this Letter at any time before the time on the Closing Date when payment would otherwise be due under this Letter to the Issuer in respect of the Bond if, in the opinion of the MLA, there is a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in their view be likely to prejudice materially the success of the offering and distribution of the Bond and, upon notice being given, the parties to this Letter shall (except for the liability of the Issuer in relation to expenses related to the Transaction and except for any liability arising before or in relation to such termination) be released and discharged from their respective obligations under this Letter.

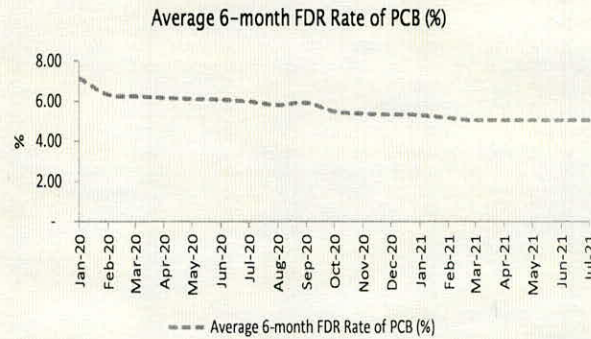
■ TRANSACTION AND REDEMPTION OF THE BOND

IFIC Bank Ltd. has planned to issue subordinated coupon bearing Bond (up to BDT 5,000.00 million) having denomination of each lot of Bond is indicated at BDT 10,000,000 Face Value. 20.0% of the total bond value will be redeemed at the end of each year starting from 3rd year from the issue date. The rest redemption will be done at the end of 4th ,5th, 6th and 7th years from settlement date. The bond's the yield [benchmark + margin] will be floored at 7.50% and capped at (benchmark + margin) 10.50%. Average of most recent month's published highest fixed deposit rates (6 months tenor) of all Private Commercial Banks (excluding Islami banks and Foreign Banks). The issuer's 6 months tenor deposit rate to be considered at the time of calculating the average. The published deposit rate to be taken from Bangladesh Bank sources. This coupon payment will be fixed semi-annually. The issue may be closed in tranches, however regulatory approval will be taken for full Facility Amount. Issue amount of a tranche will be a minimum of BDT 2,000 million. Issuer will make necessary regulatory disclosure for the full amount of BDT 5,000.00 million post their internal approval from the competent authority.

■ Interest Rate Risk of the Bond

Redemption of the bonds will be started at the end of third year from the date of issuance. The bond is not listed in any bourses; these can only be traded privately. The Benchmark rate shall be determined by average of most recent month's published highest fixed deposit rates (6 months tenor) of all Private Commercial Banks (excluding Islami banks and Foreign Banks). The issuer's 6 months tenor deposit rate to be considered at the time of calculating the average. The published deposit rate to be taken from Bangladesh Bank sources. This coupon payment will be fixed semi-annually. In this context, fixed deposit rate of IFIC Bank Limited for 6 months is 5.60% effected from 07.09 2021. However, the coupon rate of the bond is ranged within 7.50%-10.50%.

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GRAPH 1

PROFILE AND PERFORMANCE OF THE ISSUER

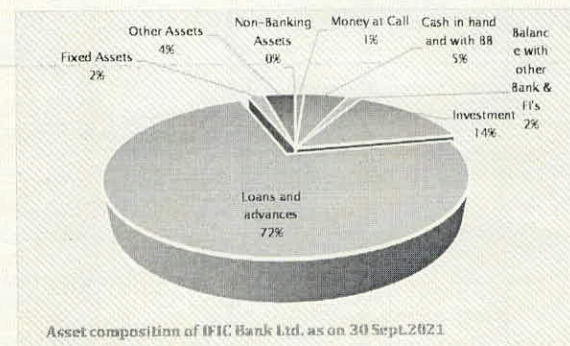
International Finance Investment & Commerce Bank Limited was established in 1976 at the instance of the govt. as a joint venture finance company named "International Finance and Investment Company Limited". In 1983 this finance company was converted into a commercial bank under the name "International Finance Investment and Commerce Bank Limited". The Bank went into IPO in 1986. Total shareholder equity of the Bank reached BDT 26,765.87 million at the end of 30 Sept. 2021. The Government of the People's Republic of Bangladesh holds around 32.75% share of the Bank and the remaining share is held by the Sponsors, Directors, Institutions, Foreign Investors and General Public.

The Bank offers all kinds of banking and investment services for retail and corporate customers through its network of 157 branches. The Bank has an Off-shore Banking Unit (OBU) located at Dhaka and also three subsidiaries namely IFIC Securities Limited, IFIC Investment Limited and IFIC Money Transfer (UK) Limited. Moreover, the Bank has investment in two joint venture/associate companies in abroad namely Nepal Bangladesh Bank Limited, Nepal and Oman Exchange LLC, Oman. The Bank has also investment in another company in abroad namely MCB Bank Limited, Pakistan.

Asset Profile

IFIC Bank Ltd. asset structure remained almost similar at the end of Sept.2021. On an average, loans and advances dominated the asset structure by 72.3% of total asset for the last 3 years. At the end of 3rd QTR'21, total asset reached BDT 405,058.50 million. Total asset was strongly dominated by loans & advances (shared 72.25% of total asset) followed by investment (14.15% of total asset) and cash in hand and with BB (5.21% of total asset). Other asset was BDT 15,194.52 million at the end of Sept.2021, major portion of which includes advance, deposit & prepayments, investment in subsidiary, accrued interest income receivables. The Bank's risk weighted

asset was 72.64% of total asset as on 30 Sept.2021 (Dec'2020: 70.3%).



Graph 2

Investment Profile: At the end of 3rd QTR '21, investment portfolio of the Bank reached BDT 57,320.15 million. 90.67% of the Bank's investment portfolio consisted Government securities. The Bank also held quoted and unquoted shares amounting BDT 2,177.91 million at the end of Sept'2021. Market price of IFIC Bank's quoted share in investment portfolio was BDT 4,416.21 million as of 30 Sept.2021 against cost price of BDT 2,135.05 million. The Bank maintains BDT 355.66 million provisions for investment as per regulatory requirement. At the end of 3rd QTR 2021, total income from investment was BDT 3,112.82 million. Investment yield was 5.43% at the end of Sept.2021.

CRAB Structured Finance Rating

Table 2

Investment Portfolio of Bank				
(Mil. BDT)	as of 30 Sept 2021		Year Ended December 31	
			2020	
	Amount	% of Total	Amount	% of Total
Government Securities & Bonds	51,974.11	90.67	46,979.43	89.11
Others	5,346.04	9.33	5,742.99	10.89
Quoted Shares	2,135.06	3.72	2,526.21	4.79
Unquoted Shares	42.85	0.07	68.81	0.13
Mutual Funds	267.99	0.47	267.99	0.51
In Share (Outside of Bangladesh)	2,900.14	5.06	2,879.99	5.46
Others	-	-	-	-
Total	57,320.15	100.00	52,722.43	100.00

Loan Profile and Loan Quality: The Bank's loan portfolio reached BDT 292,671.43 million, whereas gross NPL (in absolute amount) enhanced to BDT 11,499.77 million during the same period due to with of classified loans. Therefore, gross NPL ratio 3.93% at the end of Sept'2021. The Bank had reschedule loan amounting BDT 241.69 million at the end of 3rd QTR 2021 (0.08% of total loans). Recovery from classified loans was BDT 349.70 million in the same duration. In context of business segment wise loan portfolio of the Bank was dominated by corporate sector financing (70.81% of total) followed by others loan (16.60% of total) and SME loan (10.28% of total) at the end of Sept.'21. The Bank has large loan concentration, the Bank's top 50 funded large loans made up 51.45% of total loan portfolio at the end of 3rd QTR '21.

Table 3

NPL Movement of the Bank						
Mil. BDT	30 Sept. 2021		Year Ended December 31			
			2020		2019	
Particulars	Amount	% of Total Loans	Amount	% of Total Loans	Amount	% of Total Loans
Opening balance of NPL	10,345.65	3.53	12,265.47	4.71	12,740.13	5.57
Add Fresh NPL Generation	1,745.51	0.60	226.19	0.09	7,960.38	3.48
Less: Cash Recovery	349.70	0.12	476.03	0.18	1,427.45	0.62
Less: Rescheduling	241.69	0.08	1,669.88	0.64	4,620.65	2.02
Less: Write off	-	-	-	-	2,349.13	1.03
Less: Waiver	-	-	-	-	37.81	0.02
Closing Balance of NPL	11,499.77	3.93	10,345.75	3.97	12,265.47	5.37

The Bank's gross NPL (in absolute amount) enhanced to BDT 11,499.77 million at the end of 3rd QTR 2021 from BDT 10,345.80 million in December 2020. Out of total NPL, 69.07% belonged to bad & loss category followed by sub-standard category (25.97% of NPL) and doubtful category (4.96% of NPL). SMA to total loans and advances of the Bank was 1.81% at the end of 3rd QTR 2021. Gross NPL coverage ratio of the Bank was 71.77% at end of Sept'2021. The Bank maintained provision amounting BDT 8,253.89 million for classified and unclassified loans & advances as well as for off balance sheet exposure against required provision of BDT 8,087.03 million at the end of 3rd QTR 2021. Provision for loans and advances of IFIC Bank Ltd. has been maintained as per Bangladesh Bank letter no.: DBI-1/32/2021/927 dated 31 March 2021. According to the letter there was a provision shortfall of BDT 3,785.0 million against loans and advances which requires to be kept in next three years from 2021-2023. Gross NPL coverage ratio was 71.77% in Sept.2021 (Dec'2020: 64.20%). The Bank's pre-provision profit to net loan ratio was 1.75% at the end of Sept.2021 which indicates that 1.75% of currently performing loans can be written off without charging on reserves and equity.

CRAB Structured Finance Rating

Capital Summary:

Table 4

Capital Structure of the Bank						
Mil. BDT	30 Sept. 2021		2020		2019	
Particulars	Amount	% of RWA	Amount	% of RWA	Amount	% of RWA
Tier 1 Capital	25,640.51	8.71	24,085.85	9.42	23,420.59	10.28
Tier 2 Capital	12,930.02	4.39	7,204.10	2.82	5,746.87	2.52
Total Capital	38,570.54	13.11	31,289.95	12.24	29,167.46	12.80
Required Capital	36,779.27	12.50	31,954.83	12.50	28,474.81	12.50
Capital Surplus/ (shortfall)	1,791.26	0.61	(664.88)	(0.26)	692.65	0.30

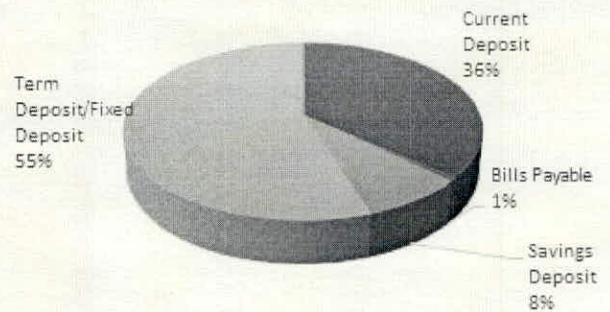
The Bank's total capital (Tier 1 and Tier 2) reached BDT 38,570.54 million at the end of Sept.2021 on the back of internal capital generation. The Bank has dividend paying track record. The Bank declared total 5.0% stock dividend for 2020. Besides, IFIC Bank has issued subordinated bond outstanding BDT 6,400 million at the end of 3rd QTR 2021 which played an important role in building the Bank's Tier 2 capital. CRAR ratio of IFIC enhanced to 13.11% at the end of Sept.21 from 12.24% in Dec'20. Around 82.16% of total corporate clients of IFIC Bank were rated at the end of 3rd QTR 2021. Core capital to total exposure (on and off balance sheet) of the Bank was 5.40% at the end of Sept'21.

Liability and Liquidity Profile: Total asset of the Bank was funded by deposit (shared 80.66% of total asset) followed by share holders' equity (shared 6.61% of total asset) and interbank borrowing (3.68% of total asset) and subordinated bonds shared (1.58% of total asset). Total deposits of the Bank reached BDT 326,736.27 million at the end of Sept.2021. At the end of 3rd QTR 21, Total deposit of the Bank was strongly dominated by term deposit (55.03% of total deposit) followed by current deposit (36.33% of total) and savings deposit (8.02% of total). CASA/ Total Deposit ratio was 44.35% at the end of 30 Sept.'21. On an average, AD ratio remained within 82.71% within 3rd QTR 2021. Private sector deposit shared 87.59% of total deposit whereas 35.59% of total

deposit will be mature over 5 years. Cost of deposit was 4.50% at the end of 3rd QTR '21.

Graph 3

Deposit Mix of the Bank as on 30 Sept.2021



From Jan - Sept 2021	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept
A/D Ratio (according to BB)	83.89%	85.05%	85.94%	85.69%	81.55%	82.04%	78.84%	78.56%	82.84%

Table 5

Structural Liquidity Profile of the Bank						
Mil. BDT	-- ended on 30 Sept. 2021 --					
Particulars	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
Net Mismatch	36,696.60	(25,143.50)	(11,361.20)	528.60	231.20	951.70
Cumulative Net Mismatch	36,696.60	11,553.20	191.90	720.50	951.70	

IFIC Bank has strength in earning generation capacity, large branch network, and substantial shareholding of the government (32.75% shares). On the other hand, principal concerns of the Bank are previous continuation of NPL ratio.

CRAB Structured Finance Rating

Off Balance Sheet Exposures: The Bank's off balance sheet portfolio reached BDT 65,726.39 million at the end of 30 Sept. 21. Contingent liabilities portfolio was mainly dominated by acceptance and endorsements (39.80% of total) followed by letter of credit (34.02% of total) at the end of 30 Sept.2021. Total off balance sheet exposures of the Bank was 16.23% of total assets at the end of Sept.21.

Earning Profile: At the end of Sept. 2021, total operating income of the Bank was dominated by net interest income (47.76% of total) followed by investment income (32.58% of total), commission/fees & exchange income (18.35% of total) and other operating income (1.31% of total). Other operating income was BDT 125.55 mill income shared by service charge on accounts. Interest income of IFIC slightly reduced by 0.46% at the end of Sept'2021 compared to that of its previous financial year on the back of moderate loan growth. On the other side, interest expense reduced too by 18.27% in the same period mainly resulted from reduced deposit rate along with enhanced CASA. As an overall effect, net interest income enhanced significantly by 123.48% and reached BDT 4,563.09 million.

Table 6

Financial Performance of the Bank			
	2021	Growth (%)	2020
(Months)	Jan-Sept.		Jan-Sept.
Mil. BDT	(9)		(9)
	Amount		Amount
Interest income	16,175.68	(0.46)	16,250.48
Interest expense	11,612.59	(18.27)	14,208.65
Net Interest Income	4,563.09	123.48	2,041.83
Investment Income	3,112.82	17.09	2,658.39
Comm./exchange & brokerage income	1,752.72	34.15	1,306.52
Other Operating Receipts	125.55	51.13	83.07
Total Operating Income	9,554.18	56.89	6,089.81
Total Operating expenditure	4,634.25	19.23	3,886.83
Profit Before Provision	4,919.93	123.33	2,202.98
Profit After Tax	1,612.95	85.75	868.33
Ratios (%)			
Cost to Income Ratio	48.50	-	63.83
Net Profit Margin	16.88	-	14.26

Investment income of the Bank grew moderately to BDT 3,112.82 million at the end of Sept'21 whereas 69.93% investment income shared by interest from Govt. securities. Commission/ exchange income was enhanced than that of previous period. As an overall effect, total operating income of the Bank reached BDT 9,554.18 million at the end of Sept.'21. Operating expense was BDT 4,634.25 million for the same period which consist of personnel and overhead expense. Cost to income ratio of the Bank stood at 48.50% at the end of 3rd QTR 2021. Pre provision profit reached BDT 4,919.93 million as of 30 Sept. 2021. As an overall effect, profit after tax of the Bank reached BDT 1,612.95 million at the end of Sept.2021. Net profit margin enhanced 2.62 percentage points to 16.88% in 3rd QTR of 2021 resulted from operating revenue.

Senior Management

Presently, the Management team of IFIC is headed by Managing Director Mr. Shah A Sarwar. Mr. Sarwar joined IFIC Bank as Managing Director in December 2012. He has more than 40 years of banking experience. Prior to joining as Managing Director, he was the Managing Director & CEO of Trust Bank Ltd. The Managing Director, Deputy Managing Directors and Head of Divisions are responsible for achieving business goals and overseeing the day to day operation. The Managing Director is assisted by a Senior Management Group consisting of Deputy Managing Directors and Head of Divisions who supervise operation of various divisions centrally and co-ordinates operation of branches.

APPENDIX 1: DEFINITIONS OF SELECTED RATIOS

1. Loans and advances include Loans, Cash Credit, Overdrafts, Bill purchased and discounted unless mentioned otherwise.
2. Deposits include Deposits & other accounts and bills payables unless mentioned otherwise.
3. Average Assets, Average investment assets, Average Earning Assets and Average equity are calculated on the basis of opening and year end balances.
4. Interest Earning Assets include total loans & advances, money at call & short notice, balance with other banks & FIs, foreign currency balance with Bangladesh Bank and interest earning assets in Offshore Unit.
5. Net Loans & Advances has been calculated by deducting Specific Provision and Interest Suspense Accounts from Gross Loans & Advances.
6. Net Profit Margin = Net Profit after Tax / Operating Income

APPENDIX 2:

Table 2.1

IFIC Bank Ltd. (Shareholding by Category)	30 September 2021	
	No. of Share	%
Sponsors & Directors	69,933,264	4.11
Government (Director also)	557,009,592	32.75
Sub-Total	626,942,856	36.86
Institutions	433,760,208	25.50
Foreign Investors	14,349,174	0.84
General Investors	625,815,323	36.80
Sub-Total	1,073,924,705	63.14
Total	1,700,867,561	100.00

CRAB Structured Finance Rating
CREDIT RATING SCALES AND DEFINITIONS – LONG TERM: DEBT INSTRUMENTS

Rating	Definition
AAA Triple A (Extremely Strong Capacity)	Debt instruments rated AAA have extremely strong capacity to meet financial commitments. These are judged to be of the highest quality, with minimal credit risk.
AA ₁ , AA ₂ , AA ₃ * Double A (Very Strong Capacity)	Debt instruments rated AA have very strong capacity to meet financial commitments. These are judged to be of very high quality, subject to very low credit risk.
A ₁ , A ₂ , A ₃ Single A (Strong Capacity)	Debt instruments rated A have strong capacity to meet financial commitments, but susceptible to the adverse effects of changes in circumstances and economic conditions. These are judged to be of high quality, subject to low credit risk.
BBB ₁ , BBB ₂ , BBB ₃ Triple B (Adequate Capacity)	Debt instruments rated BBB have adequate capacity to meet financial commitments but more susceptible to adverse economic conditions or changing circumstances. They are subject to moderate credit risk. Such rated projects possess certain speculative characteristics.
BB ₁ , BB ₂ , BB ₃ Double B (Inadequate Capacity)	Debt instruments rated BB have inadequate capacity to meet financial commitments. They have major ongoing uncertainties and exposure to adverse business, financial, or economic conditions. Such projects have speculative elements, and are subject to substantial credit risk.
B ₁ , B ₂ , B ₃ Single B (Weak Capacity)	Debt instruments rated B have weak capacity to meet financial commitments. They have speculative elements and are subject to high credit risk.
CCC ₁ , CCC ₂ , CCC ₃ Triple C (very Weak Capacity)	Debt instruments rated CCC have very weak capacity to meet financial obligations. They have very weak standing and are subject to very high credit risk.
CC Double C (Extremely Weak Capacity)	Debt instruments rated CC have extremely weak capacity to meet financial obligations. They are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
C Single C (Near to Default)	Debt instruments rated C are highly vulnerable to non-payment, have payment arrearages allowed by the terms of the documents, or subject of bankruptcy petition, but have not experienced a payment default. Payments may have been suspended in accordance with the instrument's terms. They are typically in default, with little prospect for recovery of principal or interest.
D (Default)	D rating will also be used upon the filing of a bankruptcy petition or similar action if payments on an obligation are jeopardized.

*Note: CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

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ANNEXURE 4: DUE DILIGENCE CERTIFICATE OF THE TRUSTEE



Your Trusted Risk Manager

সেনা কল্যাণ ইন্সুরেন্স কোম্পানি লিমিটেড
Sena Kalyan Insurance Company Ltd.
(A Concern of Sena Kalyan Sangstha)

Corporate Office :
SKS Tower (12th Floor)
7 VIP Road, Mohakhali, Dhaka-1206
PABX : +88-02-55058455-7
F a x : + 88-02-55058458
E-mail : info@senakalyanicl.com
Web : www.senakalyanicl.com

07 November, 2021

DUE DILIGENCE CERTIFICATE OF THE TRUSTEE

Chairman

Bangladesh Securities and Exchange Commission
E-6/C, Agargaon, Sher-E-Bangla Nagar,
Administrative Area, Dhaka-1207.

Subject: Issuance of 3rd Non-convertible Redeemable Subordinated Bond of "IFIC Bank Limited" worth BDT 5,000 Million for Tier-II Capital of the Bank as per Basel-III

We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while acting as trustee to the above mentioned issue on behalf of the subscribers, have examined the draft Information Memorandum, legal and other documents and material facts as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, their directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other material facts furnished by the issuer; -

WE CONFIRM THAT:

- (a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft Deed of Trust and draft Subscription Agreement forwarded to the Commission has been approved by us;
- (b) we have also examined all documents of the assets to be charged with the Trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- (c) while examining the above documents, we find that all the requirements of the Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;
- (d) we shall act as trustee to the issue as mentioned above as per provisions of the Deed of Trust to be executed with the issuer and shall assume the duties and responsibilities as described in the Deed of Trust and in the IM;
- (e) we shall also abide by the Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission in regard to the issue; and
- (f) the above declarations are unequivocal and irrevocable.

Brig Gen Shafique Shamim, psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.
For Trustee